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 September 30, 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	**75-2212772**
(State of Incorporation)	(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)

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

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

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 ☒

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

Title of Each Class of Common Stock	**Number of Shares Outstanding**
Common Stock, $0.001 par value	2,879,381 as of November 6, 2019

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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	September 30, 2019	December 31, 2018
ASSETS			
Current Assets:			
Cash and cash equivalents	1	$ 716	$ 1,577
Marketable securities	6	—	415
Assets held for sale	4,5	—	1,545
Prepaid and other current assets		634	643
Total Current Assets		1,350	4,180
Property, plant and equipment, at cost:			
Property, plant and equipment		91,770	91,772
Less accumulated depreciation and depletion		(71,289)	(71,219)
Net property, plant and equipment	7	20,481	20,553
Operating lease right-of-use assets	14	513	—
Restricted cash	1,6	3,784	3,732
Assets held for sale, non-current	4	—	1,493
Total Assets		$ 26,128	$ 29,958
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable		$ 1,247	$ 776
Accrued liabilities		1,658	1,688
Current portion of asset retirement obligations	9	895	708
Operating lease liability - current	14	152	—
Total Current Liabilities		3,952	3,172
Asset retirement obligations, net of current portion	9	5,327	5,495
Other long-term liabilities		500	500
Operating lease liability, net of current	14	369	—
Total Liabilities		10,148	9,167
Commitments and Contingencies	13		
Stockholders' Equity:			
Common stock, 100,000,000 shares authorized, $.001 par value;			
Issued shares - 2,125,156 and 1,436,555 respectively			
Outstanding shares - 2,124,995 and 1,436,394 respectively	10	2	1
Paid-in capital	10,11	315,893	313,012
Accumulated other comprehensive loss		—	(90)
Accumulated deficit		(299,657)	(291,874)
Less: Treasury stock (161 and 161 shares, respectively), at cost		(258)	(258)
Total Stockholders' Equity		15,980	20,791
Total Liabilities and Stockholders' Equity		$ 26,128	$ 29,958

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 September 30, 2019	For the Three Months Ended September 30, 2018	For the Nine Months Ended September 30, 2019	For the Nine Months Ended September 30, 2018
Operating Expenses:					
Mineral property expenses	8	$ (851)	$ (955)	$ (2,309)	$ (2,706)
General and administrative expenses		(1,359)	(1,705)	(4,764)	(5,437)
Arbitration costs		(146)	(98)	(631)	(225)
Acquisition related costs	3	—	—	—	(333)
Accretion of asset retirement obligations	9	(197)	(133)	(353)	(401)
Depreciation and amortization		(23)	(27)	(71)	(94)
Impairment of uranium properties	7	—	—	—	(17,968)
Total operating expenses		(2,576)	(2,918)	(8,128)	(27,164)
Non-Operating Income/(Expenses):					
Loss on sale of marketable securities	4	—	(391)	(720)	(484)
Interest income	4	13	167	347	513
Gain on disposal of uranium assets	5	729	—	729	—
Other income (expense)		—	5	(11)	123
Total other income (expense)		742	(219)	345	152
Net Loss		$ (1,834)	$ (3,137)	$ (7,783)	$ (27,012)
Other Comprehensive Income (Loss)					
Unrealized fair value (decrease) increase on available-for-sale securities		$ —	$ 279	$ —	$ (777)
Transfer to realized loss upon sale of available-for-sale securities		—	391	90	484
Comprehensive Loss		$ (1,834)	$ (2,467)	$ (7,693)	$ (27,305)
BASIC AND DILUTED LOSS PER SHARE		$ (0.95)	$ (3.07)	$ (4.72)	$ (33.98)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		1,931,419	1,022,370	1,649,145	795,005

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	For the Nine Months Ended September 30, 2019	2018
Operating Activities:			
Net loss		$ (7,783)	$ (27,012)
Reconciliation of net loss to cash used in operations:			
Non-cash lease expense		8	—
Accretion of asset retirement obligations	9	353	401
Decrease in restoration and reclamation accrual	9	(334)	(485)
Amortization of note receivable discount	4	(299)	(507)
Amortization of non-cash investor relations fee		—	21
Depreciation and amortization		71	94
Stock compensation expense	11	255	308
Common stock issued for consulting services		—	95
Common stock issued for purchase of lithium mineral interests		—	114
Impairment of uranium properties	7	—	17,968
Gain on disposal of uranium assets	5	(729)	(11)
Loss on sale of marketable securities	4	720	484
Effect of changes in operating working capital items:			
Decrease in prepaids and other		105	195
Increase (decrease) in payables and accrued liabilities		441	(697)
Net Cash Used In Operating Activities		(7,192)	(9,032)
Cash Flows From Investing Activities			
Proceeds from the sale of securities, net	4	536	834
Proceeds from sale of uranium assets, net	5	2,470	11
Proceeds from note receivable	4	750	1,134
Acquisition of Alabama Graphite, net of cash acquired	3	—	(1,547)
Net Cash Provided By Investing Activities		3,756	432
Cash Flows From Financing Activities:			
Issuance of common stock, net	10	2,628	5,917
Payment of minimum withholding taxes on net share settlements of equity awards		(1)	(5)
Net Cash Provided By Financing Activities		2,627	5,912
Net decrease in cash, cash equivalents and restricted cash		(809)	(2,688)
Cash, Cash Equivalents and Restricted Cash, Beginning of Period		5,309	7,722
Cash, Cash Equivalents and Restricted Cash, End of Period		$ 4,500	$ 5,034
Cash Paid During the Period for:			
Interest		$ 4	$ 7
Supplemental Non-Cash Information with Respect to Investing and Financing Activities:			
Securities received for payment of notes receivable – Laramide		750	750
Common stock issued for acquisition of Alabama Graphite		—	6,394
Stock options and warrants issued for acquisition of Alabama Graphite		—	89
Common stock issued for consulting services		—	95
Common stock issued for purchase of lithium mineral interests		—	114
Total Non-Cash Investing and Financing Activities for the Period		$ 750	$ 7,442

