
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2019

Or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission file number 001-33404

WESTWATER RESOURCES, INC.

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State of Incorporation)

75-2212772
(I.R.S. Employer Identification No.)

6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112
(Address of Principal Executive Offices, Including Zip Code)

(303) 531-0516
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.001 par value	WWR	Nasdaq Capital Market

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Title of Each Class of Common Stock</u>	<u>Number of Shares Outstanding</u>
Common Stock, \$0.001 par value	1,494,153 as of May 7, 2019

WESTWATER RESOURCES, INC.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WESTWATER RESOURCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(expressed in thousands of dollars, except share amounts)
(unaudited)

	Notes	March 31, 2019	December 31, 2018
ASSETS			
Current Assets:			
Cash and cash equivalents	1	\$ 1,019	\$ 1,577
Marketable securities	6	—	415
Assets held for sale	4,5	1,617	1,545
Prepaid and other current assets		722	643
Total Current Assets		<u>3,358</u>	<u>4,180</u>
Property, plant and equipment, at cost:			
Property, plant and equipment		91,771	91,772
Less accumulated depreciation, depletion and impairment		(71,242)	(71,219)
Net property, plant and equipment	7	20,529	20,553
Operating lease right-of-use assets	14	569	—
Restricted cash	1,6	3,750	3,732
Assets held for sale — non-current	4	—	1,493
Total Assets		<u>\$ 28,206</u>	<u>\$ 29,958</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable		\$ 969	\$ 776
Accrued liabilities		2,038	1,688
Asset retirement obligations - current	9	894	708
Operating lease liability - current	14	151	—
Total Current Liabilities		<u>4,052</u>	<u>3,172</u>
Asset retirement obligations, net of current portion	9	5,100	5,495
Other long-term liabilities and deferred credits	5	500	500
Operating lease liability, net of current	14	424	—
Total Liabilities		<u>10,076</u>	<u>9,167</u>
Commitments and Contingencies	9,13		
Stockholders' Equity:			
Common stock, 100,000,000 shares authorized, \$.001 par value;			
Issued shares — 1,494,314 and 1,436,555, respectively			
Outstanding shares — 1,494,153 and 1,436,394, respectively	10	1	1
Paid-in capital	10,11	313,435	313,012
Accumulated other comprehensive loss		—	(90)
Accumulated deficit		(295,048)	(291,874)
Treasury stock (161 and 161 shares, respectively), at cost		(258)	(258)
Total Stockholders' Equity		<u>18,130</u>	<u>20,791</u>
Total Liabilities and Stockholders' Equity		<u>\$ 28,206</u>	<u>\$ 29,958</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

WESTWATER RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(expressed in thousands of dollars, except share and per share amounts)
(unaudited)

	Notes	For the Three Months Ended March 31,	
		2019	2018
Operating Expenses:			
Mineral property expenses	8	\$ (634)	\$ (782)
General and administrative expenses		(1,836)	(1,805)
Acquisition costs	3	—	(755)
Accretion of asset retirement obligations	9	(126)	(134)
Depreciation and amortization		(23)	(34)
Total operating expenses		(2,619)	(3,510)
Non-Operating Income/(Expenses):			
Loss on sale of marketable securities	4,6	(720)	(93)
Interest income	4	166	174
Other income (expense)		(1)	10
Total other (expense)/income		(555)	91
Net Loss		\$ (3,174)	\$ (3,419)
Other Comprehensive Income (Loss)			
Unrealized fair value decrease on marketable securities		\$ —	\$ (937)
Transfer to realized loss upon sale of available-for-sale securities		90	—
Comprehensive Loss		\$ (3,084)	\$ (4,356)
BASIC AND DILUTED LOSS PER SHARE		\$ (2.15)	\$ (6.11)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		1,478,233	559,357

The accompanying notes are an integral part of these condensed consolidated financial statements.

WESTWATER RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS AND SUPPLEMENTAL CASH FLOW
INFORMATION
(expressed in thousands of dollars)
(unaudited)

	Notes	Three Months Ended March 31,	
		2019	2018
Operating Activities:			
Net loss		\$ (3,174)	\$ (3,419)
Reconciliation of net loss to cash used in operations:			
Non-cash lease expense		5	—
Accretion of asset retirement obligations	9	126	134
Amortization of notes receivable discount	4	(123)	(168)
Loss on sale of marketable securities		720	93
Costs incurred for restoration and reclamation activities	9	(335)	(142)
Depreciation and amortization		23	34
Stock compensation expense	11	8	81
Increase in prepaids and other		(32)	(14)
Increase/(decrease) in payables and deferred credits		42	(295)
Net Cash Used in Operating Activities		<u>(2,740)</u>	<u>(3,696)</u>
Cash Flows from Investing Activities:			
Deposit for sale of assets	5	500	—
Proceeds from the sale of marketable securities, net	4	536	475
Proceeds from collection on note receivable	4	750	750
Note advances for Alabama Graphite corporate merger	3	—	(597)
Net Cash Provided by Investing Activities		<u>1,786</u>	<u>628</u>
Cash Flows from Financing Activities:			
Issuance of common stock, net	10	415	651
Payment of withholding taxes on net share settlements of equity awards		(1)	—
Net Cash Provided by Financing Activities		<u>414</u>	<u>651</u>
Net decrease in cash, cash equivalents and restricted cash		(540)	(2,417)
Cash, cash equivalents and restricted cash, beginning of period		5,309	7,722
Cash, Cash Equivalents and Restricted Cash, End of Period		<u>\$ 4,769</u>	<u>\$ 5,305</u>
Cash paid during the period for:			
Interest		\$ 1	\$ 3
Supplemental Non-Cash Information for Investing and Financing Activities:			
Securities received for payment of notes receivable - Laramide		\$ 750	\$ 750
Total Non-Cash Investing and Financing Activities for the Period		<u>\$ 750</u>	<u>\$ 750</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

WESTWATER RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(expressed in thousands of dollars, except share amounts)
(unaudited)

	Common Stock Shares	Amount	Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Treasury Stock	Total
Balances, January 1, 2018	555,806	\$ —	\$ 297,278	\$ 287	\$ (256,190)	\$ (258)	\$ 41,117
Net loss	—	—	—	—	(3,419)	—	(3,419)
Common stock issued, net of issuance costs	20,802	—	651	—	—	—	651
Stock compensation expense and related share issuances, net of shares withheld for payment of taxes	20	—	81	—	—	—	81
Unrealized holding loss on marketable securities	—	—	—	(937)	—	—	(937)
Balances, March 31, 2018	576,628	\$ —	\$ 298,010	\$ (650)	\$ (259,609)	\$ (258)	\$ 37,493
Balances, January 1, 2019	1,436,555	\$ 1	\$ 313,012	\$ (90)	\$ (291,874)	\$ (258)	\$ 20,791
Net loss	—	—	—	—	(3,174)	—	(3,174)
Common stock issued, net of issuance costs	57,205	—	416	—	—	—	416
Stock compensation expense and related share issuances, net of shares withheld for payment of taxes	393	—	8	—	—	—	8
Minimum withholding taxes on net share settlements of equity awards	—	—	(1)	—	—	—	(1)
Transfer to realized loss upon sale of available for sale securities	—	—	—	90	—	—	90
Balances, March 31, 2019	1,494,153	\$ 1	\$ 313,435	\$ 0	\$ (295,048)	\$ (258)	\$ 18,130

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements for Westwater Resources, Inc. (the “Company,” “we,” “us,” “WWR” or “Westwater”), formerly known as Uranium Resources, Inc., have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The accompanying statements should be read in conjunction with the audited financial statements included in Westwater Resources, Inc.’s 2018 Annual Report on Form 10-K. In the opinion of management, all adjustments (which are of a normal, recurring nature) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2019 are not necessarily indicative of the results that may be expected for any other period including the full year ending December 31, 2019.

Significant Accounting Policies

Our significant accounting policies are detailed in Note 1, *Summary of Significant Accounting Policies*, in the Notes to Consolidated Financial Statements within our Annual Report on Form 10-K for the year ended December 31, 2018. Refer to Note 14 for revisions made to our lease accounting policies resulting from our adoption of the new lease accounting standard effective January 1, 2019.

Reverse Stock Split

Immediately following the close of trading on April 22, 2019, the Company effected a one-for-fifty reverse stock split of its common stock. With the reverse stock split, every fifty shares of the Company’s issued and outstanding common stock were combined into one issued and outstanding share of common stock. The reverse stock split reduced the number of shares outstanding from approximately 74.7 million shares to approximately 1.5 million shares. The reverse stock split did not have any effect on the par value of the Company’s common stock. No fractional shares were issued as a result of the reverse stock split. Any fractional shares that would have resulted were settled in cash. All share data herein has been retroactively adjusted for the reverse stock split.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, “*Leases (Topic 842)*,” which supersedes existing guidance for lease accounting. This new standard requires lessees to recognize leases on their balance sheets, and leaves lessor accounting largely unchanged. The new standard requires a dual approach for lessee accounting under which a lessee accounts for leases as finance leases or operating leases with the recognition of a right-of-use asset and a corresponding lease liability. For finance leases, the lessee recognizes interest expense and amortization of the right-of-use asset, and for operating leases, the lessee recognizes straight-line lease expense. The new lease accounting standard along with the clarifying amendments subsequently issued by the FASB, collectively became effective for the Company on January 1, 2019. The Company adopted the new lease accounting standard by applying the new lease guidance at the adoption date on January 1, 2019, and as allowed under the transition relief provided in ASU 2018-11, elected not to restate comparative periods. In addition, we elected the package of practical expedients for our existing leases as permitted under the transition guidance within the new standard and did not reassess (1) lease classification for existing leases, (2) whether existing contracts contained leases, (3) if any indirect costs were incurred, and (4) whether existing land easements should be accounted for as leases. As of January 1, 2019, in connection with the adoption of the new lease accounting standard, the Company recorded a right-of-use lease asset totaling \$0.6 million with a corresponding lease liability totaling \$0.6 million. Refer to Note 14 for further details on our adoption of the new lease accounting standard.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, “Measurement of Credit Losses on Financial Instruments”. ASU 2016-13 will change how companies account for credit losses for most financial assets and certain other instruments. For trade receivables, loans and held-to-maturity debt securities, companies will be required to estimate lifetime expected credit losses and recognize an allowance against the related instruments. For available for sale debt securities, companies will be required to recognize an allowance for credit losses rather than reducing the carrying value of the asset. The adoption of this update, if applicable, will result in earlier recognition of losses and impairments.

In November 2018, the FASB issued ASU 2018-19, “Codification Improvements to ASC 326, Financial Instruments — Credit Losses.” ASU 2016-13 introduced an expected credit loss methodology for the impairment of financial assets measured at amortized

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cost basis. That methodology replaces the probable, incurred loss model for those assets. ASU 2018-19 is the final version of Proposed Accounting Standards Update 2018-270, which has been deleted. Additionally, the amendments clarify that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with ASC 842, Leases.

These updates are effective for fiscal years beginning after December 15, 2019, and the Company is currently evaluating ASU 2016-13 and 2018-19 and the potential impact of adopting this guidance on its financial reporting.

In August 2018, the FASB issued ASU 2018-13, “Fair Value Measurement (ASC 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement”. This update modifies the disclosure requirements for fair value measurements by removing, modifying or adding disclosures. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019 and early adoption is permitted. Certain disclosures in the update are applied retrospectively, while others are applied prospectively. The Company is currently evaluating the potential impact of adopting this guidance on its financial statements.

Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash as reported within the consolidated balance sheet that sum to the total of the same such amounts shown in the statement of cash flows.

(thousands of dollars)	As of March 31,	
	2019	2018
Cash and cash equivalents	\$ 1,019	\$ 1,637
Restricted cash - pledged deposits for performance bonds	3,750	3,668
Cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 4,769</u>	<u>\$ 5,305</u>

Funds deposited by the Company for collateralization of performance obligations are not available for the payment of general corporate obligations and are not included in cash equivalents. Restricted cash consists of money market accounts. The bonds are collateralized performance bonds required for future restoration and reclamation obligations related to the Company’s South Texas production properties.

2. LIQUIDITY AND GOING CONCERN

The interim Condensed Consolidated Financial Statements of the Company have been prepared on a “going concern” basis, which means that the continuation of the Company is presumed even though events and conditions exist that, when considered in the aggregate, raise substantial doubt about the Company’s ability to continue as a going concern because it is possible that the Company will be required to adversely change its current business plan or may be unable to meet its obligations as they become due within one year after the date that these financial statements were issued.

The Company last recorded revenues from operations in 2009 and expects to continue to incur losses as a result of costs and expenses related to maintaining its properties and general and administrative expenses. Since 2009, the Company has relied on equity financings, debt financings and asset sales to fund its operations and the Company expects to rely on these forms of financing to fund its operations into the near future. The Company will also continue to identify ways to reduce its cash expenditures.

The Company’s current business plan requires working capital to fund non-discretionary expenditures for uranium reclamation activities, mineral property holding costs, business development costs and administrative costs. The Company intends to pursue project financing to support execution of the graphite business plan, including discretionary capital expenditures associated with graphite battery-material product development, construction of pilot plant facilities and construction of commercial production facilities. The Company’s current lithium business plan will be funded by working capital; however, the Company is pursuing project financing including possible joint venture partners to fund discretionary greenfield exploration activities.

At March 31, 2019 the Company’s cash balances were \$1.0 million and the Company had a working capital deficit balance of \$1.0 million. Subsequent to May 7, 2019, the Company expects to fund operations as follows:

- Payment due June 30, 2019 or earlier in the amount of \$2.25 million from sale of uranium royalty interests and the Laramide Resources Ltd. promissory note (Note 4) to Uranium Royalty Corp. (Note 5).
- Anticipated public equity offering for up to \$10.0 million in gross proceeds, for which the Company filed a registration statement on Form S-1 on April 24, 2019.

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- Other debt and equity financings and asset sales.

On March 13, 2018, the Nasdaq Stock Market notified Westwater that the Company did not meet Nasdaq's \$1.00 per share minimum bid price requirement under Nasdaq Listing Rule 5550(a)(2) (the "Rule") for continued listing on the Nasdaq Capital Market, and the Company was given an initial grace period of 180 days, or until September 10, 2018, to regain compliance with the Rule. Subsequently, on September 12, 2018, the Company was provided an additional 180-day compliance period, or until March 11, 2019, to regain compliance with the Rule. On March 12, 2019, the Company received a letter from the Listing Qualifications Staff of Nasdaq notifying the Company that, based upon the Company's continuing non-compliance with the Rule, the Staff had determined that the Company's common stock would be delisted from Nasdaq. The Company appealed the Staff's determination and requested a hearing before a Nasdaq hearings panel, which hearing was conducted on May 2, 2019. The hearings panel has 30 days after the hearing to promulgate a formal decision.

On April 18, 2019, the Company's shareholders approved a reverse split of not less than 1-for-5 and not more than 1-for-50. Subsequently, the Board of Directors approved a 1-for-50 reverse split, which was effected after market close on April 22, 2019. As a result, the Company's share price traded above the \$1.00 per share minimum bid price for seven trading days prior to the hearing date and reached 10-consecutive trading days on May 6, 2019. While the Nasdaq appeal is pending, the Company's common stock will continue to trade on the Nasdaq Capital Market under the symbol "WWR." There can be no assurance that the hearings panel will grant the Company's request for continued listing. If the Company's common stock ceases to be listed for trading on Nasdaq, the Company expects that its common stock would be traded on the over-the-counter market, which could adversely affect the market liquidity and price of the Company's common stock.

While the Company has been successful in the past in raising funds through equity and debt financings as well as through the sale of non-core assets, no assurance can be given that additional financing will be available to it in amounts sufficient to meet its needs, or on terms acceptable to the Company. In the event that we are unable to raise sufficient additional funds, we may be required to delay, reduce or severely curtail our operations or otherwise impede our on-going business efforts, which could have a material adverse effect on our business, operating results, financial condition, long-term prospects and ability to continue as a viable business. Considering all of the factors above, the Company believes there is substantial doubt regarding its ability to continue as a going concern.

3. ACQUISITIONS

Acquisition of Alabama Graphite

On April 23, 2018, the Company completed its acquisition of 100% of the outstanding securities of Alabama Graphite Corp. ("Alabama Graphite") for total consideration of \$8.9 million. Alabama Graphite is a Canadian entity that indirectly holds a 100% interest in the Coosa graphite project and Coosa mineral properties located in Alabama. The consideration was comprised of \$2.4 million in cash used to fund Alabama Graphite's operating activities prior to completion of the Alabama Graphite transaction and certain related transaction costs, \$6.4 million in common stock of the Company and \$89,000 for warrants and options in the Company. Each Alabama Graphite ordinary share was exchanged for 0.0016 common share of WWR. Each warrant and option of Alabama Graphite was also exchanged for warrants and options exercisable for common shares of WWR on the same terms and conditions as were applicable prior to the Alabama Graphite transaction, except that the exercise price was converted for the 0.0016 share exchange ratio and for the USD exchange rate on the agreement date which was \$0.77809 (CAD to USD) on December 13, 2017. As a result, the Company issued 232,504 new shares, 7,280 options and 42,888 warrants. The value of the Company's common stock issued as consideration was based upon the opening share price on April 23, 2018 of \$27.50. The operating results of Alabama Graphite are included in the Consolidated Statement of Operations commencing April 23, 2018.

The Alabama Graphite loan from WWR was \$1.8 million on April 23, 2018 and was incorporated into the final acquisition accounting and therefore was eliminated as of June 30, 2018. Acquisition related costs were \$1.9 million as of June 30, 2018, of which, \$0.6 million was capitalized as additional cash consideration at the acquisition date for certain transaction costs that were directly related to the asset acquisition.

The acquisition of Alabama Graphite was accounted for as an asset acquisition in accordance with ASC 360 as "substantially all" of the purchase consideration was concentrated in a single identifiable asset for graphite mineral interests. WWR controls the Board of Directors and senior management positions of Alabama Graphite and has overall control over the day-to-day activities of the acquired entity.

The following summarizes the preliminary allocation of purchase price to the fair value of assets acquired and liabilities assumed as of the acquisition date (in thousands):

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Consideration:	
Cash	\$ 2,397
Issuance of 232,504 common shares for replacement of Alabama Graphite shares	6,394
Issuance of 7,280 options for replacement of Alabama Graphite options	35
Issuance of 42,888 warrants for replacement of Alabama Graphite warrants	54
	<u>\$ 8,880</u>
The fair value of the consideration given was allocated as follows:	
Assets:	
Cash and cash equivalents	\$ 17
Short-term receivables	113
Prepaid expenses	42
Property, plant, equipment and graphite mineral interests	8,973
Total assets	<u>9,145</u>
Liabilities:	
Accounts payable and accrued liabilities	265
Total liabilities	<u>265</u>
Net assets	<u>\$ 8,880</u>

The carrying value of the current assets acquired and liabilities assumed approximated the fair value due to the short-term nature of these items. The fair value of the graphite mineral interests was estimated using a discounted cash flow approach and market comparables. Key assumptions used in the discounted cash flow analysis include discount rates, mineral resources, future timing of production, recovery rates and future capital and operating costs.

4. NOTES RECEIVABLE

Laramide Note Receivable

As part of the consideration for the sale of Hydro Resources, Inc. (HRI), the Company currently holds a promissory note with a current balance of \$2.0 million, secured by a mortgage over the Churchrock and Crownpoint properties owned by Laramide Resources Ltd. ("Laramide"). The note is in the final year of a three-year term and carries an initial interest rate of 5%. The final principal payment of \$2.0 million is due and payable on January 5, 2020. Interest is payable on a quarterly basis during the final year. Laramide will have the right to satisfy up to half of the final principal payment by delivering shares of its common stock to the Company, which shares will be valued by reference to the volume weighted average price ("VWAP") for Laramide's common stock for the 20 trading days before January 5, 2020. The fair value of this note receivable was determined using the present value of the future cash receipts discounted at a market rate of 9.5%.

As of March 31, 2019, the Company has received three tranches of Laramide common shares as partial consideration for the sale of HRI, which has resulted in the receipt of 2,218,133, 1,982,483 and 2,483,034 Laramide common shares in January 2017, January 2018 and January 2019, respectively. These share payments represent the initial consideration from the January 2017 sale of HRI and two note installments in January 2018 and January 2019. The first note installment in the amount of \$1.5 million in January 2018, consisted of \$750,000 in cash and the issuance of 1,982,483 of Laramide's common shares. The second note installment in the amount of \$1.5 million in January 2019, consisted of \$750,000 in cash and the issuance of 2,483,034 of Laramide's common shares. Additionally, Laramide has made interest payments of \$70,764 in cash during the three months ending March 31, 2019.

For the three months ended March 31, 2019, the Company sold the third tranche of 2,483,034 Laramide common shares and 2,218,133 Laramide warrants resulting in net proceeds of \$0.5 million and a net loss on sale of marketable securities of \$0.7 million.

The following tables show the notes receivable, accrued interest and unamortized discount on the Company's notes receivable as of March 31, 2019 and December 31, 2018.

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	March 31, 2019			
(thousands of dollars)	Note Amount	Plus Accrued Interest	Less Unamortized Note Discount	Note Balance per Balance Sheet
Current Assets				
Notes receivable Laramide — current	\$ 2,000		(383)	1,617
Total Notes Receivable — current and non-current	<u>\$ 2,000</u>	<u>\$</u>	<u>\$ (383)</u>	<u>\$ 1,617</u>

	December 31, 2018			
(thousands of dollars)	Note Amount	Plus Accrued Interest	Less Unamortized Note Discount	Note Balance per Balance Sheet
Current Assets				
Notes receivable Laramide — current	\$ 1,500	\$ 45	\$ —	\$ 1,545
Subtotal Notes Receivable — current	<u>\$ 1,500</u>	<u>\$ 45</u>	<u>\$ —</u>	<u>\$ 1,545</u>
Non-current Assets				
Notes receivable — Laramide — non-current	\$ 2,000	\$ —	\$ (507)	\$ 1,493
Subtotal Notes Receivable — non-current	<u>\$ 2,000</u>	<u>\$ —</u>	<u>\$ (507)</u>	<u>\$ 1,493</u>
Total Notes Receivable — current and non-current	<u>\$ 3,500</u>	<u>\$ 45</u>	<u>\$ (507)</u>	<u>\$ 3,038</u>

5. ASSETS HELD FOR SALE

On March 5, 2019, the Company entered into an Asset Purchase Agreement (“Agreement”) with Uranium Royalty (USA) Corp. and Uranium Royalty Corp. (together “URC”) for the sale of four of its royalty interests on future uranium production from mineral properties located in South Dakota, Wyoming and New Mexico, as well as the remaining amount of the Laramide promissory note in the amount of \$2.0 million as discussed above. Under the terms of the Agreement, the Company is set to transfer ownership of the royalties and promissory note at the closing date which is to be no later than June 30, 2019. In exchange for these assets URC has agreed to pay the Company a total of \$2.75 million, consisting of the following consideration:

- \$0.5 million in cash, paid as a deposit at signing on March 5, 2019; and
- \$2.25 million cash to be paid in full on or before June 30, 2019.

The transaction will close following satisfaction or waiver of the closing conditions, which conditions include, among other things, the execution of various assignment agreements. The Agreement contains certain termination rights and remedies for both URC and the Company. Subject to certain limitations, in the event that the transaction does not close by July 31, 2019, the Company may terminate the Agreement and retain the \$500,000 deposit. In the event that there is a material uncured inaccuracy in any representation or warranty or a material breach of any covenant of the Company, URC has the right to terminate the Agreement and seek a return of the deposit or to seek specific performance of the Agreement. In the event that there is a material uncured inaccuracy in any representation or warranty or a material breach of any covenant of URC, the Company has the right to terminate the Agreement or to seek specific performance of the Agreement. The Agreement will terminate automatically on July 31, 2019 if the closing thereunder has not occurred by July 31, 2019, unless otherwise agreed by the parties.

As a result of execution of the Agreement, the Laramide promissory note has been re-classified as held for sale and is recorded at its carrying value of \$1.6 million on the March 31, 2019 financials since the carrying value does not exceed its fair value. The \$0.5 million cash deposit received from URC on March 5, 2019 could be forfeited in the event that the Agreement is terminated due to the Company’s breach of certain terms of the Agreement. Accordingly, the Company has recorded the deposit as a liability on the balance sheet and will only recognize income when all conditions of the Agreement have been met and closing is complete. The royalty interests being purchased by URC have no carrying value and accordingly, no subsequent adjustments have been made.

6. FINANCIAL INSTRUMENTS

Applicable accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price) and establishes a fair-value hierarchy that prioritizes the inputs used to measure fair value using the following definitions (from highest to lowest priority):

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are observable at the measurement date.
- Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 includes unobservable inputs that reflect management’s assumptions about what factors market participants would use in pricing the asset or liability. These inputs are developed based on the best information available, including internal data.

The Company believes that the fair value of its assets and liabilities approximate their reported carrying amounts. The following table presents information about assets that were recorded at fair value on a recurring and non-recurring basis as of March 31, 2019 and December 31, 2018 and indicate the fair value hierarchy.

(thousands of dollars)	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Non-current Assets				
Restricted cash	\$ 3,750	\$ —	\$ —	\$ 3,750
Total non-current assets recorded at fair value	\$ 3,750	\$ —	\$ —	\$ 3,750

(thousands of dollars)	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Current Assets				
Short-term available-for-sale investments	\$ 415	\$ —	\$ —	\$ 415
Total current assets recorded at fair value	\$ 415	\$ —	\$ —	\$ 415
Non-current Assets				
Restricted cash	\$ 3,732	\$ —	\$ —	\$ 3,732
Total non-current assets recorded at fair value	\$ 3,732	\$ —	\$ —	\$ 3,732

Assets that are measured on a recurring basis include the Company’s marketable securities and restricted cash.

7. PROPERTY, PLANT AND EQUIPMENT

(thousands of dollars)	Net Book Value of Property, Plant and Equipment at March 31, 2019					
	Turkey	Texas	Alabama	New Mexico	Corporate	Total
Uranium plant	\$ —	\$ 3,143	\$ —	\$ —	\$ —	\$ 3,143
Mineral rights and properties	—	—	8,972	7,806	—	16,778
Other property, plant and equipment	7	451	—	—	150	608
Total	\$ 7	\$ 3,594	\$ 8,972	\$ 7,806	\$ 150	\$ 20,529

(thousands of dollars)	Net Book Value of Property, Plant and Equipment at December 31, 2018					
	Turkey	Texas	Alabama	New Mexico	Corporate	Total
Uranium plant	\$ —	\$ 3,256	\$ —	\$ —	\$ —	\$ 3,256
Mineral rights and properties	—	—	8,973	7,806	—	16,779
Other property, plant and equipment	8	348	—	—	162	518
Total	\$ 8	\$ 3,604	\$ 8,973	\$ 7,806	\$ 162	\$ 20,553

[Table of Contents](#)**Impairment of Temrezli and Sefaatli Projects**

On June 20, 2018, the General Directorate of Mining Affairs, a department of the Turkish Ministry of Energy and Natural Resources, notified the Company that the mining and exploration licenses for its Temrezli and Sefaatli projects located in Turkey had been revoked and potential compensation will be proffered. While the Company is investigating the legality of this action and what remedies, including compensation, might be available to the Company, the Company has determined that it is more likely than not that the Company will be unable to explore, develop, mine or otherwise benefit from the mineral properties. Therefore, the Company has determined that all of the uranium mineral holding property assets located in Turkey were fully impaired. The Company will recognize compensation for the mining and exploration licenses when the amount of the full and fair compensation is fixed and determinable and the ability to collect is probable.

The Company reviews and evaluates its long-lived assets for impairment on an annual basis or more frequently when events or changes in circumstances indicate that the related carrying amounts may not be recoverable.

8. MINERAL PROPERTY EXPENDITURES

Mineral property expenditures by geographical location for the three months ended March 31, 2019 and 2018 are as follows:

	For the Three Months Ended Mar 31,	
	2019	2018
	(thousands of dollars)	
Temrezli project, Turkey	\$ —	\$ 79
Total Turkey projects	—	79
Kingsville Dome project, Texas	244	251
Rosita project, Texas	117	197
Vasquez project, Texas	186	235
Other projects, Texas	—	6
Total Texas projects	547	689
Cebolleta project, New Mexico	—	—
Juan Tafoya project, New Mexico	6	6
Total New Mexico projects	6	6
Columbus Basin project, Nevada	—	2
Railroad Valley project, Nevada	—	4
Total Nevada projects	—	6
Sal Rica project, Utah	1	2
Total Utah projects	1	2
Coosa project, Alabama	80	—
Total Alabama Projects	80	—
Total expense for the period	\$ 634	782

9. ASSET RETIREMENT OBLIGATIONS

The following table summarizes the changes in the reserve for future restoration and reclamation costs on the balance sheet:

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<u>(thousands of dollars)</u>	<u>March 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Balance, beginning of period	\$ 6,203	\$ 5,731
Liabilities settled	(335)	(521)
Accretion expense	126	993
Balance, end of period	5,994	6,203
Less: Current portion	(894)	(708)
Non-current portion	<u>\$ 5,100</u>	<u>\$ 5,495</u>

The Company is currently performing plugging and surface reclamation activities at its Rosita and Vasquez projects located in Duval County, Texas. The Company's current liability of \$0.9 million consists of the estimated costs associated with current reclamation activities through March 2020 at the Company's Rosita and Vasquez projects.

10. COMMON STOCK

Common Stock Issued, Net of Issuance Costs

Reverse Stock Split

Immediately following the close of trading on April 22, 2019, the Company effected a one-for-fifty reverse stock split of its common stock. With the reverse stock split, every fifty shares of the Company's issued and outstanding common stock were combined into one issued and outstanding share of common stock. The reverse stock split reduced the number of shares outstanding from approximately 74.7 million shares to approximately 1.5 million shares. The reverse stock split did not have any effect on the par value of the Company's common stock. No fractional shares were issued as a result of the reverse stock split. Any fractional shares that would have resulted were settled in cash. All share data herein has been retroactively adjusted for the reverse stock split.

Controlled Equity Offering Sales Agreement with Cantor Fitzgerald ("Cantor")

On April 14, 2017, the Company entered into the ATM Offering with Cantor acting as sales agent. Under the ATM Offering, the Company may from time to time sell shares of its common stock having an aggregate offering amount up to \$30.0 million in "at-the-market" offerings, \$8.0 million of which shares are registered for sale under a registration statement on Form S-3, which was declared effective on March 9, 2017. The Company pays Cantor a commission of up to 2.5% of the gross proceeds from the sale of any shares pursuant to the ATM Offering. As of March 31, 2019, the Company had sold 488,685 shares of common stock for net proceeds of \$6.1 million under the ATM Offering, of which, 57,205 shares of common stock and net proceeds of \$0.4 million was sold in the three months ended March 31, 2019. As a result, the Company had approximately \$23.8 million remaining available for future sales under the ATM Offering, but has nil registered for sale as of March 31, 2019.

Common Stock Issued for Acquisition of Alabama Graphite

As discussed in Note 3 above, on April 23, 2018, the Company issued 232,504 shares of common stock in exchange for 100% of the outstanding shares of Alabama Graphite as part of the purchase consideration paid to acquire Alabama Graphite.

11. STOCK-BASED COMPENSATION

Stock-based compensation awards consist of stock options, restricted stock units and bonus shares issued under the Company's equity incentive plans which include: the 2013 Omnibus Incentive Plan (the "2013 Plan"), the Amended and Restated 2004 Directors' Stock Option and Restricted Stock Plan (the "2004 Directors' Plan") and the 2004 Stock Incentive Plan (the "2004 Plan"). Upon approval of the 2013 Plan by the Company's stockholders on June 4, 2013, the Company's authority to grant new awards under all plans other than the 2013 Plan was terminated. On July 18, 2017 and April 18, 2019, the Company's stockholders approved amendments to the 2013 Plan to increase the authorized number of shares of common stock available and reserved for issuance under the 2013 Plan by 20,000 shares and 66,000 shares, respectively. Under the 2013 Plan, the Company may grant awards of stock options, stock appreciation rights, restricted stock awards ("RSAs"), restricted stock units ("RSUs"), unrestricted stock, dividend equivalent rights, performance shares and other performance-based awards, other equity-based awards and cash bonus awards to eligible persons. The maximum number of the Company's common stock that may be reserved for issuance under the 2013 Plan is currently 66,278 shares of common stock, plus unissued shares under the prior plans. Equity awards under the 2013 Plan are granted from time to time at the discretion of the Compensation Committee of the Board (the "Committee"), with vesting periods and

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other terms as determined by the Committee with a maximum term of 10 years. The 2013 Plan is administered by the Committee, which can delegate the administration to the Board, other Committees or to such other officers and employees of the Company as designated by the Committee and permitted by the 2013 Plan.

As of April 18, 2019, 66,278 shares were available for future issuances under the 2013 Plan. For the three months ending March 31, 2019 and 2018, the Company recorded stock-based compensation expense of \$7,719 and \$80,673, respectively. Stock compensation expense is recorded in general and administrative expenses.

In addition to the plans above, upon closing of the Company’s acquisition of Anatolia Energy Limited in November 2015, the Company issued 7,495 replacement options and performance shares to the option holders and performance shareholders of Anatolia Energy Limited. The number of replacement options and performance shares was based upon the Black-Scholes value with the exercise prices of the replacement options and performance shares determined using the exchange rate of 0.0001096. The options and performance shares were issued with the same terms and conditions as were applicable prior to the acquisition of Anatolia Energy Limited. As of March 31, 2019, there were 449 replacement options outstanding and no performance shares outstanding.

In addition to the plans above, upon closing of the Company’s acquisition of Alabama Graphite in April 2018, the Company issued 50,168 replacement options and warrants to the option and warrant holders of Alabama Graphite. The number of replacement options and warrants shares was determined using the arrangement exchange rate of 0.0016. The exercise prices for the option and warrant shares were first converted for the exchange rate of 0.0016 and then converted to USD using the exchange rate on December 13, 2017 of 0.77809 (CAD to USD). The options and warrant shares were issued with the same terms and conditions as were applicable prior to the acquisition of Alabama Graphite. As of March 31, 2019, there were 5,568 replacement options and 11,440 replacement warrants outstanding.

Stock Options

The following table summarizes stock options outstanding and changes for the three-month periods ending March 31, 2019 and 2018:

	March 31, 2019		March 31, 2018	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Stock options outstanding at beginning of period	19,170	\$ 79.78	5,723	\$ 276.50
Granted	—	—	—	—
Expired	(280)	179.68	(112)	624.00
Stock options outstanding at end of period	18,890	\$ 78.21	5611	\$ 269.50
Stock options exercisable at end of period	18,890	\$ 78.21	1,828	\$ 682.50

The following table summarizes stock options outstanding and exercisable by stock option plan at March 31, 2019:

Stock Option Plan	Outstanding Stock Options		Exercisable Stock Options	
	Number of Outstanding Stock Options	Weighted Average Exercise Price	Number of Exercisable Stock Options	Weighted Average Exercise Price
2004 Plan	96	\$ 1,752.25	96	\$ 1,752.25
2004 Directors’ Plan	11	9,332.73	11	9,332.73
2013 Plan	12,766	35.41	12,766	35.41
Replacement Stock Options- Alabama Graphite	5,568	80.96	5,568	80.96
Replacement Stock Options- Anatolia Energy	449	676.22	449	676.22
	18,890	\$ 78.21	18,890	\$ 78.21

Restricted Stock Units

Time-based and performance-based RSUs are valued using the closing share price of the Company’s common stock on the date of grant. The final number of shares issued under performance-based RSUs is generally based on the Company’s prior year

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performance as determined by the Compensation Committee of the Board of Directors at each vesting date, and the valuation of such awards assumes full satisfaction of all performance criteria.

The following table summarizes RSU activity for the three-month periods ended March 31, 2019 and 2018:

	March 31, 2019		March 31, 2018	
	Number of RSUs	Weighted- Average Grant Date Fair Value	Number of RSUs	Weighted- Average Grant Date Fair Value
Unvested RSUs at beginning of period	2,260	\$ 70.00	3,578	\$ 70.00
Granted	—	—	—	—
Forfeited	(565)	70.00	(189)	70.00
Vested	—	—	—	—
Unvested RSUs at end of period	1,695	\$ 70.00	3,389	\$ 70.00

12. EARNINGS PER SHARE

Basic and diluted loss per common share have been calculated based on the weighted-average shares outstanding during the period. Additionally, potentially dilutive shares of 35,691 were excluded from the calculation of earnings per share because the effect on the basic income per share would be anti-dilutive for the three months ended March 31, 2019.

13. COMMITMENTS AND CONTINGENCIES

The Company's uranium recovery operations are subject to federal and state regulations for the protection of the environment, including water quality. Future closure and reclamation costs are provided for as each pound of uranium is produced on a unit-of-production basis. The Company reviews its reclamation obligations each year and determines the appropriate unit charge. The Company also evaluates the status of current environmental laws and their potential impact on their accrual for costs. The Company believes its operations are materially compliant with current environmental regulations.

At any given time, the Company may enter into negotiations to settle outstanding legal proceedings and any resulting accruals will be estimated based on the relevant facts and circumstances applicable at that time. We do not expect that such settlements will, individually or in the aggregate, have a material effect on the Company's financial position, results of operations or cash flows.

14. LEASES

Lease Adoption January 1, 2019

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)". This new standard requires lessees to recognize leases on their balance sheets. It also requires a dual approach for lessee accounting under which a lessee accounts for leases as finance leases or operating leases with the recognition of a right-of-use asset and a corresponding lease liability. For operating leases, the lessee recognizes straight-line lease expense. The new lease accounting standard along with the clarifying amendments subsequently issued by the FASB, collectively became effective for the Company on January 1, 2019. The Company adopted the new lease accounting standard by applying the new lease guidance at the adoption date on January 1, 2019, and as allowed under the transition relief provided in ASU 2018-11, elected not to restate comparative periods. In addition, we elected the package of practical expedients for our existing leases as permitted under the transition guidance within the new standard and did not reassess (1) lease classification for existing leases, (2) whether existing contracts contained leases, (3) if any indirect costs were incurred, and (4) whether existing land easements should be accounted for as leases. As of January 1, 2019, in connection with the adoption of the new lease accounting standard, the Company recorded a right-of-use lease asset totaling \$595,870 with a corresponding lease liability totaling \$599,596.

The right-of-use asset represents our right to use an underlying asset for the lease term and the lease liability represents our obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term using a discount rate of 9.5%. This rate is the Company's current estimated incremental borrowing rate.

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The Company has operating leases for corporate offices, storage space and equipment. The leases have remaining lease terms of 1 to 5 years, one of which includes an option to extend the corporate office lease for 3 years. Under our corporate office lease, we are required to reimburse the lessor each month for common use expenses such as maintenance and security services. Because these amounts are variable from year to year and not specifically set in the lease terms, they are not included in the measurement of the right-of-use asset and related lease liability, but rather expensed in the period incurred.

The Company is party to several leases that are for under one year in length. The majority of these leases are for office equipment, machinery, office space and storage. The Company has elected the short-term lease exemption allowed under the new leasing standards, whereby leases with initial terms of one year or less are not capitalized and instead expensed on a straight-line basis over the lease term. In addition, the Company holds numerous leases related to mineral exploration and production to which it has not applied the new leasing standard. Leases to explore or use minerals and similar nonregenerative resources are specifically excluded by ASC 842-10.

The components of lease expense were as follows:

(thousands of dollars)	March 31 2019
Operating lease cost	\$ 40

Supplemental cash flow information related to leases was as follows:

	Three Months Ended March 31, 2019	
Cash paid for amounts included in lease liabilities:		
<i>(thousands of dollars)</i>		
Operating cash flows from operating leases	\$	39
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$	569

Supplemental balance sheet information related to leases was as follows:

(thousands of dollars, except lease term and discount rate)	March 31, 2019
Operating Leases	
Operating lease right-of-use assets	\$ 569
Current portion of lease liabilities	\$ 151
Operating lease liabilities — long term portion	424
Total operating lease liabilities	\$ 575

Weighted Average Remaining Lease Term	Operating leases	March 31, 2019
		4.4 Years
Discount Rate	Operating leases	9.5%

	Lease payments by year (In thousands)	Operating Leases
	2019	\$ 117
	2020	159
	2021	161
	2022	162
	2023	94
Maturities of lease liabilities are as follows:	Total lease payments	693
	Less imputed interest	(118)
	Total	\$ 575

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As of March 31, 2019, the Company has \$0.6 million in right-of-use assets and \$0.6 million in related lease liabilities (\$0.2 million of which is current). The most significant operating lease is for the Company's corporate office in Centennial, Colorado, with \$0.7 million remaining in undiscounted cash payments through the end of the lease term in 2023. The total undiscounted cash payments remaining on operating leases through the end of their respective terms is \$0.7 million.

15. GEOGRAPHIC AND SEGMENT INFORMATION

The Company currently operates in three reportable segments, which are uranium, lithium and graphite mining activities, including exploration, standby operations and restoration and reclamation activities. As a part of these activities, the Company also explores, evaluates and, if warranted, permits uranium, lithium and graphite properties. The Company's long-term assets were \$24.4 million and \$25.8 million as of March 31, 2019 and December 31, 2018, respectively. 100% of the long-term assets are located in the United States. The Company reported no revenues during the three months ended March 31, 2019 and March 31, 2018.

The reportable segments are those operations whose operating results are reviewed by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance provided those operations pass certain quantitative thresholds. Operations whose revenues, earnings or losses or assets exceed or are expected to exceed 10% of the total consolidated revenue, earnings or losses or assets are reportable segments. Information about current assets and liabilities of the segments has not been provided because the information is not used to assess performance.

The table below provides a breakdown of the long-term assets by reportable segments as of March 31, 2019 and December 31, 2018:

(thousands of dollars)	March 31, 2019				
	Corporate	Uranium	Lithium	Graphite	Total
Net property, plant and equipment	\$ 150	\$ 11,407	\$ —	\$ 8,972	\$ 20,529
Restricted cash	—	3,740	—	10	3,750
Operating lease right of use assets, non-current	543	26	—	—	569
Total long-term assets	\$ 693	\$ 15,173	\$ —	\$ 8,982	\$ 24,848

(thousands of dollars)	December 31, 2018				
	Corporate	Uranium	Lithium	Graphite	Total
Net property, plant and equipment	\$ 162	\$ 11,418	\$ —	\$ 8,973	\$ 20,553
Restricted cash	—	3,722	—	10	3,732
Notes receivable, non-current	—	1,493	—	—	1,493
Total long-term assets	\$ 162	\$ 16,633	\$ —	\$ 8,983	\$ 25,778

The table below provides a breakdown of the reportable segments for the three months ended March 31, 2019 and March 31, 2018. Non-mining activities and other administrative operations are reported in the Corporate column.

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(thousands of dollars)	Three Months Ended March 31, 2019				
	Corporate	Uranium	Lithium	Graphite	Total
Statement of Operations					
Mineral property expenses	\$ —	\$ 553	\$ 1	\$ 80	\$ 634
General and administrative expenses	1,279	392	—	147	1,818
Sales and marketing expenses	—	—	—	18	18
Accretion of asset retirement costs	—	126	—	—	126
Depreciation and amortization	1	22	—	—	23
Loss from operations	1,280	1,093	1	245	2,619
Other (expense) income	(555)	—	—	—	(555)
Loss before taxes	\$ (1,835)	\$ (1,093)	\$ (1)	\$ (245)	\$ (3,174)

(thousands of dollars)	Three Months Ended March 31, 2018				
	Corporate	Uranium	Lithium	Graphite	Total
Statement of Operations					
Mineral property expenses	\$ —	\$ 774	\$ 8	\$ —	\$ 782
General and administrative	1,353	452	—	—	1,805
Acquisition related expenses	755	—	—	—	755
Accretion of asset retirement costs	—	134	—	—	134
Depreciation and amortization	1	33	—	—	34
Loss from operations	2,109	1,393	8	—	3,510
Other income	81	10	—	—	91
Loss before taxes	\$ (2,028)	\$ (1,383)	\$ (8)	\$ —	\$ (3,419)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of the consolidated financial results and condition of Westwater for the three months ended March 31, 2019 has been prepared based on information available to us as of May 7, 2019. This discussion should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and notes thereto included herewith and the audited Consolidated Financial Statements of WWR for the period ended December 31, 2018 and the related notes thereto filed with our Annual Report on Form 10-K, which have been prepared in accordance with U.S. GAAP. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those set forth elsewhere in this report. See "Cautionary Note Regarding Forward-Looking Statements."

INTRODUCTION

Westwater is an energy minerals exploration and energy-related materials development company. The Company's battery materials projects include graphite and lithium mineral properties. We established our graphite business with the acquisition of Alabama Graphite on April 23, 2018 and its Coosa Graphite Project along with the associated Coosa Graphite Mine located across 41,900 acres in east-central Alabama. We established our lithium business in 2016 and currently control mineral rights encompassing approximately 36,920 acres across three prospective lithium brine basins in Nevada and Utah. We have continued exploration activities as well as geological evaluation of these properties in 2018 for potential development of lithium resources that may be discovered.

The Company maintains optionality on future rising uranium prices with significant uranium property holdings located in Texas and New Mexico. In Texas, the Company has two licensed and currently idled uranium processing facilities and approximately 11,000 acres (4,400 ha) of prospective in-situ recovery uranium projects. In New Mexico, the Company controls mineral rights encompassing approximately 188,700 acres (76,394 ha) in the prolific Grants Mineral Belt, which is one of the largest concentrations of sandstone-hosted uranium deposits in the world. Incorporated in 1977 as Uranium Resources, Inc., WWR also owns an extensive uranium information database of historic drill hole logs, assay certificates, maps and technical reports for the western United States.

Graphite, Lithium and Uranium Listed as Critical Materials

A Presidential Executive Order on a Federal Strategy to Ensure Secure and Reliable Supplies of Critical Minerals was issued on December 20, 2017, which we believe will accelerate important energy related mineral development in the United States. In conjunction with Professional Paper 1802, published by the U.S. Geological Service ("USGS"), where 23 minerals are identified as critical to the Country's security and economy, WWR believes these actions are important steps in support of domestic minerals development. One of the important steps outlined in the Executive Order required a list of critical minerals to be provided by the US Secretary of the Interior. This list was provided and included all three of WWR's contemplated portfolio products consisting of graphite, lithium and uranium. Graphite and lithium, in particular, are critical to the development of batteries and other energy storage systems essential to the electric vehicle, solar and wind power industries.

Section 232 Investigation

The U.S. Department of Commerce initiated a Section 232 investigation in July 2018 to determine whether the present quantity of uranium ore and product imports threaten to impair U.S. national security. U.S. uranium production has declined significantly since 1987, with domestic uranium producers experiencing a major slowdown in operations and employment. As Westwater commented on April 29, 2019, U.S. uranium producers are expected to benefit, and the price of uranium produced in the U.S. is anticipated to rise, if President Trump imposes tariffs or quotas on imported uranium or takes other action to support domestic uranium production.

RECENT DEVELOPMENTS

Turkish Government Taking of Temrezli and Sefaati Licenses and Westwater's Arbitration Filing

In December 2018, Westwater filed a Request for Arbitration against the Republic of Turkey for its unlawful actions against the Company's investments, most notably, the June 2018 illegal taking of its Temrezli and Şefaati uranium projects. These projects were owned by Westwater's Turkish subsidiary Adur Madencilik Limited Sirketi ("Adur").

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Since 2007, Adur has held the exclusive rights for the exploration and development of uranium at Temrezli and Şefaati, two sites located around 200 kilometers from Ankara, which include the largest and highest-grade deposits of uranium known to be in Turkey. To date, Adur and its shareholders have invested substantially in these two projects, using their technical expertise and carrying out extensive drilling, testing and studies to move the projects towards production. Having successfully completed the exploration stage in 2013-2014, Adur was granted a number of operating licenses by the Turkish government to develop the Temrezli mine. As a direct result of Adur's efforts, Temrezli is the most advanced uranium project in Turkey. Experts have estimated that the mine will generate revenues of up to \$644 million over its life, netting Westwater an estimated future return on its investment of \$267 million as described in the Prefeasibility Study completed for the Temrezli project in 2015.

For many years, Adur and Westwater worked closely with the Turkish authorities and shared their technical expertise in uranium mining. However, Turkey's most recent actions have undermined this longstanding relationship. In particular, in June 2018, the Turkish government cancelled all of Adur's exploration and operating licenses with retroactive effect, rendering Westwater's investment in Adur effectively worthless. While the Turkish authorities had variously issued, renewed and overseen these licenses for more than a decade, they now assert that these were issued by mistake and that the Turkish government has a governmental monopoly over all uranium mining activities in Turkey, in violation of Westwater's rights under Turkish and international law. Westwater has reached out on numerous occasions to the Turkish government to resolve this dispute amicably, to reinstate the licenses and to remedy its unlawful actions, but to no avail.

As a result, on December 13, 2018 Westwater filed a Request for Arbitration against the Republic of Turkey before the International Center for the Settlement of Investment Disputes ("ICSID") pursuant to the Treaty between the United States of America and the Republic of Turkey concerning the Reciprocal Encouragement and Protection of Investments. The ICSID proceeding has not yet begun, and there are no schedules yet for any arbitration milestones; however, the parties have each appointed a party-arbitrator and those party-arbitrators are in the process of appointing a chair of the panel.

Royalty and Promissory Note Sale

On March 5, 2019, Westwater entered into an agreement to sell four royalties on uranium properties located in South Dakota, Wyoming and New Mexico and a promissory note due in 2020 to Uranium Royalty Corp. for \$2.75 million, including \$0.5 million paid at signing. The balance of \$2.25 million will become due and payable at the earlier of June 30, 2019, or following the date upon which the closing conditions are satisfied.

Nasdaq Minimum Bid Non-compliance

On March 13, 2018, the Nasdaq Stock Market notified Westwater that the Company did not meet Nasdaq's \$1.00 per share minimum bid price requirement under Nasdaq Listing Rule 5550(a)(2) (the "Rule") for continued listing on the Nasdaq Capital Market, and the Company was given an initial grace period of 180 days, or until September 10, 2018, to regain compliance with the Rule. Subsequently, on September 12, 2018, the Company was provided an additional 180-day compliance period, or until March 11, 2019, to regain compliance with the Rule.

On March 12, 2019, the Company received a letter from the Listing Qualifications Staff of Nasdaq notifying the Company that, based upon the Company's continuing non-compliance with the Rule, the Staff had determined that the Company's common stock would be delisted from Nasdaq unless the Company timely requests an appeal of such determination to a Nasdaq hearings panel. The Company appealed the Staff's determination by requesting a hearing before a Nasdaq hearings panel, which hearing was conducted on May 2, 2019. While the appeal is pending, the Company's common stock will continue to trade on Nasdaq under the symbol "WWR." There can be no assurance that the hearings panel will grant the Company's request for continued listing. If the Company's common stock ceases to be listed for trading on Nasdaq, the Company expects that its common stock would be traded on the over-the-counter market.

Vanadium Target Identification

In late November 2018, Westwater announced the discovery of significant levels of vanadium concentrations at several locales within the graphitic schists at the Company's Coosa Project. Westwater subsequently commenced the first of a four-phase exploration program designed to determine the extent, character and quality of the vanadium mineralization at Coosa. As announced by the Company on February 19, 2019, the first phase demonstrated widespread positive values for vanadium that extended beyond the graphite resource defined in the 2015 Preliminary Economic Assessment for the Coosa Project.

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Reclamation Success in Texas

Westwater has completed wellfield plugging at the Vasquez Project and the Texas Commission on Environmental Quality has approved this phase of reclamation. This paves the way for bond releases in 2019, including the release of a surety bond posted by the Company in the amount of \$208,657 as announced by the Company on March 4, 2019. Reclamation of the waste disposal well and its associated pond, as well as the remainder of the surface, is scheduled for completion in 2019.

At the Rosita Project, also located in Texas, the wellfield Production Areas 1 & 2 are plugged, and surface reclamation in those areas is also expected to be completed in 2019.

Reverse Stock Split

On April 22, 2019, following the close of trading, Westwater effected a one-for-fifty reverse split of its common shares. The consolidated common shares began trading on a split-adjusted basis on April 23, 2019. On April 18, 2019, at the Annual Meeting of Stockholders, Westwater received approval for a charter amendment permitting Westwater to effect a reverse split. The primary purpose of the reverse split was to bring Westwater into compliance with Nasdaq's \$1.00 minimum bid price requirement to maintain the listing of Westwater's common stock on the Nasdaq Capital Market.

The reverse split reduced the number of Westwater's outstanding common stock from 74,707,659 shares to 1,494,153 shares of common stock. No fractional shares were issued as a result of the reverse stock split. Any fractional shares that would have resulted were settled in cash.

All share data herein has been retroactively adjusted for the reverse stock split.

Results of Operations

Summary

Our consolidated net loss for the three months ended March 31, 2019 was \$3.2 million, or \$2.15 per share, as compared with a consolidated net loss of \$3.4 million, or \$6.11 per share for the same period in 2018.

Mineral Property Expenses

The following table details our mineral property expenses for the three months ended March 31, 2019 and 2018:

(thousands of dollars)	For the Three Months Ended	
	March 31	
	2019	2018
Restoration/Recovery expenses		
Vasquez and Rosita Projects	\$ 18	\$ 182
Total restoration/recovery expenses	18	182
Standby care and maintenance expenses		
Kingsville Dome Project	154	159
Rosita Project	118	93
Vasquez Project	73	75
Temrezli Project	—	79
Total standby care and maintenance expenses	345	406
Exploration and evaluation costs	80	10
Land maintenance and holding costs	191	184
Total mineral property expenses	<u>\$ 634</u>	<u>\$ 782</u>

For the three months ended March 31, 2019, mineral property expenses decreased by \$0.2 million from the corresponding periods during 2018. The decrease was primarily due to a reduction in operating activities at the Temrezli Project of \$0.1 million due

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to the revocation of the mining licenses by the government of Turkey in June 2018 and by a reduction of \$0.2 million in reclamation activities at the Vasquez and Rosita Projects due to adverse weather conditions in 2019.

General and Administrative Expenses

Significant expenditures for general and administrative expenses for the three months ended March 31, 2019 and 2018 were:

(thousands of dollars)	For the Three Months Ended March 31,	
	2019	2018
Stock compensation expense	\$ 8	\$ 81
Salaries and payroll burden	684	729
Legal, accounting, public company expenses	845	677
Insurance and bank fees	142	141
Consulting and professional services	21	15
Office expenses	104	122
Other expenses	32	40
Total	<u>\$ 1,836</u>	<u>\$ 1,805</u>

For the three months ended March 31, 2019, general and administrative charges increased only slightly as compared with the corresponding period in 2018. Increases in legal, accounting and public company expenses of \$0.2 million were offset by decreases in stock compensation and salary costs.

Other Income and Expenses

Loss on Sale of Marketable Securities

For the three months ended March 31, 2019, the Company sold the third tranche of 2,483,034 Laramide common shares along with 2,218,333 Laramide warrants resulting in net proceeds of \$0.5 million and a net loss on sale of marketable securities of \$0.7 million.

Financial Position

Operating Activities

Net cash used in operating activities was \$2.7 million for the three months ended March 31, 2019, as compared with \$3.7 million for the same period in 2018. The decrease was primarily due to non-recurring costs of \$0.8 million related to the Alabama Graphite Corp. acquisition incurred during the three months ending March 31, 2018.

Investing Activities

Net cash provided by investing activities was \$1.8 million for the three months ended March 31, 2019, as compared with \$0.6 million of cash provided by investing activities for the three months ended March 31, 2018. For the 2019 period, the Company received note and related interest payments on the Laramide note in the amount of \$0.8 million in cash. Additionally, the Company received net proceeds of \$0.5 million from the sale of Laramide securities and \$0.5 million from URC as a deposit in accordance with the terms of the Asset Purchase Agreement signed on March 5, 2019. For the 2018 period, the Company received a note payment on the Laramide note in the amount of \$750,000 in cash. Additionally, the Company received net proceeds of \$0.5 million from the sale of Laramide securities. These increases were partially offset by cash used for note advances to Alabama Graphite of \$0.6 million.

Financing Activities

Net cash provided by financing activities was \$0.4 million for the three months ended March 31, 2019 from the sale of common stock through the Company's Cantor ATM Offering agreement.

For the three months ended March 31, 2018, the Company received net cash proceeds of \$0.6 million and \$0.1 million from the sale of common stock through the Common Stock Purchase Agreement with Aspire Capital and the Cantor ATM Offering agreement, respectively.

Liquidity and Capital Resources

The interim Condensed Consolidated Financial Statements of the Company have been prepared on a “going concern” basis, which means that the continuation of the Company is presumed even though events and conditions exist that, when considered in the aggregate, raise substantial doubt about the Company’s ability to continue as a going concern because it is possible that the Company will be required to adversely change its current business plan or may be unable to meet its obligations as they become due within one year after the date that these financial statements were issued.

The Company last recorded revenues from operations in 2009 and expects to continue to incur losses as a result of costs and expenses related to maintaining its properties and general and administrative expenses. Since 2009, the Company has relied on equity financings, debt financings and asset sales to fund its operations and the Company expects to rely on these forms of financing to fund its operations into the near future. The Company will also continue to identify ways to reduce its cash expenditures.

The Company’s current business plan requires working capital to fund non-discretionary expenditures for uranium reclamation activities, mineral property holding costs, business development costs and administrative costs. The Company intends to pursue project financing to support execution of the graphite business plan, including discretionary capital expenditures associated with graphite battery-material product development, construction of pilot plant facilities and construction of commercial production facilities. The Company’s current lithium business plan will be funded by working capital; however, the Company is pursuing project financing including possible joint venture partners to fund discretionary greenfield exploration activities.

At March 31, 2019 the Company’s cash balances were \$1.0 million and the Company had a working capital deficit balance of \$1.0 million. Subsequent to May 7, 2019, the Company expects to fund operations as follows:

- Payment due June 30, 2019 or earlier in the amount of \$2.25 million from sale of uranium royalty interests and the Laramide Resources Ltd. promissory note (Note 4) to Uranium Royalty Corp. (Note 5).
- Anticipated public equity offering for up to \$10.0 million in gross proceeds, for which the Company filed a registration statement on Form S-1 on April 24, 2019.
- Other debt and equity financings and asset sales.

On March 13, 2018, the Nasdaq Stock Market notified Westwater that the Company did not meet Nasdaq’s \$1.00 per share minimum bid price requirement under Nasdaq Listing Rule 5550(a)(2) (the “Rule”) for continued listing on the Nasdaq Capital Market, and the Company was given an initial grace period of 180 days, or until September 10, 2018, to regain compliance with the Rule. Subsequently, on September 12, 2018, the Company was provided an additional 180-day compliance period, or until March 11, 2019, to regain compliance with the Rule. On March 12, 2019, the Company received a letter from the Listing Qualifications Staff of Nasdaq notifying the Company that, based upon the Company’s continuing non-compliance with the Rule, the Staff had determined that the Company’s common stock would be delisted from Nasdaq. The Company appealed the Staff’s determination and requested a hearing before a Nasdaq hearings panel, which hearing was conducted on May 2, 2019. The hearings panel has 30 days after the hearing to promulgate a formal decision.

On April 18, 2019, the Company’s shareholders approved a reverse split of not less than 1-for-5 and not more than 1-for-50. Subsequently, the Board of Directors approved a 1-for-50 reverse split, which was effected after market close on April 22, 2019. As a result, the Company’s share price traded above the \$1.00 per share minimum bid price for seven trading days prior to the hearing date and reached 10-consecutive trading days on May 6, 2019. While the Nasdaq appeal is pending, the Company’s common stock will continue to trade on the Nasdaq Capital Market under the symbol “WWR.” There can be no assurance that the hearings panel will grant the Company’s request for continued listing. If the Company’s common stock ceases to be listed for trading on Nasdaq, the Company expects that its common stock would be traded on the over-the-counter market, which could adversely affect the market liquidity and price of the Company’s common stock.

While the Company has been successful in the past in raising funds through equity and debt financings as well as through the sale of non-core assets, no assurance can be given that additional financing will be available to it in amounts sufficient to meet its needs, or on terms acceptable to the Company. In the event that we are unable to raise sufficient additional funds, we may be required to delay, reduce or severely curtail our operations or otherwise impede our on-going business efforts, which could have a material adverse effect on our business, operating results, financial condition, long-term prospects and ability to continue as a viable business. Considering all of the factors above, the Company believes there is substantial doubt regarding its ability to continue as a going concern.

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Off- Balance Sheet Arrangements

We have no off-balance sheet arrangements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

With the exception of historical matters, the matters discussed in this report are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from projections or estimates contained herein. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, without limitation, statements regarding the adequacy of funding, liquidity, the timing or occurrence of any future drilling or production from the Company's properties, the ability of the Company to acquire additional properties or partner with other companies, the realization of expected benefits from recent business combinations, the anticipated benefits from any action taken by the Trump Administration in response to the Section 232 investigation, and the Company's anticipated cash burn rate and capital requirements. Words such as "may," "could," "should," "would," "believe," "estimate," "expect," "anticipate," "plan," "forecast," "potential," "intend," "continue," "project" and variations of these words, comparable words and similar expressions generally indicate forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, among others:

- the availability of capital to WWR;
- the availability of the Company to continue to satisfy the listing requirements of the Nasdaq Capital Market;
- the spot price and long-term contract price of graphite, vanadium, lithium and uranium;
- the ability of WWR to enter into and successfully close acquisitions, dispositions or other material transactions;
- government regulation of the mining industry and the nuclear power industry in the United States;
- operating conditions at our mining projects;
- the world-wide supply and demand of graphite, vanadium, lithium and uranium;
- weather conditions;
- unanticipated geological, processing, regulatory and legal or other problems we may encounter;
- the results of our exploration activities, and the possibility that future exploration results may be materially less promising than initial exploration result;
- any graphite, vanadium, lithium or uranium discoveries not being in high enough concentration to make it economic to extract the metals;
- currently pending or new litigation or arbitration; and
- our ability to maintain and timely receive mining and other permits from regulatory agencies.

as well as other factors described elsewhere in this Quarterly Report on Form 10-Q, our 2018 Annual Report on Form 10-K and the other reports we file with the SEC. Most of these factors are beyond our ability to predict or control. Future events and actual results could differ materially from those set forth herein, contemplated by or underlying the forward-looking statements. Forward-looking statements speak only as of the date on which they are made. We disclaim any obligation to update any forward-looking statements made herein, except as required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide this information in our Quarterly Reports.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its filings with the Securities and Exchange Commission (“SEC”) is recorded, processed, summarized and reported within the time period specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including the Company’s Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management has recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply judgment in evaluating the Company’s controls and procedures.

During the fiscal period covered by this report, the Company’s management, with the participation of the Chief Executive Officer and Chief Financial Officer of the Company, carried out an evaluation of the effectiveness of the design and operation of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of March 31, 2019.

Changes in Internal Controls

We implemented ASU 2016-02 as of January 1, 2019. As a result, we made the following significant modifications to internal controls over financial reporting, including changes to accounting policies and procedures, operational processes, and documentation practices:

- Updated our policies and procedures related to accounting for lease assets and liabilities and related income and expense.
- Modified our contract review controls to consider the new criteria for determining whether a contract is or contains a lease, specifically to clarify the definition of a lease and align with the concept of control.
- Added controls for reevaluating our significant assumptions and judgments on a quarterly basis.
- Added controls to address related required disclosures regarding leases, including our significant assumptions and judgments used in applying ASC 842.

Other than the items described above, there were no changes in our internal control over financial reporting during the quarter ended March 31, 2019 that materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding reportable legal proceedings is contained in Part I, Item 3, “Legal Proceedings,” in our Annual Report on Form [10-K for the year ended December 31, 2018](#). There have been no material changes to the legal proceedings previously disclosed in the Annual Report on Form 10-K, which are incorporated by reference herein.

ITEM 1A. RISK FACTORS.

Our business activities are subject to significant risks, including those described below. Every investor or potential investor in our securities should carefully consider these risks. If any of the described risks actually occurs, our business, financial position and results of operations could be materially adversely affected. Such risks are not the only ones we face and additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business.

Risks Related to Our Business

There is substantial doubt about our ability to continue as a going concern.

The accompanying financial statements have been prepared assuming Westwater will continue as a going concern. This assumes continuing operations and the realization of assets and liabilities in the normal course of business.

We have incurred significant losses since ceasing production of uranium in 2009 and expect to continue to incur losses as a result of costs and expenses related to maintaining our properties and general and administrative expenses. As of March 31, 2019, we had a

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net working capital deficit of approximately \$1.0 million, cash of approximately \$1.0 million and an accumulated deficit of approximately \$295 million. As a result of our evaluation of the Company's liquidity for the next twelve months, we have included a discussion about our ability to continue as a going concern in our financial statements, and our independent auditor's report for year ended December 31, 2018 includes an explanatory paragraph that expresses substantial doubt about our ability to continue as a "going concern."

If we are unable to raise additional capital, our business may fail and holders of our securities may lose their entire investment.

We had approximately \$1.0 million in cash at March 31, 2019 and have raised approximately \$2.2 million through April 22, 2019 from payments on the promissory note due from Laramide Resources Ltd., sales of Laramide Resources stock delivered to us pursuant to the terms of the promissory note, sales under our Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co., and receipt of the deposit from Uranium Royalty Corp upon signing the Asset Purchase Agreement on March 5, 2019. On average, Westwater expended approximately \$1.0 million of cash per month during 2018, which is expected to continue during 2019. However, the Company has taken measures to reduce general and administrative costs going forward and has reduced activity in Texas while preserving regulatory compliance. There can be no assurance that Westwater will be able to obtain additional capital after it exhausts its current cash. Our capital needs have, in recent years, been funded through sales of our debt and equity securities. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of such securities would likely result in substantial dilution to existing holders of our securities. If we borrow money, we will have to pay interest and may also have to agree to restrictions that limit our operating flexibility.

If additional capital is not available in sufficient amounts or on a timely basis, Westwater will experience liquidity problems, and Westwater could face the need to delay, reduce or significantly curtail current operations, change our planned business strategies and pursue other remedial measures. Any curtailment of business operations would have a material negative effect on our business, operating results, financial condition, long-term prospects and ability to continue as a viable business, the value of our outstanding stock is likely to fall, and our business may fail, causing holders of our securities to lose their entire investment.

Westwater is not producing any minerals at this time. As a result, we currently have no sources of operating cash. If we cannot monetize certain existing assets, partner with another company that has cash resources, find other means of generating revenue other than producing graphite, vanadium, lithium or uranium and/or access additional sources of private or public capital, we may not be able to remain in business.

As a result of low uranium prices, we ceased production of uranium in 2009. We are not planning to commence production at any of our South Texas properties until we are able to acquire additional reserves or mineralized material and uranium prices recover to levels that will ensure that production, once resumed, is sustainable in the 300,000 to 500,000 pound per year range. Our ability to begin plant construction and mine development in Texas, New Mexico or Alabama is subject to availability of financing and activation of our permits and licenses. All of our lithium activities in Nevada and Utah are highly prospective and may never generate revenue. We do not have a committed source of financing for the development of our graphite, vanadium, lithium or uranium projects. There can be no assurance that we will be able to obtain financing for our projects. Our inability to develop our properties would have a material adverse effect on our future operations.

Until we begin graphite, vanadium, lithium or uranium production, we have no way to generate cash inflows unless we monetize certain of our assets or through financing activities. Our future graphite production is dependent on completion of processing facilities and successful implementation of graphite purification technology. Our future lithium or uranium production, cash flow and income are dependent upon the results of exploration as well as our ability to bring on new, as yet unidentified wellfields and to acquire and develop additional reserves. Our future vanadium production is dependent upon the completion of an evaluation plan that will assess the amount, location and size of vanadium concentrations at our Coosa mine in Alabama. We can provide no assurance that we will successfully produce graphite, that our properties will be placed into production or that we will be able to continue to find, develop, acquire and finance additional reserves. If we cannot monetize certain existing assets, partner with another company that has cash resources, find other means of generating revenue other than producing graphite, vanadium, lithium or uranium and/or access additional sources of private or public capital, we may not be able to remain in business and holders of our securities may lose their entire investment.

The success of our mining operations is dependent on our ability to develop our properties and then mine them at a profit sufficient to finance further mining activities and for the acquisition and development of additional properties. The volatility of graphite, vanadium, lithium and uranium prices makes long-range planning uncertain and raising capital difficult.

The success of our mining operations is dependent on our ability to develop our properties and then operate them at a profit sufficient to finance further mining activities and for the acquisition and development of additional properties. The volatility of graphite, vanadium, lithium and uranium prices makes long-range planning uncertain and raising capital difficult.

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Our ability to obtain positive cash flow will be dependent on developing and then mining sufficient quantities of graphite, vanadium, lithium and uranium at a profit sufficient to finance our operations and for the acquisition and development of additional mining properties. Any profit will necessarily be dependent upon, and affected by, the long and short-term market prices of graphite, vanadium, lithium and uranium, which are subject to significant fluctuation. For example, uranium prices have been and will continue to be affected by numerous factors beyond our control, such as the demand for nuclear power, political and economic conditions in uranium producing and consuming countries, uranium supply from secondary sources and uranium production levels and costs of production. A significant, sustained drop in graphite, vanadium, lithium and uranium prices would cause us to recognize impairment of the carrying value of our graphite, vanadium, lithium, uranium or other assets.

The timing and amount of compensation relating to the revocation of the mining and exploration licenses for our Temrezli and Sefaati projects in Turkey is yet to be determined.

On June 20, 2018, the General Directorate of Mining Affairs, a department of the Turkish Ministry of Energy and Natural Resources, notified the Company that the mining and exploration licenses for its Temrezli and Sefaati projects located in Turkey had been revoked and potential compensation would be proffered. Since 2007, Westwater's Turkish subsidiary Adur Madencilik Limited Sirketi ("Adur") has held the exclusive rights for the exploration and development of uranium at Temrezli and Sefaati, two sites located around 200 kilometers from Ankara, which include the largest and highest-grade deposits of uranium known to be in Turkey. To date, Adur and its shareholders have invested substantially in these two projects, using their technical expertise and carrying out extensive drilling, testing and studies to move the projects towards production. As a direct result of Adur's efforts, Temrezli is the most advanced uranium project in Turkey. Experts have estimated that the mine will generate revenues of up to \$644 million over its life, netting Westwater an estimated future return on its investment of \$267 million as described in the Prefeasibility Study completed for the Temrezli project in 2015.

Having successfully completed the exploration stage in 2013-2014, Adur was granted a number of operating licenses by the Turkish government to develop the Temrezli mine. While the Turkish authorities had variously issued, renewed and overseen these licenses for more than a decade, they now assert that these were issued by mistake and that the Turkish government has a governmental monopoly over all uranium mining activities in Turkey, in violation of Westwater's rights under Turkish and international law.

Westwater has reached out on numerous occasions to the Turkish government to resolve this dispute amicably, to reinstate the licenses and to remedy its unlawful actions, but to no avail. As a result, on December 13, 2018 Westwater filed a Request for Arbitration against the Republic of Turkey before the International Centre for the Settlement of Investment Disputes ("ICSID"), pursuant to the Treaty between the United States of America and the Republic of Turkey concerning the Reciprocal Encouragement and Protection of Investments. On December 21, 2018, ICSID advised that it had formally "registered" the Request for Arbitration.

While the Company intends to seek full and fair compensation for the licenses through the Request for Arbitration filed with ICSID, the timing of such compensation is yet to be determined. In addition, the Company can provide no assurance about the amount of any compensation, if any, and an adverse result could have an adverse impact on the Company's financial conditions and results of operations.

We face a variety of risks related to our proposed battery-graphite manufacturing business.

We plan to develop a battery-graphite manufacturing business that produces advanced, high-quality and high-margin products for battery manufacturers. The proposed battery-graphite manufacturing business is significantly different from our historic mining operations and carries a number of risks, including, without limitation:

- the potential diversion of management's attention and other resources, including available cash, from our existing mining business;
- unanticipated liabilities or contingencies, including related to intellectual property;
- the need for additional capital and other resources to expand into the battery-graphite manufacturing business;
- competition from better-funded public and private companies, including from producers of synthetic graphite, and competition from foreign companies that are not subject to the same environmental and other regulations as the Company; and

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- difficulty in hiring personnel or acquiring the intellectual property rights and know-how needed for the proposed battery-graphite manufacturing business.

Entry into a new line of business may also subject us to new laws and regulations with which we are not familiar, and may lead to increased litigation and regulatory risk. Further, our battery-graphite manufacturing business model and strategy are still evolving and are continually being reviewed and revised, and we may not be able to successfully implement our business model and strategy. We may not be able to produce graphite with the characteristics needed for battery production, and we may not be able to attract a sufficiently large number of customers. Neither the Company nor any member of its management team has directly engaged in producing graphite or similar materials before, and our lack of experience may result in delays or further complications to the new business. If we are unable to successfully implement our new battery-graphite manufacturing business, our revenue and profitability may not grow as we expect, our competitiveness may be materially and adversely affected, and our reputation and business may be harmed.

In developing our proposed battery-graphite manufacturing business, we may invest significant time and resources. Initial timetables for the development of our battery-graphite manufacturing business may not be achieved. Failure to successfully manage these risks in the development and implementation of our new battery-graphite manufacturing business could have a material adverse effect on our business, results of operations and financial condition.

The construction and operation of pilot plant facilities and commercial production facilities in Alabama or other manufacturing facilities are subject to regulatory approvals and may be subject to delays, cost overruns or may not produce expected benefits.

We plan to begin construction of a pilot plant for our battery-graphite manufacturing business in late 2019, for operation in 2020, followed by construction of a commercial scale processing facility beginning in 2020, for operation in 2022, that purifies readily available graphite flake concentrates to 99.95% pure carbon. Construction projects of this scale are subject to risks and will require significant capital. Any failure to complete these plants on schedule and within budget could adversely impact our business, results of operations and financial condition.

Construction projects are also subject to broad and strict government supervision and approval procedures, including but not limited to project approvals and filings, construction land and project planning approvals, environment protection approvals, pollution discharge permits, work safety approvals and the completion of inspection and acceptance by relevant authorities. As a result, we may be subject to administrative uncertainty, fines or the suspension of work on such projects. To the extent we are unable to successfully complete construction on time or at all, our ability to develop our proposed battery-graphite manufacturing business could be adversely affected, which in turn could impact our growth prospects.

The Company has no known lithium or vanadium mineral reserves and it may not find any lithium or vanadium and, even if it finds lithium or vanadium, it may not be in economic quantities.

The Company has no known lithium mineral reserves at its Columbus Basin Project or its Railroad Valley Project both in Nevada, or its Sal Rica Project in Utah, and no known vanadium mineral reserves at its Coosa Project in Alabama. Additionally, even if the Company finds lithium or vanadium in sufficient quantities to warrant recovery, it ultimately may not be recoverable. Finally, even if any lithium or vanadium is recoverable, the Company does not know whether recovery can be done at a profit. Our lithium and vanadium activities are highly prospective and may not result in any benefit to the Company.

Because of the unique difficulties and uncertainties inherent in new mineral exploration ventures, the Company's lithium exploration activities face a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by new mineral exploration ventures and the high rate of failure of such ventures. The likelihood of success of the Company's lithium exploration activities must be considered in light of the potential problems, expenses, difficulties, complications and delays encountered in connection with the exploration of new mineral properties. These potential problems include, but are not limited to, unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of its new lithium claims may not result in the discovery of lithium deposits. Problems such as unusual or unexpected formations and other conditions are involved in new mineral exploration and often result in unsuccessful exploration efforts. If the results of the Company's new exploration ventures do not reveal viable commercial mineralization, it may decide to abandon its claims. If this happens, the Company will not benefit from any of the expenditures it will incur in pursuing the claims.

The benefits of integrating Westwater and Alabama Graphite may not be realized.

To be successful on a going forward basis, we will need to combine and integrate the operations of Westwater and Alabama Graphite into one company. Integration will require substantial management attention and could detract attention from the day-to-day business of the combined company. We could encounter difficulties in the integration process, such as the need to revisit assumptions about future production, revenues, capital expenditures and operating costs, including synergies, the loss of key employees or commercial relationships or the need to address unanticipated liabilities. If we cannot integrate Westwater's and Alabama Graphite's businesses successfully, we may fail to realize the expected benefits of our acquisition of Alabama Graphite.

Certain of our mineral properties may be subject to defects in title and we are at risk of loss of ownership.

Many of our mining properties are unpatented mining claims to which we have only possessory title. The validity of unpatented mining claims is often uncertain and such validity is always subject to contest. Unpatented mining claims are generally considered subject to greater title risk than patented mining claims or other real property interests that are owned in fee simple. Because unpatented mining claims are self-initiated and self-maintained, they possess some unique vulnerabilities not associated with other types of property interests. It is impossible to ascertain the validity of unpatented mining claims from public real property records, and, therefore, it can be difficult or impossible to confirm that all of the requisite steps have been followed for location, perfection and maintenance of an unpatented mining claim. The present status of our unpatented mining claims located on public lands allows us the exclusive right to remove locatable minerals, such as graphite, lithium and uranium. We are also allowed to use the surface of the land solely for purposes related to mining and processing the mineral-bearing ores. However, legal ownership of the public land remains with the federal government. We remain at risk that the mining claims may be lost either to the federal government or to rival private claimants due to failure to comply with statutory requirements. In addition, we may not have, or may not be able to obtain, all necessary surface rights to develop a property.

We may incur significant costs related to defending the title to our properties. A successful claim contesting our title to a property may cause us to compensate other persons or perhaps reduce our interest in the affected property or lose our rights to explore and develop that property. This could result in us not being compensated for our prior expenditures relating to the property.

Exploration and development of graphite, vanadium, lithium and uranium properties are risky and subject to great uncertainties.

The exploration for and development of graphite, vanadium, lithium and uranium deposits involves significant risks. It is impossible to ensure that the current and future exploration programs on our existing properties will establish reserves. Whether an ore body will be commercially viable depends on a number of factors, including, but not limited to: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; graphite, vanadium, lithium and uranium prices, which cannot be predicted and which have been highly volatile in the past; mining, processing and transportation costs; perceived levels of political risk and the willingness of lenders and investors to provide project financing; availability of labor, labor costs and possible labor strikes; availability of drilling rigs; and governmental regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting materials, foreign exchange, environmental protection, employment, worker safety, transportation, and reclamation and closure obligations. Most exploration projects do not result in the discovery of commercially mineable deposits of minerals and there can be no assurance that any of our exploration stage properties will be commercially mineable or can be brought into production.

We may enter into acquisitions, dispositions or other material transactions at any time.

We are regularly engaged in a review of opportunities to acquire or dispose of properties, to partner with other companies on projects or to acquire or merge with companies. We currently, and generally at any time, have such opportunities in various stages of active review, including, for example, our engagement of consultants and advisors to analyze particular opportunities, technical, financial and other confidential information, submission of indications of interest and participation in discussions or negotiations for acquisitions or dispositions. Any such acquisition or disposition could be material to us. We could issue common stock or incur additional indebtedness to fund our acquisitions. Issuances of common stock may dilute existing holders of our securities. In addition, any such acquisition, disposition or other transaction may have other transaction specific risks associated with it, including risks related to the completion of the transaction, the project or the jurisdictions in which the project is located. We could enter into one or more acquisitions, dispositions or other transactions at any time.

The developments at the Fukushima Daiichi Nuclear Power Plant in Japan continue to have a negative impact on the uranium markets and public acceptance of nuclear energy is uncertain.

The developments at the Fukushima Daiichi Nuclear Power Plant following the earthquake and tsunami that struck parts of Japan in March 2011 created heightened concerns regarding the safety of nuclear power plants and the ability to safeguard the material used to fuel nuclear power plants. The impact on the perception of the safety of nuclear power resulting from this event may cause increased volatility of uranium prices as well as uncertainty involving the continued use and expansion of nuclear power in certain

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countries. A reduction in the current or the future generation of electricity from nuclear power could result in a reduced requirement for uranium to fuel nuclear power plants which may negatively impact Westwater in the future.

Maintaining the demand for uranium at current levels and future growth in demand will depend upon acceptance of nuclear technology as a means of generating electricity. The developments at the Fukushima Daiichi Nuclear Power Plant may affect public acceptance of nuclear technology. Lack of public acceptance of nuclear technology would adversely affect the demand for nuclear power and potentially increase the regulation of the nuclear power industry.

The only significant market for uranium is nuclear power plants world-wide, and there are a limited number of customers; the nuclear power industry continues to experience an overproduction of uranium.

We are dependent on a limited number of electric utilities that buy uranium for nuclear power plants. Because of the limited market for uranium, a reduction in purchases of newly produced uranium by electric utilities for any reason (such as plant closings) would adversely affect the viability of our business.

Since 2011, the nuclear power industry continues to experience an overproduction of uranium along with high inventories of uranium in various stages of production as a fuel source. These factors impact our position in the market and can adversely impact our business.

The price of alternative energy sources affects the demand for and price of uranium.

The attractiveness of uranium as an alternative fuel to generate electricity may be dependent on the relative prices of oil, gas, coal, wind, solar and hydro-electricity and the possibility of developing other low-cost sources of energy. If the prices of alternative energy sources decrease or new low-cost alternative energy sources are developed, the demand for uranium could decrease, which may result in a decrease in the price of uranium.

The Company's experience in uranium exploration may not apply to its plans for graphite, vanadium and lithium exploration or development.

Although the Company and the members of its management team have significant experience in uranium exploration and development that appears to be synergistic with graphite, vanadium and lithium exploration and development, neither the Company nor any member of its management team has directly engaged in the exploration for or development of graphite, vanadium or lithium deposits. In particular, the Company believes there are similarities between the exploration for and development of lithium brines and the ISR of uranium, but it may not have sufficiently detailed expertise to effectively explore for and develop lithium deposits. The Company's lack of specific graphite, vanadium and lithium experience may lead it to fail to realize the anticipated benefits of its acquisition of Alabama Graphite or the Company's vanadium or lithium exploration and development activities and may adversely affect its financial condition and results of operations. In addition, the Company may need to hire employees or retain consultants with the requisite experience in graphite production and vanadium or lithium exploration and development that are not currently anticipated in the near-term.

Volatility in graphite, vanadium and lithium prices may make it commercially infeasible for the Company to develop its mining claims and may result in the Company not receiving an adequate return on invested capital.

The Company's graphite, vanadium and lithium exploration and development activities may be significantly adversely affected by volatility in the price of graphite, vanadium or lithium. Mineral prices fluctuate widely and are affected by numerous factors beyond our control such as global and regional supply and demand, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, and the political and economic conditions of mineral-producing countries throughout the world. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in our graphite and lithium activities not producing an adequate return on invested capital to be profitable or viable.

Our operations are each subject to environmental risks.

We are required to comply with environmental protection laws, regulations and permitting requirements in the United States, and we anticipate that we will be required to continue to do so in the future. We have expended significant resources, both financial and managerial, to comply with environmental protection laws, regulations and permitting requirements, and we anticipate that we will be required to continue to do so in the future. The material laws and regulations within the U.S. include the Atomic Energy Act, Uranium Mill Tailings Radiation Control Act of 1978 ("UMTRCA"), Clean Air Act, Clean Water Act, Safe Drinking Water Act, Federal Land Policy Management Act, National Park System Mining Regulations Act, the State Mined Land Reclamation Acts or State Department

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of Environmental Quality regulations and the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the rules and regulations of the NEPA, the National Pollution Discharge Elimination System (NPDES) and Section 404 of the Clean Water Act (CWA) as applicable.

We are required to comply with the Atomic Energy Act, as amended by UMTRCA, by applying for and maintaining an operating license from the Nuclear Regulatory Commission (“NRC”) and the State of Texas. Uranium operations must conform to the terms of such licenses, which include provisions for protection of human health and the environment from endangerment due to radioactive materials. The licenses encompass protective measures consistent with the Clean Air Act and the Clean Water Act. Mining operations may be subject to other laws administered by the United States Environmental Protection Agency and other agencies.

The uranium industry is subject not only to the worker health and safety and environmental risks associated with all mining businesses, but also to additional risks uniquely associated with uranium ISR, mining and milling. The possibility of more stringent regulations exists in the areas of worker health and safety, storage of hazardous materials, standards for heavy equipment used in ISR, mining or milling, the disposition of wastes, the decommissioning and reclamation of exploration, mining and ISR sites, climate change and other environmental matters, each of which could have a material adverse effect on the cost or the viability of a particular project.

We cannot predict what environmental legislation, regulation or policy will be enacted or adopted in the future or how future laws and regulations will be administered or interpreted. The recent trend in environmental legislation and regulation, generally, is toward stricter standards, and this trend is likely to continue in the future. This recent trend includes, without limitation, laws and regulations relating to air and water quality, reclamation, waste handling and disposal, the protection of certain species and the preservation of certain lands. These regulations may require the acquisition of permits or other authorizations for certain activities. These laws and regulations may also limit or prohibit activities on certain lands. Compliance with more stringent laws and regulations, as well as potentially more vigorous enforcement policies or stricter interpretation of existing laws, may necessitate significant capital outlays, may materially affect our results of operations and business or may cause material changes or delay to our intended activities.

Our operations may require additional analysis in the future including environmental, cultural and social impact and other related studies. Certain activities require the submission and approval of environmental impact assessments. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. We cannot provide assurance that we will be able to obtain or maintain all necessary permits that may be required to continue our operation or exploration of our properties or, if feasible, to commence development, construction or operation of mining facilities at such properties on terms which enable operations to be conducted at economically justifiable costs. If we are unable to obtain or maintain permits or water rights for development of our properties or otherwise fail to manage adequately future environmental issues, our operations could be materially and adversely affected.

Closure and remediation costs for environmental liabilities may exceed the provisions we have made.

Natural resource companies are required to close their operations and rehabilitate the lands in accordance with a variety of environmental laws and regulations. Estimates of the total ultimate closure and rehabilitation costs for extractive operations are significant and based principally on current legal and regulatory requirements and closure plans that may change materially. Any underestimated or unanticipated rehabilitation costs could materially affect our financial position, results of operations and cash flows. Environmental liabilities are accrued when they become known, are probable and can be reasonably estimated. Whenever a previously unrecognized remediation liability becomes known, or a previously estimated reclamation cost is increased, the amount of that liability and additional cost will be recorded at that time and could materially reduce our consolidated net income in the related period.

The laws and regulations governing closure and remediation in a particular jurisdiction are subject to review at any time and may be amended to impose additional requirements and conditions which may cause our provisions for environmental liabilities to be underestimated and could materially affect our financial position or results of operations.

Because mineral exploration and development activities are inherently risky, we may be exposed to environmental liabilities and other dangers. If we are unable to maintain adequate insurance, or liabilities exceed the limits of our insurance policies, we may be unable to continue operations.

The business of mineral exploration and extraction involves a high degree of risk. Few properties that are explored are ultimately developed into production. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are other risks involved in extraction operations and the conduct of exploration programs. Previous mining operations may have caused environmental damage at certain of our properties. It may be difficult or impossible to assess the extent to which such damage was caused by us or by the activities of previous operators, in which case, any indemnities and exemptions from liability may be ineffective. If any of our

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properties are found to have commercial quantities of minerals, we would be subject to additional risks respecting any development and production activities.

Although we carry liability insurance with respect to our mineral exploration operations, we may become subject to liability for damage to life and property, environmental damage, cave-ins or hazards against which we cannot insure or against which we may elect not to insure because of cost or other business reasons. In addition, the insurance industry is undergoing change and premiums are being increased. If we are unable to procure adequate insurance because of cost, unavailability or otherwise, we might be forced to cease operations.

Reserve and other mineralized material calculations are estimates only, and are subject to uncertainty due to factors including the prices of graphite, vanadium, lithium and uranium, inherent variability of the ore and recoverability of graphite, lithium and uranium in the recovery process.

The calculation of reserves, other mineralized material tons and grades are estimates and depend upon geological interpretation and geostatistical relationships or assumptions drawn from drilling and sampling analysis, which may prove to be unpredictable. There is a degree of uncertainty attributable to the calculation of reserves and mineralized material and their corresponding grades. Until reserves and other mineralized materials are actually mined and processed, the quantity of ore and grades must be considered as an estimate only. In addition, the quantity of reserves and other mineralized materials may vary depending on the price of graphite, vanadium, lithium and uranium. Any material change in the quantity of reserves, other mineralized materials, mineralization or grade may affect the economic viability of our properties.

Our inability to obtain financial surety would threaten our ability to continue in business.

Future financial surety requirements to comply with federal and state environmental and remediation requirements and to secure necessary licenses and approvals will increase significantly as future development and production occurs at certain of our sites in the United States. The amount of the financial surety for each producing property is subject to annual review and revision by regulators. We expect that the issuer of the financial surety instruments will require us to provide cash collateral for a significant amount of the face amount of the bond to secure the obligation. In the event we are not able to raise, secure or generate sufficient funds necessary to satisfy these requirements, we will be unable to develop our sites and bring them into production, which inability will have a material adverse impact on our business and may negatively affect our ability to continue to operate.

Competition from better-capitalized companies affects prices and our ability to acquire both properties and personnel.

There is global competition for graphite, vanadium, lithium and uranium properties, capital, customers and the employment and retention of qualified personnel. In the production and marketing of graphite, vanadium, lithium and uranium, there are a number of producing entities, some of which are government controlled and most of which are significantly larger and better capitalized than we are. Many of these organizations also have substantially greater financial, technical, manufacturing and distribution resources than we have.

Our future uranium production will also compete with uranium recovered from the de-enrichment of highly enriched uranium obtained from the dismantlement of United States and Russian nuclear weapons and imports to the United States of uranium from the former Soviet Union states and from the sale of uranium inventory held by the United States Department of Energy. In addition, there are numerous entities in the market that compete with us for properties and are attempting to become licensed to operate ISR and/or underground mining facilities. If we are unable to successfully compete for properties, capital, customers or employees or with alternative uranium sources, it could have a materially adverse effect on our results of operations.

Because we have limited capital, inherent mining risks pose a significant threat to us compared with our larger competitors.

Because we have limited capital, we may be unable to withstand significant losses that can result from inherent risks associated with mining, including environmental hazards, industrial accidents, flooding, earthquake, interruptions due to weather conditions and other acts of nature which larger competitors could withstand. Such risks could result in damage to or destruction of our infrastructure and production facilities, as well as to adjacent properties, personal injury, environmental damage and processing and production delays, causing monetary losses and possible legal liability. Our business could be harmed if we lose the services of our key personnel.

Our business and mineral exploration programs depend upon our ability to employ the services of geologists, engineers and other experts. In operating our business and in order to continue our programs, we compete for the services of professionals with other mineral exploration companies and businesses. In addition, several entities have expressed an interest in hiring certain of our employees. Our ability to maintain and expand our business and continue our exploration programs may be impaired if we are unable to continue to employ or engage those parties currently providing services and expertise to us or identify and engage other qualified

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personnel to do so in their place. To retain key employees, we may face increased compensation costs, including potential new stock incentive grants and there can be no assurance that the incentive measures we implement will be successful in helping us retain our key personnel.

The Company has no history of paying dividends on its common stock, and we do not anticipate paying dividends in the foreseeable future.

The Company has not previously paid dividends on its common stock. We currently anticipate that we will retain all of our available cash, if any, for use as working capital and for other general corporate purposes. Any payment of future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applicable to the payment of dividends and other considerations that our Board of Directors deems relevant.

Terms of subsequent financings may adversely impact holders of our securities.

In order to finance our future production plans and working capital needs, we may have to raise funds through the issuance of equity or debt securities. Depending on the type and the terms of any financing we pursue, holders of our securities' rights and the value of their investment in our securities could be reduced. A financing could involve one or more types of securities including common stock, convertible debt or warrants to acquire common stock. Any issuance of additional shares of our common stock could be dilutive to existing holders of our securities and could adversely affect the market price of our common stock. These securities could be issued at or below the then prevailing market price for our common stock. We currently have no authorized preferred stock. In addition, if we issue secured debt securities, the holders of the debt would have a claim to our assets that would be prior to the rights of holders of our securities until the debt is paid. Interest on these debt securities would increase costs and negatively impact operating results. If the issuance of new securities results in diminished rights to holders of our common stock, the market price of our common stock could be negatively impacted.

We may not be able to maintain compliance with the continued listing requirements of The Nasdaq Capital Market.

On March 13, 2018, the Nasdaq Stock Market notified us that the Company did not meet Nasdaq's \$1.00 per share minimum bid price requirement under Nasdaq Listing Rule 5550(a)(2) (the "Rule") for continued listing on the Nasdaq Capital Market, and we were given an initial grace period of 180 days, or until September 10, 2018, to regain compliance with the Rule. Subsequently, on September 12, 2018, we were provided an additional 180 day compliance period, or until March 11, 2019, to regain compliance with the Rule.

On March 12, 2019, we received a letter from the Listing Qualifications Staff of Nasdaq (the "Staff") notifying us that, based upon the Company's continuing non-compliance with the Rule, the Staff had determined that our common stock would be delisted from Nasdaq unless we timely requested an appeal of such determination to a Nasdaq hearings panel. We appealed the Staff's determination by requesting a hearing before a Nasdaq hearings panel, which hearing was held on May 2, 2019. While the appeal is pending, our common stock will continue to trade on Nasdaq under the symbol "WWR." There can be no assurance that the hearings panel will grant our request for continued listing. If our common stock ceases to be listed for trading on Nasdaq, we expect that our common stock would be traded on the over-the-counter market.

Delisting from the Nasdaq Capital Market could adversely affect our ability to raise additional financing through the public or private sale of equity securities, significantly affect the ability of investors to trade our common stock and negatively affect the value and liquidity of our common stock. We could also face other adverse consequences if its common stock were delisted including, among others:

- a limited availability of market quotations for our common stock;
- a determination that our common stock is a "penny stock" which will require brokers trading in the common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and little or no analyst coverage for the Company; and
- a decreased ability to issue additional securities (including pursuant to short-form registration statements on Form S-3), the loss of the ability to issue securities in "at-the-market" offerings (including pursuant to the Controlled Equity

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OfferingSM Sales Agreement between the Company and Cantor Fitzgerald & Co.), or obtain additional financing in the future.

The effect of comprehensive U.S. tax reform legislation on Westwater and its affiliates, whether adverse or favorable, is uncertain.

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act. Among a number of significant changes to the current U.S. federal income tax rules, the Tax Cuts and Jobs Act reduces the marginal U.S. corporate income tax rate from 35% to 21%, limits the deduction for net interest expense, shifts the United States toward a more territorial tax system, and imposes new taxes to combat erosion of the U.S. federal income tax base. The effect of the Tax Cuts and Jobs Act on Westwater and its affiliates, whether adverse or favorable, is uncertain, and may not become evident for some period of time. You are urged to consult your tax advisor regarding the implications of the Tax Cuts and Jobs Act.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

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ITEM 6. EXHIBITS.

Exhibit Number	Description
2.1	Asset Purchase Agreement, dated March 5, 2019, among the Company, Uranium Royalty (USA) Corp., and Uranium Royalty Corp.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS:	XBRL Instance Document
101.SCH:	XBRL Taxonomy Extension Schema Document
101.CAL:	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF:	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB:	XBRL Taxonomy Extension Label Linkbase Document
101.PRE:	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WESTWATER RESOURCES, INC.

Dated: May 7, 2019

By: /s/ Christopher M. Jones
Christopher M. Jones
President and Chief Executive Officer
(Principal Executive Officer)

Dated: May 7, 2019

By: /s/ Jeffrey L. Vigil
Jeffrey L. Vigil
Vice President - Finance and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

ASSET PURCHASE AGREEMENT

-among –

WESTWATER RESOURCES, INC.

-and-

URANIUM ROYALTY (USA) CORP.

-and-

URANIUM ROYALTY CORP.

March 5, 2019

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is dated effective March 5, 2019,

BETWEEN:

WESTWATER RESOURCES, INC., a corporation existing under the laws of Delaware (formerly known as Uranium Resources, Inc.) and having a mailing address at 6950 South Potomac Street, Suite 300, Centennial, Colorado 80112

("Westwater")

AND:

URANIUM ROYALTY (USA) CORP., a corporation existing under the laws of Delaware and having a mailing address at 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1

("URC")

AND:

URANIUM ROYALTY CORP., a corporation existing under the federal laws of Canada and having a mailing address at 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1

("URC Parent")

WHEREAS:

- A. Westwater is the legal and beneficial owner of the Royalties (as defined herein) and is the holder of the Promissory Note (as defined herein);
- B. Subject to, and in consideration of, URC paying the Purchase Price (as defined herein) to Westwater, Westwater wishes to sell, and URC wishes to purchase, all of Westwater's rights, title and interest in the Royalties and the Promissory Note;
- C. URC Parent is the sole shareholder of URC and has agreed to cause the performance by URC of its obligations hereunder; and
- D. The Parties (as defined herein) wish to enter into this Agreement in order to set out the terms and conditions on which the Parties will complete the foregoing transactions.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the covenants, representations and warranties and mutual agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

- (a) “**Affiliate**” means, with respect to a Person, another Person which is controlled by, controls or is under common control with the first mentioned Person, and “**control**” for this purpose means the ownership of or control or direction over, directly or indirectly, more than 50% of the voting power attached to the outstanding voting securities of the relevant Person or of sufficient voting securities of such Person that the holder has the right to control the election or appointment of a majority of the directors or Persons acting in a substantially similar capacity (if applicable) of such Person;
- (b) “**Agreement**” means this asset purchase agreement, including its recitals and Schedules, as amended and supplemented;
- (c) “**Assets**” means, collectively, all of Westwater’s rights, title and interest in the Royalties and the Promissory Note (together with the Promissory Note Guaranty, the Mortgage and all other security interests and other rights of, or other Encumbrances in favour of, Westwater and its affiliates securing Promissory Note Payor’s obligations thereunder or otherwise related thereto, including Westwater’s rights described under Section 1.2 of that certain Amendment No. 2 to the Share Purchase Agreement dated December 22, 2016 by and between Uranium Resources, Inc., URI, Inc. and the Promissory Note Payor);
- (d) “**Assignment Agreements**” means, collectively, the Church Rock Royalty Assignment Agreement, the Dewey-Burdock Royalty Assignment Agreement, the Lance Royalty Assignment Agreement, the Roca Honda Royalty Assignment Agreement and the Promissory Note Assignment Agreement;
- (e) “**Business Day**” means any day other than a Saturday, Sunday or any statutory holiday in Vancouver, British Columbia, Canada or Centennial, Colorado, U.S.A.;
- (f) “**Church Rock Property**” means the “Royalty Property”, as such term is defined in the Church Rock Royalty Agreement;
- (g) “**Church Rock Royalty**” means the 4% net returns royalty on the Church Rock Property to be sold, transferred and assigned by Westwater to URC at Closing in respect of the Church Rock Property, as more particularly described in the Church Rock Royalty Agreement and the Church Rock Royalty Assignment Agreement;
- (h) “**Church Rock Royalty Agreement**” means the royalty deed dated as of January 5, 2017, by and between Hydro Resources, Inc. and Uranium Resources, Inc., pursuant to which Westwater acquired the Church Rock Royalty;
- (i) “**Church Rock Royalty Assignment Agreement**” means the assignment agreement in respect of the Church Rock Royalty, to be entered into by Westwater and URC at

Closing, in form and substance customary for such assignment and acceptable to URC and Westwater, each acting reasonably, pursuant to which Westwater shall assign the Church Rock Royalty Agreement and its rights thereunder to URC;

- (j) “**Church Rock Technical Report**” means the NI 43-101 technical report titled “Technical Report on the Church Rock Uranium Project, McKinley Count, State of New Mexico, U.S.A.” prepared for Laramide Resources Ltd. by Roscoe Postle Associates Inc., with an effective date of September 30, 2017;
- (k) “**Claim**” means any claim of any nature whatsoever, including any demand, Liability, grievance, obligation, debt, damage, cost, action, cause of action, suit, Proceeding, judgment, award, assessment, reassessment or notice of determination of Loss;
- (l) “**Closing**” means the closing of the sale and purchase of the Assets in accordance with Article 5;
- (m) “**Closing Date**” means the date that is two (2) Business Days after the date that all the conditions of Closing under this Agreement have been satisfied or waived by the applicable Party or such other date as the Parties may mutually agree upon in writing in accordance with Article 6;
- (n) “**Data**” means all files, ledgers and correspondence, reports, texts, notes, engineering, environmental and feasibility studies, data, specifications, memoranda, invoices, receipts, accounts, accounting records and books, financial statements, financial working papers and all other records and documents of any nature or kind whatsoever relating to any Royalty or any Mineral Property, including, without limitation, those recorded, stored, maintained, operated, held or otherwise wholly or partly dependent on discs, tapes and other means of storage including, without limitation, any electronic, magnetic, mechanical, photographic or optical process, whether computerized or not (and all software, passwords and other information and means of or for access thereto);
- (o) “**Deposit**” has the meaning ascribed thereto in Section 2.1;
- (p) “**Dewey-Burdock Property**” means the “Mineral Property”, as such term is defined in the quitclaim deed and assignment dated effective July 28, 2009, which agreement forms part of the Dewey-Burdock Royalty Assignment Agreement;
- (q) “**Dewey-Burdock Royalty**” means the 30% net proceeds royalty on the Dewey-Burdock Property to be sold, transferred and assigned by Westwater to URC at Closing in respect of the Dewey-Burdock Property, as more particularly described in the Dewey-Burdock Royalty Agreement and the Dewey-Burdock Royalty Assignment Agreement;
- (r) “**Dewey-Burdock Royalty Agreement**” means, collectively, the quitclaim deed and assignment by and between Neutron Energy, Inc. (which was acquired by Westwater in 2012) and Powertech (USA) Inc., dated as of January 12, 2009 and the quitclaim deed and assignment between Neutron Energy, Inc. and Powertech (USA) Inc., dated as of July 30, 2009, pursuant to which Westwater acquired the Dewey-Burdock Royalty;
- (s) “**Dewey-Burdock Royalty Assignment Agreement**” means the assignment agreement in respect of the Dewey-Burdock Royalty, to be entered into by Westwater

and URC at Closing, in form and substance customary for such assignment and acceptable to URC and Westwater, each acting reasonably, pursuant to which Westwater shall assign the Dewey-Burdock Royalty Agreement and its rights thereunder to URC;

- (t) **“Dewey-Burdock Technical Report”** means the NI 43-101 technical report titled “NI 43-101 Technical Report, Preliminary Economic Assessment, Dewey-Burdock Uranium ISR Project, South Dakota, USA” prepared for Azarga Uranium Corp. by TREC, Inc. and Roughstock Mining Services, with an effective date of January 29, 2015;
 - (u) **“Effective Date”** means the effective date of this Agreement, as set out on page 1 hereof;
 - (v) **“Encumbrance”** means
 - (i) any mortgage, title defect, easement, encroachment, servitude, right of pre-emption, right of first refusal, privilege, security interest, pledge or hypothec, whether fixed or floating, conditional sales contract or similar interests,
 - (ii) a claim, interest or estate against or in assets or property (whether real, personal, mixed, tangible or intangible), granted to or reserved or taken by any Person,
 - (iii) an option or other right to acquire, or to acquire any interest in, any assets or property (whether real, personal, mixed, tangible or intangible),
 - (iv) any other encumbrance of whatsoever nature and kind against assets or property (whether real, personal, mixed, tangible or intangible), and
 - (v) any contract to create, or right capable of becoming, any of the foregoing;
 - (w) **“Environmental Claim”** means any and all administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigations or Proceedings relating in any way to any Environmental Law or any permit issued under any such Environmental Law, including, without limitation:
 - (i) any and all claims by a Governmental Authority for enforcement, clean-up, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and
 - (ii) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive or other relief resulting from hazardous materials, including any release thereof, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the environment;
 - (x) **“Environmental Law”** means all requirements of the common law or of environmental, health or safety statutes, regulations, rules, ordinances, policies, orders, approvals, notices, licenses permits or directives of any federal, territorial, provincial, state or local judicial, regulatory or administrative agency, board or governmental authority including, but not limited to those relating to:
-

- (i) noise,
 - (ii) pollution or protection of the air, surface water, ground water or land,
 - (iii) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation,
 - (iv) exposure to hazardous or toxic substances, or
 - (v) the closure, decommissioning, dismantling or abandonment of any facilities, mines or workings and the reclamation or restoration of any lands;
- (y) “**Exchange**” means the TSX Venture Exchange or such other stock exchange in Canada on which the URC Parent Shares are first voluntarily listed for trading by URC Parent;
- (z) “**Governmental Authority**” means any federal, provincial, state, municipal, county or regional government or governmental or regulatory authority, domestic or foreign, including any political subdivision of any of the foregoing, any multi-national organization or body comprised of one of the foregoing, any agency, department, commission, board, bureau, court, tribunal or other authority thereof, or any quasigovernmental or private body exercising any executive, legislative, judicial, administrative, police, regulatory or taxing authority or power of any nature;
- (aa) “**Hydro Resources**” means Hydro Resources, Inc., a Delaware corporation, which to the knowledge of Westwater is a wholly-owned subsidiary of Promissory Note Payor;
- (bb) “**Indemnified Party**” means the Party that is entitled to indemnification pursuant to Sections 7.2 or 7.3, as the case may be;
- (cc) “**Indemnifying Party**” means the Party that is obligated to indemnify pursuant to Sections 7.2 or 7.3, as the case may be;
- (dd) “**Indemnity Claim**” means any act, omission or statement of facts or any demand, action, suit, Proceeding, claim, assessment, judgment or settlement or compromise relating thereto which may give rise to a right to indemnification under Article 7;
- (ee) “**IPO**” means the initial listing and trading of the URC Parent Shares by URC Parent on the Exchange;
- (ff) “**law**” means any law, statute, regulation, by-law, order, ruling, decision, arbitration award, judgment, decree, ordinance, treaty, proclamation, convention, rule or requirement of, and the terms of any authorization issued by, any Governmental Authority;
- (gg) “**Lance Property**” means the “Properties”, as such term is defined in the Mineral Lease Transfer Agreement attached as Exhibit A to the Lance Royalty Agreement;
- (hh) “**Lance Royalty**” means the up to 4% overriding royalty on the Lance Property to be sold, transferred and assigned by Westwater to URC at Closing in respect of the Lance Property, subject to and as more particularly described in the Lance Royalty Agreement and the Lance Royalty Assignment Agreement;

- (ii) “**Lance Royalty Agreement**” means the assignment of overriding royalty interest agreement dated July 31, 2015, by and between Strathmore Resources (US) Ltd. and Uranco Inc. (a wholly owned subsidiary of Westwater) pursuant to which Westwater acquired the Lance Royalty;
- (jj) “**Lance Royalty Assignment Agreement**” means the assignment agreement in respect of the Lance Royalty, to be entered into by Westwater and URC at Closing, in form and substance customary for such assignment and acceptable to URC and Westwater, each acting reasonably, pursuant to which Westwater shall assign the Lance Royalty Agreement and its rights thereunder to URC;
- (kk) “**Liabilities**” includes any debts, financial obligations, liabilities, obligations, Claims, Encumbrances, commitments, demands and expenses of any nature or kind, whether known or unknown, primary or secondary, liquidated or unliquidated, secured or unsecured, accrued or unaccrued, absolute, contingent or otherwise and whether due or to become due, of any Person and whether or not reflected or required to be reflected in a balance sheet in accordance with generally accepted accounting principles;
- (ll) “**Loss**” means any and all actual out of pocket losses, including any liability, damage, cost, expense, charge, fine, penalty or assessment, including the costs and expenses of any action, suit, Proceeding, demand, assessment, judgment, settlement or compromise relating thereto and all interest, fines and penalties and reasonable attorneys’ fees incurred in connection therewith;
- (mm) “**Material Adverse Effect**” means any change, event, circumstance or effect that has been, or is reasonably expected to be, individually or collectively, materially adverse to any of the Assets, except any change, event, circumstance or effect shall not be deemed to constitute, and shall not be taken into account in determining whether there has been a Material Adverse Effect resulting from: (i) changes in the global economy or securities markets in general; (ii) any generally applicable change in applicable laws; (iii) any natural disaster, hostilities, act of war or terrorism or any material escalation of any such hostilities, act of war or terrorism existing as of the Effective Date; (iv) changes in the price of uranium; (v) changes in the uranium mining or mining exploration industry in general; (vi) changes in international political or social conditions, including the engagement by the United States or Canada in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States or Canada, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States or Canada; or (vii) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of URC, *provided, however*, that any change, event circumstance or effect referred to in (i), (ii), (iii) and (vi) above shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such change, circumstance or effect has a disproportionate adverse effect on any of the Assets compared to other participants in the industries in which Westwater operates;
- (nn) “**Mineral**” means all ores, and concentrates or metals derived therefrom, of precious, base and industrial minerals (including without limitation, uranium) and which are found in, on or under a Mineral Property and may lawfully be explored for, mined and sold pursuant to the Mineral Rights and other instruments of title under which such Mineral Property is held;

- (oo) “**Mineral Properties**” means, collectively, the Church Rock Property, the Dewey-Burdock Property, the Lance Property and the Roca Honda Property;
- (pp) “**Mineral Rights**” means prospecting licences, exploration licences, mining leases, mining licences, mineral concessions and other forms of mineral tenure or other rights to Minerals, or to work upon lands for the purpose of searching for, developing or extracting Minerals under any forms of mineral title recognized under the laws applicable in the jurisdiction of the applicable Mineral Property, whether contractual, statutory or otherwise, or any interest therein;
- (qq) “**Mortgage**” means the Mortgage, Security Agreement, Assignment of Production, Fixture Filing and Financing Statement dated January 5, 2017 by Hydro Resources in favor of Westwater, securing Hydro Resources’ obligations under the Promissory Note Guaranty.
- (rr) “**NI 43-101**” means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;
- (ss) “**Operator**” means the owner or operator of a Mineral Property, or both, as applicable in the context used;
- (tt) “**Outside Date**” means June 30, 2019.
- (uu) “**Parties**” means URC, URC Parent and Westwater, and each of them is a “**Party**”;
- (vv) “**Person**” means an individual, partnership, corporation (including a business trust), joint venture, limited liability company or other entity, or a Governmental Authority, and pronouns have a similarly extended meaning;
- (ww) “**Proceeding**” has the meaning ascribed thereto in Section 3.1(m);
- (xx) “**Promissory Note**” means the convertible promissory note dated January 5, 2017, issued by the Promissory Note Payor in favour of Westwater, in the principal amount of \$2,000,000.00, as guaranteed by the Promissory Note Guaranty and secured by the Mortgage;
- (yy) “**Promissory Note Assignment Agreement**” means the allonge and assignment agreement in respect of the Promissory Note, to be entered into by Westwater and URC at Closing, in form and substance customary for such allonge and assignment and acceptable to URC and Westwater, each acting reasonably;
- (zz) “**Promissory Note Guaranty**” means the Guaranty dated effective January 5, 2017 by which Hydro Resources guaranteed in favor of Westwater all obligations of Promissory Note Payor under the Promissory Note.
- (aaa) “**Promissory Note Payor**” means Laramide Resources Ltd.;
- (bbb) “**Purchase Price**” means \$2,750,000.00, to be satisfied in accordance with Section 2.2;
- (ccc) “**Roca Honda Property**” means the “Royalty Property”, as such term is defined in the Roca Honda Royalty Agreement;

- (ddd) “**Roca Honda Royalty**” means the 4% royalty on the gross value from minerals produced on the Roca Honda Property to be sold, transferred and assigned by Westwater to URC at Closing in respect of the Roca Honda Property, as more particularly described in the Roca Honda Royalty Agreement and the Roca Honda Royalty Assignment Agreement, which shall include any payments received from the other party to the Roca Honda Royalty Agreement between the date hereof and Closing;
- (eee) “**Roca Honda Royalty Agreement**” means the royalty deed by and between Strathmore Resources (US) Ltd. and Uranco Inc., dated effective July 31, 2015, pursuant to which Westwater acquired the Roca Honda Royalty;
- (fff) “**Roca Honda Royalty Assignment Agreement**” means the assignment agreement in respect of the Roca Honda Royalty, to be entered into by Westwater and URC at Closing, in form and substance customary for such assignment and acceptable to Westwater and URC acting reasonably, pursuant to which Westwater shall assign the Roca Honda Royalty Agreement and its rights thereunder to URC;
- (ggg) “**Royalties**” means, collectively, the Church Rock Royalty, the Dewey-Burdock Royalty, the Lance Royalty and the Roca Honda Royalty;
- (hhh) “**Royalty Agreements**” means, collectively, the Church Rock Royalty Agreement, the Dewey-Burdock Royalty Agreement, the Lance Royalty Agreement and the Roca Honda Royalty Agreement;
- (iii) “**Technical Reports**” means, collectively, the Church Rock Technical Report and the Dewey-Burdock Technical Report;
- (jjj) “**URC Board**” means the board of directors of URC, as may be constituted from time to time;
- (kkk) “**URC Parent Shares**” means common shares in the capital of URC Parent;
- (lll) “**Uncured Inaccuracy**” with respect to a representation or warranty of a party to this Agreement as of a particular date will be deemed to exist only if such representation or warranty is inaccurate as of such date as if such representation or warranty were made as of such date, and the inaccuracy in such representation or warranty has not been cured since such date; *provided, however*, that if such representation or warranty by its terms speaks as of the date of this Agreement or as of another particular date, then there will not be deemed to be an Uncured Inaccuracy in such representation or warranty unless such representation or warranty was inaccurate as of the date of this Agreement or such other particular date, respectively, and the inaccuracy in such representation or warranty has not been cured since such date.
- (mmm) “**Westwater Board**” means the board of directors of Westwater, as may be constituted from time to time.

1.2 **Certain Rules of Interpretation**

In this Agreement, the rules of interpretation set forth below shall apply.

- (a) Including. Where the words “including” or “includes” are used in this Agreement, they mean “including without limitation” or “includes without limitation”, respectively.
- (b) Number and Gender. Unless the context otherwise requires, words importing the singular include the plural and *vice versa* and words importing gender include all genders.
- (c) Section References and Headings. References to “Article(s)”, “Section(s)”, “Subsection(s)” or “Schedule(s)” in this Agreement mean the specified Article(s), Section(s), Subsection(s) or Schedule(s) of this Agreement. The captions and headings of this Agreement are for convenience of reference only and do not affect, limit or amplify the provisions hereof.
- (d) Schedules. Each of the Schedules attached to this Agreement is incorporated into the Agreement by reference.
- (e) Statutory References. A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation.
- (f) Time. Time is of the essence in the performance of the Parties’ respective obligations contained in this Agreement.

1.3 Currency

Unless specifically noted otherwise, all references to monetary amounts, including references to “dollars” or “\$” in this Agreement mean the lawful currency of the United States.

1.4 Knowledge

Any reference to “knowledge” of Westwater shall mean the actual knowledge of Christopher M. Jones, Jeffery L. Vigil, John W. Lawrence and Dain A. McCoig, and the knowledge such individuals would have acquired after making all reasonable inquiries with the relevant executive management level employees of Westwater.

ARTICLE 2 PURCHASE AND SALE OF ASSETS; DEPOSIT

2.1 Deposit

On the date of this Agreement, URC has paid \$500,000.00 (the “**Deposit**”) to Westwater as a deposit against the Purchase Price.

2.2 Purchase Price

Subject to the terms and conditions set out in this Agreement, Westwater hereby agrees to sell the Assets to URC, and URC hereby agrees to purchase the Assets from Westwater, free and clear of any Encumbrances, in consideration for \$2,750,000.00 (the “**Purchase Price**”). The Purchase Price shall be payable in cash to Westwater on the Closing Date in accordance with Section 5.1 hereof, provided that any amounts received by Westwater between the date hereof and the Closing under the Royalties and/or as payments towards or otherwise reducing or credited against the principal amount outstanding under the

Promissory Note, including any reduction in the principal amount outstanding under the Promissory Note, including any exercise by Laramide of its rights to repay any part of the principal amount owing through the issuance of equity, shall be deducted from the Purchase Price payable hereunder.

2.3 Assignment Agreements

Subject to the terms and conditions of this Agreement, on the Closing Date and at the Closing provided for in Article 5, Westwater will assign its rights title and interest in the Royalties and the Promissory Note, including the balance of the principal amount and all remaining interest payments thereunder, to URC pursuant to the Assignment Agreements.

2.4 Forfeiture of Deposit

In the event that Closing does not occur on or prior to the Outside Date and Westwater terminates this Agreement pursuant to Section 6.4(b)(iv), *provided* that the conditions in Sections 6.1 and 6.3 have been satisfied (or, in the case of the conditions set forth in Section 6.1(a)(iii) and 6.1(a)(vi), are reasonably capable of being satisfied on the Outside Date) on such Outside Date or otherwise waived by URC and such failure to complete the transactions contemplated in this Agreement is not as a result of Westwater's breach of, or failure to fulfil its obligations under this Agreement and *further provided* that none of the Parties has terminated the Agreement prior to such date), the Deposit is forfeited to Westwater. In such event, the Deposit shall be deemed to have been fully and finally paid by URC to Westwater as liquidated damages and shall be the sole recourse of Westwater for any related breach of this Agreement by URC or URC Parent.

2.5 Return of Deposit

Westwater will immediately return the Deposit to URC in immediately available funds, without any set-off or deductions, if this Agreement is terminated in any circumstance other than as contemplated in Section 2.4 above.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Westwater

Westwater hereby represents and warrants to URC and URC Parent as follows, and confirms that URC and URC Parent are relying upon the accuracy of these representations and warranties in connection with the entering into of this Agreement and the completion of the transactions contemplated hereby:

- (a) Organization and Good Standing. Westwater is validly organized, existing and in good standing under the laws of its jurisdiction of organization and no Proceedings are pending for, and it is unaware of any basis for the institution of any Proceedings leading to, its dissolution or winding-up or placing it in bankruptcy or subject to any other applicable laws governing the affairs of insolvent companies.
- (b) Authority and Binding Obligation. It has all necessary corporate power and authority to enter into this Agreement and to consummate the transaction contemplated hereby. The execution, delivery and performance of this Agreement have been duly and validly approved by the Westwater Board and no other corporate actions or proceedings on the part of Westwater are necessary to authorize this Agreement and the transactions

contemplated hereby. This Agreement, upon its execution and delivery, constitutes a legal, valid and binding obligation of Westwater, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other applicable laws relating to or affecting creditors' rights generally, and to general principles of equity.

- (c) No Violation. The authorization, execution and delivery by it of this Agreement, and the performance by it of its obligations hereunder, does not and will not result in a violation, conflict or breach of, or constitute a default under: (i) any term or provision of its charter documents; (ii) the terms of any indenture, contract, instrument or understanding or any other obligation or restriction to which it is a party or by which it is bound; (iii) the Royalty Agreements; or (iv) any applicable laws, except, in the case of (i) and (ii), where any such violation, conflict, breach or default would not result in a Material Adverse Effect.. No order, decision or ruling of any Governmental Authority has been made against it, and no action or Proceeding is pending or, to the knowledge of Westwater, threatened, which could result in an order, decision or ruling against it, to disallow, enjoin, prohibit or impose any limitations or conditions on the sale of the Assets contemplated hereby.
- (d) Consents and Approvals. Except for filings with the U.S. Securities and Exchange Commission relating to Westwater's continuous disclosure obligations or as otherwise contemplated herein, no consent, approval, order, authorization, registration or declaration of, or filing with, any Governmental Authority or other Person is required by it in connection with: (i) the execution and delivery by it of this Agreement; or (ii) the observance and performance by it of its obligations under this Agreement, including the sale of the Assets.
- (e) Enforceability. Subject to the terms and conditions of this Agreement, at Closing each document, instrument and agreement to be delivered on the Closing Date will be duly executed and delivered by it and each such closing document, instrument and agreement will, on Closing, constitute a legal, valid and binding obligation of Westwater, enforceable against it in accordance with its terms.
- (f) Ownership. Westwater has full power and authority to own, and owns, the Assets. No other Person has any right, claim or interest in the Assets and the Assets are free and clear of all Encumbrances. To the knowledge of Westwater,
 - (i) Laramide Resources Ltd. is the sole recorded and beneficial owner of the Church Rock Property;
 - (ii) Azarga Uranium Corporation is the sole recorded and beneficial owner of the Dewey-Burdock Property;
 - (iii) Strata Energy Inc. and Peninsula Minerals Limited are the recorded and beneficial owners of the Lance Property; and
 - (iv) Strathmore Resources (US) Ltd. is the sole recorded and beneficial owner of the Roca Honda Property
- (g) No Option.

- (i) Other than as described in Section 3.1(g)(ii), to Westwater's knowledge, no Person other than URC has any oral or written agreement, option, warrant, privilege or right, or any right capable of becoming any of the foregoing (whether legal, equitable, contractual or otherwise) for the purchase of a royalty interest or similar interest in any of the Mineral Properties or to acquire any interest in the Promissory Note.
- (ii) Strathmore Resources (US) Ltd. has an option to purchase the Roca Honda Royalty pursuant to the Roca Honda Royalty Agreement. Westwater has not received any notice from Strathmore Resources (US) Ltd., directly or indirectly, of the proposed or intended exercise of such option.
- (h) Royalties. To Westwater's knowledge, upon Closing, the Royalties will each be a first ranking royalty and at least equal as to right of payment as any other royalties or similar interests granted previously in respect of the applicable Mineral Property.
- (i) Assets and Assignment. The Royalty Agreements and the Promissory Note are valid and subsisting and enforceable against the parties thereto in accordance with the terms thereof, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other applicable laws relating to or affecting creditors' rights generally, and to general principles of equity. As of the Closing, subject to the terms and conditions of this Agreement, the Royalties and the Promissory Note shall be transferrable to URC free and clear of all Encumbrances. The Assignment Agreements, upon execution and delivery, shall convey to URC lawful, valid and unencumbered title to the Royalties and the Promissory Note.
- (j) Promissory Note. As of the Effective Date, the balance of the principal amount owing to Westwater by the Promissory Note Payor is \$2,000,000.00.
- (k) No Encumbrances. To the knowledge of Westwater, other than the Royalties, the property rights comprising the Mineral Properties are free and clear of all Encumbrances.
- (l) Absence of Undisclosed Liabilities. To the knowledge of Westwater, and except as such Liabilities or obligations which would not have a Material Adverse Effect, none of the Mineral Properties are subject to any Liabilities or obligations of any nature or kind (whether accrued, absolute, contingent or otherwise) other than as otherwise disclosed in this Agreement.
- (m) Litigation. To the knowledge of Westwater, there is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure, investigation, warrant, charge, suit or Claim by any Governmental Authority, or any similar matter or proceeding (collectively, "**Proceedings**") in respect of any of the Mineral Properties, any of the Royalties or the Promissory Note or against Westwater, which, if determined adversely to Westwater or Westwater's interest in the Assets, would have a Material Adverse Effect in respect of any of the Mineral Properties, any of the Royalties or the Promissory Note, and there is no order, ordinance, writ, judgment, decree, injunction, award or order of any Governmental Authority outstanding against Westwater which would have a Material Adverse Effect in respect of any of the Royalties, Mineral Properties or the Promissory Note. There are no suits, Claims, actions or Proceedings pending or, to the knowledge of Westwater, threatened seeking to prevent the transactions contemplated hereby.

- (n) No Adverse Implications. To the knowledge of Westwater, neither the execution and delivery of this Agreement nor the completion and performance of the transactions contemplated by this Agreement will:
- (i) give any Person, other than URC or its Affiliates, the right to terminate or cancel any of the Royalty Agreements or any contractual or other right of Westwater where such termination or cancellation would have a Material Adverse Effect on any Royalty or the Promissory Note;
 - (ii) result in the creation of any new Encumbrance on a Royalty or the Promissory Note, or in a breach of or a default under any contract, permit or other agreement or in the crystallization of any floating charge on, or the acceleration of any rights or obligations in respect of, any Royalty or the Promissory Note; or
 - (iii) give rise to any right of first offer, pre-emptive right, right of first refusal or other right to purchase in connection with any Royalty, any Royalty Agreement or the Promissory Note.
- (o) Environmental Claims. To the knowledge of Westwater:
- (i) there are no Environmental Claims in respect of any Mineral Property nor, to the best of its knowledge, have any activities of or on behalf of any Operator on the applicable Mineral Property been in violation of any applicable Environmental Law, regulations or regulatory prohibition or order, and to the best of its knowledge, conditions on and relating to each Mineral Property is in compliance with such Environmental Laws, regulations, prohibitions and orders;
 - (ii) there has been no material spill, discharge, leak, emission, ejection, escape, dumping, or any release or threatened release of any kind, of any toxic or hazardous substance or waste (as defined by any applicable law) from, on, in or under any Mineral Property or into the environment, except releases permitted or otherwise authorized by such law;
 - (iii) no toxic or hazardous substance or waste has been disposed of or is located on any Mineral Property as a result of activities of or on behalf of any Operator, other than those used in connection with the exploration activities of such Operator, which have been located on such Mineral Property and used in such activities in accordance with applicable licenses and applicable Environmental Laws; and
 - (iv) no Operator, has treated or is currently storing toxic or hazardous substance or waste on such Mineral Property other than those used in connection with its exploration activities, which have been stored on the Mineral Property and used in such activities in accordance with applicable licenses and applicable Environmental Laws.
- (p) Mineral Resources. To the knowledge of Westwater, each of the Technical Reports was prepared, in all material respects, in accordance with accepted mining, engineering, geoscience and other approved industry practices and NI 43-101, as it was in effect on the date of the filing of the applicable Technical Report. To the knowledge of Westwater, no mineral deposits are subject to illegal occupation, and all necessary measures with respect to sampling method, sampling preparation and security, data

verification, and quality assurance and quality control have been taken to ensure the accuracy and integrity of the data.

- (q) Mineral Properties. To the knowledge of Westwater:
- (i) each Mineral Property is properly and accurately described in all material respects in the applicable Royalty Agreement;
 - (ii) the Mineral Rights comprising each Mineral Property have been duly and validly located and recorded pursuant to all applicable laws and regulations in the applicable jurisdiction and are in good standing;
 - (iii) all taxes, assessments, rentals, levies or other payments relating to the Mineral Rights to a Mineral Property and required to be made to any Governmental Authority on or before the Closing Date, have been made;
 - (iv) no Proceedings are pending, and Westwater is not aware of any basis, for the institution of any Proceedings leading to the dissolution or winding-up of any Operator or the placing of any Operator into bankruptcy or subject to any other laws governing the affairs of insolvent Persons;
 - (v) each Operator, is, in all material respects, conducting its respective business in compliance with all applicable laws, rules and regulations (including all material applicable federal, state, municipal, and local environmental and licensing laws, regulations and other lawful requirements of any governmental or regulatory body, including but not limited to those contained in any mineral claim or other form of mineral tenure, or in any licence, concession or permit) of each jurisdiction in which its respective business is carried on and each is licensed, registered or qualified in all jurisdictions in which it owns, leases or operates its property or carries on business to enable its business to be carried on as now conducted and its property and assets to be owned, leased and operated and all such licences, registrations and qualifications are valid, subsisting and in good standing and it has not received a notice of a material non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of a material non-compliance with any such laws, regulations or permits which could have a Material Adverse Effect on the Promissory Note, any Royalty or any Mineral Property, and each such licence, registration, qualification or permit will, at the Closing Date, be valid, subsisting and in good standing.
- (r) Expropriation. To the knowledge of Westwater, no part of any Mineral Property has been taken, condemned or expropriated by any Governmental Authority, nor has any notice or Proceeding in respect thereof been given or commenced and nor does Westwater have any knowledge of any intent or proposal by any Governmental Authority to give any such notice or commence any such Proceedings.
- (s) Local Community Claims. To the knowledge of Westwater, there are no Claims, whether actual, pending or threatened, made by a community that resides within or near any of the Mineral Properties with respect to any of the Mineral Properties. To the knowledge of Westwater, no community consultations have been required to be held to date pursuant to applicable law in respect of any of the Mineral Properties. To the knowledge of Westwater, no part of any Mineral Property is located on sacred or religious grounds.

- (t) Adverse Proceedings. There are no current, pending or, to the knowledge of Westwater, threatened litigation, Proceeding or dispute by or against Westwater or any Affiliate of Westwater, or by or against the Promissory Note Payor or by or against any Operator, relating to the Promissory Note or any Royalty. To the knowledge of Westwater, there are no current, pending or threatened litigation, Proceeding or dispute by or against Westwater or any Affiliate of Westwater, or by or against any Operator, relating to any Mineral Property. Westwater is not aware of any basis for any other Proceeding, which, if pursued, would have a significant likelihood of having a Material Adverse Effect on the Promissory Note, a Royalty or a Mineral Property.
- (u) No Adverse Knowledge. Except as disclosed in this Agreement, after due enquiry, Westwater has no information or knowledge of any fact relating to any of the Royalties, the Promissory Note, any of the Mineral Properties or any of the transactions contemplated by this Agreement which might reasonably be expected to have a Material Adverse Effect on a Royalty, the Promissory Note or a Mineral Property.
- (v) Material Information. Westwater has provided or made available to URC and URC Parent all material information and material Data concerning the Royalties, the Promissory Note and the Mineral Properties in the possession of Westwater and its Affiliates relating directly or indirectly to the Assets or the Mineral Properties.
- (w) Full Disclosure. None of the representations or warranties made by Westwater in this Agreement, when read together with its Schedules, contain any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein, in light of the circumstances under which such statements were made, not misleading.

3.2 Representations and Warranties of URC and URC Parent

Each of URC and URC Parent hereby represents and warrants to Westwater as follows, and confirms that Westwater is relying upon the accuracy of these representations and warranties in connection with the entering into of this Agreement and the completion of the transactions contemplated hereby:

- (a) Organization. URC is validly organized, existing and in good standing under the laws of Delaware and no Proceedings are pending for, and it is unaware of any basis for the institution of any Proceedings leading to, its dissolution or winding-up or placing it in bankruptcy or subject to any other applicable laws governing the affairs of insolvent companies.

URC Parent is duly incorporated under the *Canada Business Corporations Act* and is validly existing and in good standing under such act. No Proceedings are pending for and URC is unaware of any basis for the institution of any Proceedings leading to its dissolution or winding-up or placing it in bankruptcy or subject to any other applicable laws governing the affairs of insolvent companies.
- (b) Authority and Binding Obligation. Each of URC and URC Parent has all necessary corporate power and authority to enter into this Agreement and to perform all of its obligations under this Agreement. Each of URC and URC Parent has taken all necessary actions to approve or authorize, validly and effectively, the entering into of, and the execution, delivery and performance of its obligations under this Agreement. This Agreement, upon its execution and delivery, constitutes a legal, valid and binding obligation of each of URC and URC Parent, enforceable against it in accordance with

its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other applicable laws relating to or affecting creditors' rights generally, and to general principles of equity.

- (c) No Violation. The authorization, execution and delivery by URC and URC Parent of this Agreement, and the performance by URC and URC Parent of each of its obligations hereunder, does not and will not result in a violation, conflict or breach of, or constitute a default under: (i) any term or provision of its charter documents; (ii) the terms of any indenture, contract, instrument or understanding or any other obligation or restriction to which it is a party or by which it is bound; or (iii) any applicable laws.
- (d) Approvals. Except as already contemplated herein, no consent, approval, order, authorization, registration or declaration of, or filing with, any Governmental Authority or other Person is required by URC or URC Parent in connection with: (i) the execution and delivery by URC and URC Parent of this Agreement; or (ii) the observance and performance by each of URC and URC Parent of its obligations under this Agreement.
- (e) Enforceability. Subject to the terms and conditions of this Agreement, at Closing, each document, instrument and agreement to be delivered on Closing Date to which URC or URC Parent is a party will be duly executed and delivered by URC or URC Parent, as applicable, and each such closing document, instrument and agreement to which URC or URC Parent is a party, as applicable, will, on Closing, constitute, a legal, valid and binding obligation of URC or URC Parent, as applicable, enforceable against URC or URC Parent, as applicable, in accordance with its terms.
- (f) No Other Representations; Non-Reliance. Each of URC and URC Parent has conducted its own independent investigation, review and analysis of the Assets, and acknowledges that it has been provided adequate access to certain Data for such purpose. Each of URC and URC Parent acknowledges and agrees that: (i) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, it has relied solely upon its own investigation and the express representations and warranties of Westwater set forth in Section 3.1 of this Agreement (including related portions of the Schedules hereto); and (ii) neither Westwater nor any other Person has made any representation or warranty as to Westwater, the Assets or this Agreement, except as expressly set forth in Section 3.1 of this Agreement (including the related portions of the Schedules hereto).

ARTICLE 4 **COVENANTS**

4.1 Covenants of Westwater

- (a) From the Effective Date until the Closing Date, Westwater shall:
 - (i) not do, or permit or suffer to be done, any act, matter or thing which might adversely affect:
 - (A) the enforceability of this Agreement, any Royalty Agreement, the Promissory Note or any Royalty; or

- (B) the entitlement of URC to any Royalty or to the payment of the balance of the principal amount of the Promissory Note following the Closing Date,

without the prior written consent of URC, such consent not to be unreasonably withheld;

- (ii) not agree to any amendment, variation or waiver of any requirement of this Agreement, any Royalty Agreement, the Promissory Note or any Royalty without the prior written consent of URC, such consent not to be unreasonably withheld;
 - (iii) take all commercially reasonable steps to cooperate with URC, at URC's cost and direction, in order to attempt to preserve Westwater's rights, obligations and benefits under the Royalties, including any insolvency or creditor Proceedings instituted by (i) any Operator or its creditors, that seek to invalidate, terminate or vary the rights of Westwater under the applicable Royalty, or (ii) the Promissory Note Payor or its creditors, that seek to invalidate, terminate or vary the rights of Westwater under the Promissory Note;
 - (iv) make available to URC and URC Parent all Data in the possession of Westwater and its Affiliates that was reasonably requested by URC or URC Parent, and to provide such assistance as is reasonably required by URC or URC Parent in relation to the Royalties, including in connection with the calculation of a Royalty; and
 - (v) notify URC or URC Parent in writing promptly, and in any event prior to the Closing, with respect to any material developments or changes in respect of the Promissory Note, any Royalty, any Royalty Agreement or any Mineral Property, including any Material Adverse Effect, of which it has knowledge, and shall forward to URC or URC Parent all material notices, correspondence or other information provided to it (i) by any Operator in respect of the applicable Royalty and the applicable Mineral Property and (ii) in respect of the Promissory Note, and Westwater shall use commercially reasonable efforts to implement reasonable procedures to ensure that all notices and correspondence received in respect of any Royalty or any Mineral Property are forwarded to URC or URC Parent promptly upon receipt thereof.
- (b) For greater certainty, URC shall not be liable for and Westwater shall indemnify URC from any and all obligations and liabilities relating to the Assets in relation to matters arising or liabilities relating to the period prior to Closing. The obligations of Westwater pursuant to this Section (b) shall not be limited by Sections 7.1 or 7.3 of this Agreement and shall survive any termination of this Agreement. The covenants of Westwater contained in this Section 4.1(b) shall survive for a period of three years after Closing.

4.2 Supplements to Disclosure Schedules by Westwater

From time to time prior to the Closing, Westwater shall have the right (but not the obligation) to supplement or amend the Schedules hereto with respect to any matter hereafter arising or of which it becomes aware after the date hereof (each a "**Schedule Supplement**"). Any disclosure in any such Schedule Supplement shall not be deemed to have cured any Uncured Inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the indemnification or termination rights contained in this Agreement or of determining whether or not the conditions set forth in Section 6.1(a)(i) have been satisfied; *provided, however*, that if URC has the right to, but does not elect to, terminate this Agreement

within ten (10) Business Days of its receipt of such Schedule Supplement, then URC shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter including pursuant to Section 6.4(b)(ii) and, further, shall have irrevocably waived its right to indemnification under Section 7.3 with respect to such matter.

4.3 Covenants of URC

URC shall be responsible for the registration of any transfers, Encumbrances or other notices to be registered in connection with the transactions contemplated herein, and any and all costs related thereto.

4.4 Covenants of URC Parent

URC Parent hereby covenants to cause URC to perform its obligations pursuant to this Agreement.

4.5 Mutual Covenants

From the Effective Date until the Closing, each of the Parties shall:

- (a) subject to the conditions and terms hereof, perform all obligations required to be performed by it under this Agreement, cooperate in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective the transactions contemplated in this Agreement, including taking all reasonable steps and actions and executing any and all ancillary documents and assisting each other with any necessary filings or other actions, required to complete the transactions contemplated herein;
- (b) not take any action that would interfere with or be inconsistent with the completion of the transactions contemplated herein or would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect;
- (c) except as otherwise provided in this Agreement or as otherwise agreed upon in writing by the Parties, subject to the terms and conditions hereof, each Party shall use all reasonable efforts to ensure that the representations and warranties of such Party in this Agreement are true and correct as of the Closing and that the covenants and conditions to be fulfilled by each such Party pursuant to this Agreement are fulfilled on or prior to the Closing, and shall promptly inform the other Party of any state of facts that will or is reasonably likely to result in any representation or warranty of such Party being untrue or incorrect or in any covenant or condition being unfulfilled at closing; and
- (d) to the extent any action or thing, or any document, instrument or other agreement to be executed or delivered, or any other payment, obligation or covenant to be fulfilled, observed or performed by any Party pursuant to this Agreement or any other document, instrument or agreement contemplated hereunder, required to consummate the transactions contemplated herein would require an Affiliate of such Party to do such action or thing, or execute and deliver such document, instrument or other agreement, or fulfil, observe or perform such other payment, obligation or covenant, to the extent commercially reasonable, each of the Parties covenants and agrees to cause its Affiliate(s), as applicable, to do all such actions or things, execute and deliver all such documents, instruments and other agreements and to fulfil, observe and perform all such payments, obligations and covenants.

ARTICLE 5
CLOSING

5.1 Deliveries of URC on the Closing Date

On the Closing Date, URC shall deliver or cause to be delivered to Westwater the following documents, in form and substance satisfactory to Westwater, acting reasonably:

- (a) the Purchase Price, less the amount of the Deposit paid to Westwater pursuant to Section 2.1, payable by wire transfer of immediately available U.S. funds in accordance with wire instructions provided by Westwater to URC not later than one (1) Business Day prior to Closing;
- (b) a certified copy of resolutions of the URC Board, dated as of the Closing Date, from a senior officer or director of URC approving this Agreement and authorizing all of the transactions set forth herein and therein, and certifying that such resolutions have not been withdrawn, modified or changed and remain in full force and effect, unamended;
- (c) a certificate dated as of the Closing Date and signed by a senior officer of URC, certifying that the conditions set forth in Sections 6.2(a)(i) and 6.2(a)(ii) have been complied with as of the Closing Date;
- (d) duly executed copies of the Assignment Agreements if required to be executed by URC; and
- (e) all other documents as reasonably requested by Westwater to more effectively complete the transactions contemplated by this Agreement.

5.2 Deliveries of URC Parent on the Closing Date

On the Closing Date, URC Parent shall deliver or cause to be delivered to Westwater the following documents, in form and substance satisfactory to Westwater, acting reasonably:

- (a) a certified copy of resolutions of the board of directors of URC Parent, dated as of the Closing Date, from a senior officer of URC Parent approving this Agreement and authorizing all of the transactions set forth herein and therein, and certifying that such resolutions have not been withdrawn, modified or changed and remain in full force and effect, unamended;
- (b) a certificate dated as of the Closing Date and signed by a senior officer of URC Parent, certifying that the conditions set forth in Sections 6.2(a)(i) and 6.2(a)(ii) have been complied with as of the Closing Date; and
- (c) all other documents as reasonably requested by Westwater to more effectively complete the transactions contemplated by this Agreement.

5.3 Deliveries of Westwater on the Closing Date

On the Closing Date, Westwater shall deliver or cause to be delivered to URC the following, in form and substance satisfactory to URC, acting reasonably:

- (a) a certified copy of resolutions of the Westwater Board, dated as of the Closing Date, from a senior officer of Westwater approving this Agreement and the Assignment Agreements and authorizing all of the transactions set forth herein and therein, and certifying that such resolutions have not been withdrawn, modified or changed and remain in full force and effect, unamended;
- (b) duly executed copies of the Assignment Agreements and the original of the Promissory Note, to which the allonge contemplated under the Promissory Note Assignment shall be attached at the Closing, provided that, in the event that Westwater is unable to locate the original promissory note after making reasonable efforts to do so, Westwater shall provide an affidavit of loss in a form satisfactory to URC, acting reasonably, along with such other documentation necessary to complete the transfer and assignment of the Promissory Note as determined by URC, acting reasonably;
- (c) a certificate dated as of the Closing Date and signed by a senior officer of Westwater, certifying that the conditions set forth in Sections 6.1(a)(i) and 6.1(a)(ii) have been complied with as of the Closing Date; and
- (d) all other documents as reasonably requested by URC to more effectively complete the transactions contemplated by this Agreement.

ARTICLE 6
CONDITIONS OF CLOSING

6.1 Conditions to the Obligations of URC to Complete the Purchase of the Assets

- (a) The obligation of URC to complete the transactions contemplated herein is subject to the fulfilment of the following conditions on or prior to the Closing Date:
 - (i) all representations and warranties of Westwater contained in this Agreement shall be true in all material respects as of the Closing Date with the same effect as though made on and as of that date;
 - (ii) Westwater shall have performed, in all material respects, each of its obligations under this Agreement to the extent required to be performed at or before the Closing Date, including the delivery of each of the items required pursuant to Section 5.3;
 - (iii) the completion of all filings or registrations reasonably necessary to effect the transfer of the Assets to URC by Westwater, as determined by URC, acting reasonably;
 - (iv) the Royalty Agreements and Promissory Note shall be in good standing, shall remain in full force and effect and shall remain unamended, unless such amendment is approved in writing by URC;
 - (v) no Material Adverse Effect shall have occurred with respect to the Promissory Note, any Royalty or any Mineral Property;
 - (vi) at any time prior to the Outside Date, the completion of the IPO by URC (for the sake of clarity, this Section 6.1(a)(vi) shall not be a condition to Closing on or after the Outside Date); and

- (vii) the receipt of all such documents or instruments necessary in connection with the completion of the purchase of the Assets as determined by URC, acting reasonably.
- (b) The conditions contained in this Section 6.1 are inserted for the exclusive benefit of URC and may be waived in whole or in part by URC in writing at any time.

6.2 Conditions to the Obligations of Westwater to Complete the Sale of the Assets

- (a) The obligation of Westwater to complete the transactions contemplated herein is subject to the fulfilment of the following conditions on or prior to the Closing Date:
 - (i) all representations and warranties of URC and URC Parent contained in this Agreement shall be true in all material respects as of the Closing Date with the same effect as though made on and as of that date; and
 - (ii) each of URC and URC Parent shall have performed, in all material respects, each of its obligations under this Agreement to the extent required to be performed at or before the Closing Date, including the delivery of each of the items required pursuant to Section 5.1.
- (b) The conditions contained in this Section 6.2 are inserted for the exclusive benefit of Westwater and may be waived in whole or in part by Westwater in writing at any time.

6.3 Mutual Conditions

- (a) The obligation of Parties to complete the transactions contemplated herein is subject to the fulfilment of the following conditions on or prior to the Closing:
 - (i) the receipt by URC, URC Parent and Westwater of all required court, shareholder and regulatory approvals, if any, required to complete the transactions contemplated hereby;
 - (ii) the receipt by URC, URC Parent and Westwater of all contractual consents necessary to complete the purchase of the Assets and the assignment of the Royalty Agreements, including any necessary consents from and any lenders of Westwater,
 - (iii) the absence of any pending or threatened litigation regarding this Agreement or the transactions contemplated therein; and
 - (iv) the absence of any law, regulation, rule or policy, or any change therein which will have a Material Adverse Effect on the transactions contemplated herein.
- (b) The conditions contained in this Section 6.3 are inserted for the mutual benefit of the Parties.

6.4 Termination

- (a) This Agreement shall be deemed to be terminated if Closing does not occur on or prior to July 31, 2019, unless otherwise mutually agreed by the Parties in writing.
- (b) This Agreement may be terminated at any time prior to Closing:
 - (i) by mutual written consent of all Parties;

- (ii) by URC, if (i) there is a material Uncured Inaccuracy in any representation or warranty of Westwater contained in this Agreement or a material breach of any covenant of the Westwater contained in this Agreement, (ii) URC has delivered to Westwater a written notice of such material Uncured Inaccuracy or material breach and (iii) either such material Uncured Inaccuracy or material breach is not capable of cure or, if curable, has not been cured in all material respects prior to (but not including) the earlier of (A) the tenth Business Day after the giving of written notice to Westwater of such breach or failure or (B) July 31, 2019;
- (iii) by Westwater, if (i) there is a material Uncured Inaccuracy in any representation or warranty of URC or URC Parent contained in this Agreement or a material breach of any covenant of the URC or URC Parent contained in this Agreement, (ii) Westwater has delivered to URC or URC Parent a written notice of such material Uncured Inaccuracy or material breach and (iii) either such material Uncured Inaccuracy or material breach is not capable of cure or, if curable, has not been cured in all material respects prior to (but not including) the earlier of (A) the tenth Business Day after the giving of written notice to URC or URC Parent of such breach or failure and (B) the Outside Date; and
- (iv) by Westwater, if the Effective Date has not occurred on or prior to the Outside Date.

ARTICLE 7
SURVIVAL OF REPRESENTATIONS AND INDEMNIFICATION

7.1 Survival

The representations and warranties of:

- (a) Westwater contained in Section 3.1 of this Agreement or in or under any documents, instruments and agreements delivered pursuant to this Agreement
- (b) URC contained in Section 3.2 of this Agreement or in or under any documents, instruments and agreements delivered pursuant to this Agreement; and
- (c) URC Parent contained in Section 3.2 of this Agreement or in or under any documents, instruments and agreements delivered pursuant to this Agreement

shall survive Closing and shall continue in full force and effect for the benefit of the other Party, as the case may be, for a period of three (3) years after the Closing Date.

7.2 Indemnification by URC and URC Parent

- (a) Each of URC and URC Parent agrees to indemnify and save harmless Westwater from and against all Loss suffered or incurred by Westwater as a result of or arising directly or indirectly out of or in connection with:
 - (i) any misrepresentation or inaccuracy of any representation or warranty of URC or URC Parent contained in this Agreement or in any document, instrument or agreement delivered pursuant to this Agreement; and

- (ii) any breach or non-performance by URC or URC Parent of any covenant or obligation to be performed by URC or URC Parent, as applicable, contained in this Agreement or in any document, instrument or agreement delivered pursuant to this Agreement,

up to a maximum of \$2,750,000.00.

- (b) Westwater acknowledges and agrees that, other than subject to Section 8.7 (Specific Performance) and as set forth in Section 2.4 (Forfeiture of Deposit), the indemnification provisions in this Section 7.2 shall be the exclusive remedies of Westwater with respect to the transactions contemplated by this Agreement, absent fraud by URC or URC Parent.

7.3 Indemnification by Westwater

- (a) Westwater agrees to indemnify and save harmless URC and URC Parent from and against all Loss suffered or incurred by URC or URC Parent, as applicable, as a result of or arising directly or indirectly out of or in connection with:
 - (i) any misrepresentation or inaccuracy of any representation or warranty of Westwater contained in this Agreement or in any document, instrument or agreement delivered pursuant to this Agreement; and
 - (ii) any breach or non-performance by Westwater of any covenant or obligation to be performed by Westwater contained in this Agreement or in any document, instrument or agreement delivered pursuant to this Agreement,

up to an aggregate maximum of \$2,750,000.00 for both (and not each of) URC and URC Parent.

- (b) Each of URC and URC Parent acknowledges and agrees that, other than subject to Section 8.7 (Specific Performance) the indemnification provisions in this Section 7.3 shall be the exclusive remedies of URC or URC Parent, as applicable, with respect to the transactions contemplated by this Agreement, absent fraud by Westwater.

7.4 Notice of Claim

Promptly after becoming aware of any matter that may give rise to an Indemnity Claim, the Indemnified Party shall provide to the Indemnifying Party written notice of the Indemnity Claim. Such notice shall specify with reasonable particularity (to the extent that the information is available) the factual basis for the Indemnity Claim and the amount of the Indemnity Claim or, if an amount is not then determinable, an approximate and reasonable estimate of the likely amount of the Indemnity Claim.

7.5 Provisions Relating to a Direct Claim

Following receipt of notice from the Indemnified Party of an Indemnity Claim, the Indemnifying Party shall have thirty (30) days to make such investigations of the Indemnity Claim as the Indemnifying Party considers necessary or desirable. For the purposes of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Indemnity Claim. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of such Indemnity Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount in settlement of the Indemnity Claim.

7.6 Reasonable Steps to Mitigate

The Indemnified Party will take all reasonable steps to mitigate all Loss, including availing itself of any defences, limitations, rights of contribution, claims against third parties and other rights at law or equity, and will provide such evidence and documentation of the nature and extent of the Loss as may be reasonably requested by the Indemnifying Party. The Indemnified Party's reasonable steps include the reasonable expenditure of money to mitigate or otherwise reduce or eliminate any Loss for which indemnification would otherwise be due under this Article 7, and the Indemnifying Party will reimburse the Indemnified Party for the Indemnified Party's reasonable expenditures in undertaking the mitigation of such Loss, up to a maximum of \$2,750,000.00 (i) if Westwater is the Indemnified Party, (ii) if either (but not both) URC or URC Parent is the Indemnified Party, and (iii) in the aggregate if each of URC and URC Parent is an Indemnified Party.

7.7 Other Remedies

In the event of fraud by a Party, the other Party shall not be prevented from pursuing Proceedings against the first Party in order to enforce the indemnity provisions contained in this Article 7.

ARTICLE 8 MISCELLANEOUS

8.1 Confidentiality

No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by any Party or their representatives without the prior agreement of the other Parties as to timing, content and method, provided that the obligations herein will not prevent a Party from making, after consultation with the other Parties, such disclosure as its counsel advises is required by applicable laws, including with respect to required disclosures under applicable securities laws.

8.2 Further Assurances

Each Party covenants and agrees that, from time to time subsequent to the Effective Date, it will, at the request and expense of the other Party or Parties, as applicable, execute and deliver all such documents, and do all such other acts and things as any other Party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

8.3 Re-Designing Structure

Each Party will use its commercially reasonable efforts to cooperate with the other Parties in re-designing the structure of the transactions contemplated herein if reasonably requested by the other Party or Parties, as applicable, to optimize the completion of the transactions contemplated herein or for tax efficiency, including changes necessary to ensure completion of the transactions contemplated herein, *provided* that such change would not be a material economic disadvantage to the other Parties.

8.4 Notices

- (a) Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and will be given by personal delivery, courier, registered mail or email addressed to the recipient as follows:

- (i) If to URC or URC Parent:

Uranium Royalty Corp.
365 Bay Street, Suite 400
Toronto, Ontario M5H 2V1

Attention: Philip Williams, President and CEO
Email: pwilliams@uraniumroyalty.com

with a copy to:

Sangra Moller LLP
1000 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Attention: Rod Talaifar, Partner
Email: rtalaifar@sangramoller.com

- (ii) If to Westwater:

Westwater Resources, Inc.
6950 South Potomac Street, Suite 300
Centennial, Colorado, 80112

Attention: Christopher M. Jones, President and CEO
Email: cjones@westwaterresources.net

with a copy to:

Hogan Lovells US LLP
1601 Wewatta St.
Ste 900
Denver, CO 80202

Attention: David Crandall
Email: david.crandall@hoganlovells.com

or to such other address, individual or email address as may be designated by notice given by the applicable Party to the other.

- (b) Any demand, notice or other communication given by personal delivery or courier is conclusively deemed to have been given on the day of actual delivery thereof; if given by registered mail, on the fifth (5th) Business Day following the deposit thereof in the mail; or if given by other electronic means, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the Party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of registered mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by email.

- (c) Any Party may at any time change its address for notices from time to time by giving notice to the other Party in accordance with this Section 8.4.

8.5 Expenses

Except as otherwise provided herein, each Party shall pay its respective expenses in authorizing, preparing, negotiating, executing and performing this Agreement and the transactions contemplated hereunder (whether consummated or not), including all fees and expenses of its representatives.

8.6 Governing Law

This Agreement is governed by and shall be interpreted and enforced in accordance with the laws of the State of Colorado without giving effect to the choice of conflict of law provision or rule (whether of the State of Colorado or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than Colorado. The Parties hereby irrevocably submit and consent to the exclusive jurisdiction of the courts in Denver, Colorado in connection with any matter arising out of or in connection with this Agreement.

8.7 Specific Performance

Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, unless this Agreement is terminated pursuant to Section 6.4, the parties hereto will be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to seek to enforce specifically the terms and provisions hereof in any court referred to in Section 8.6, this being in addition to any other remedy to which they are entitled at Law or in equity.

8.8 Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors (including any successor by reason of amalgamation of any Party). There are no third party beneficiaries of this Agreement.

8.9 Amendment

No amendment, supplement, modification, or waiver of this Agreement and, unless otherwise specified or provided in this Agreement, no consent, waiver or approval by any Party, shall be binding unless executed in writing by the Party to be bound thereby.

8.10 Entire Agreement

This Agreement, together with the Schedules hereto, and any agreements or other documents required to be delivered pursuant to this Agreement constitute and set forth the entire agreement between the Parties in connection with the transactions contemplated herein and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth herein and any document required to be delivered hereunder.

8.11 No Waiver

The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power, or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the Party's right thereafter to enforce any provision or exercise any right hereunder.

8.12 Assignment

None of the Parties shall be entitled to assign or otherwise transfer this Agreement or all or any of its rights, interests or obligations under this Agreement, except with the prior written consent of the other Parties.

8.13 Independent Legal Advice

The Parties hereto acknowledge and agree that they have been advised to seek, and have had the opportunity to obtain, independent legal advice with respect to the terms of this Agreement prior to its execution, and further acknowledge and agree that they fully understand the terms of this Agreement and their respective rights and obligations hereunder.

8.14 Severability

If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision formed no part of this Agreement; and the remainder of this Agreement shall remain in full force and effect and shall not be affected by such provision or by its severance from this Agreement. In lieu of such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Agreement from which such provision was severed a provision as similar in terms and economic effect to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

[Remainder of page intentionally left blank.]

8.15 Execution and Counterparts

This Agreement may be executed in any number of counterparts and any Party may deliver any such counterpart by facsimile or other electronic transmission. Each counterpart, when so executed and delivered, shall be deemed to be an original and all such executed counterparts taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

URANIUM ROYALTY (USA) CORP.

/s/ Philip Williams

Name: Philip Williams

Title: Board of Manager

URANIUM ROYALTY CORP.

/s/ Philip Williams

Name: Philip Williams

Title: Chief Executive Officer

WESTWATER RESOURCES, INC.

/s/ Christopher M. Jones

Name: Christopher M. Jones

Title: President and Chief Executive Officer

**Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Christopher M. Jones, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Westwater Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2019

/s/ Christopher M. Jones

Title: President and Chief Executive Officer

**Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jeffrey L. Vigil, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Westwater Resources, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2019

/s/ Jeffrey L. Vigil

Title: Vice President - Finance and Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher M. Jones, President and Chief Executive Officer of Westwater Resources, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2019 (the “Report”), which this certification accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher M. Jones

Christopher M. Jones
President and Chief Executive Officer
May 7, 2019

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey L. Vigil, Vice President - Finance and Chief Financial Officer of Westwater Resources, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2019 (the "Report"), which this certification accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey L. Vigil

Jeffrey L. Vigil
Vice President - Finance and Chief Financial Officer
May 7, 2019

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