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		Paid-In	Accumulated Other Comprehensive	Accumulated	Treasury	
Nine months ended September 30, 2019	**Shares**	**Amount**	**Capital**	**Income (Loss)**	**Deficit**	**Stock**	**Total**
Balances, January 1, 2019	**1,436,555**	**$ 1**	**$ 313,012**	**$ (90)**	**$ (291,874)**	**$ (258)**	**$ 20,791**
Net loss	—	—	—	—	(7,783)	—	(7,783)
Common stock and common stock purchase warrants issued, net of issuance costs	688,208	1	2,628	—	—	—	2,629
Stock compensation expense and related share issuances, net of shares withheld for payment of taxes	393	—	254	—	—	—	254
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, September 30, 2019	**2,125,156**	**$ 2**	**$ 315,893**	**$ 0**	**$ (299,657)**	**$ (258)**	**$ 15,980**
Balances, June 30, 2019	**1,658,371**	**$ 2**	**$ 314,179**	**$ —**	**$ (297,823)**	**$ (258)**	**$ 16,100**
Net loss	—	—	—	—	(1,834)	—	(1,834)
Common stock and common stock purchase warrants issued, net of issuance costs	466,785	—	1,475	—	—	—	1,475
Stock compensation expense and related share issuances, net of shares withheld for payment of taxes	—	—	239	—	—	—	239
Balances, September 30, 2019	**2,125,156**	**$ 2**	**$ 315,893**	**$ —**	**$ (299,657)**	**$ (258)**	**$ 15,980**

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)

Nine months ended September 30, 2018	Common Stock Shares	Common Stock Amount	Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Treasury Stock	Total
Balances, January 1, 2018	**555,806**	**$ 1**	**$ 297,277**	**$ 287**	**$ (256,190)**	**$ (258)**	**$ 41,117**
Net loss	—	—	—	—	(27,012)	—	(27,012)
Common stock issued, net of issuance costs	353,909	—	5,917	—	—	—	5,917
Common stock, warrants and options issued for acquisition of Alabama Graphite	232,504	—	6,483	—	—	—	6,483
Common stock issued for consulting services	3,455	—	95	—	—	—	95
Common stock issued for purchase of lithium mineral interests	4,000	—	114	—	—	—	114
Stock compensation expense and related share issuances, net of shares withheld for the payment of taxes	419	—	308	—	—	—	308
Minimum withholding taxes on net share settlements of equity awards	—	—	(5)	—	—	—	(5)
Unrealized holding loss on available-for-sale securities	—	—	—	(777)	—	—	(777)
Transfer to realized loss upon sale of available for sale securities	—	—	—	484	—	—	484
Balances, September 30, 2018	**1,150,093**	**$ 1**	**$ 310,189**	**$ (6)**	**$ (283,202)**	**$ (258)**	**$ 26,724**
Balances, June 30, 2018	**943,419**	**$ 1**	**$ 308,857**	**$ (676)**	**$ (280,065)**	**$ (258)**	**$ 27,859**
Net loss				—	(3,137)	—	(3,137)
Common stock issued, net of issuance costs	206,674	—	1,186	—	—	—	1,186
Stock compensation expense and related share issuances, net of shares withheld for the payment of taxes	—	—	146	—	—	—	146
Unrealized holding loss on marketable securities	—	—	—	279	—	—	279
Transfer to realized loss upon sale of available-for-sale securities	—	—	—	391	—	—	391
Balances, September 30, 2018	**1,150,093**	**$ 1**	**$ 310,189**	**$ (6)**	**$ (283,202)**	**$ (258)**	**$ 26,724**

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 nine months ended September 30, 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 standard, used the modified retrospective method and elected not to restate comparative periods. In addition, we elected the package of practical expedients permitted under the transition guidance within the new standard. The Company did not elect the hindsight practical expedient to determine the lease term for existing 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 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 beginning January 1, 2023, and the Company is currently evaluating ASU 2016-13 and ASU 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 September 30, 2019	As of September 30, 2018
Cash and cash equivalents	$ 716	$ 1,366
Restricted cash - pledged deposits for performance bonds	3,784	3,668
Cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 4,500	$ 5,034

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.

Notes Receivable

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment. Management monitors these assets for credit quality and recoverability on a quarterly basis, including the value of any collateral. If the value of the collateral, less selling or recovery costs, exceeds the recorded investment in the asset, no impairment costs would be recorded.

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 September 30, 2019 the Company's cash balances were $0.7 million and the Company had a working capital deficit balance of $2.6 million. The Company's cash balance at October 31, 2019 is $2.3 million. Subsequent to October 31, 2019, the Company expects to fund operations as follows:

- The Stock Purchase Agreement with Lincoln Park Capital, LLC. whereby the Company may place up to $10.0 million in the aggregate of the Company's common stock on an ongoing basis when required by the Company over a term of 24-months ending in June 2021. The Company currently has $5.2 million remaining sales capacity, subject to the registration of shares on Form S-1. As of November 5, 2019, the Company has registered the resale by Lincoln Park of an additional 959,000 shares on Form S-1.

- The Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co. which currently has $23.8 million remaining sales capacity, subject to the registration of shares on Form S-3. The Company is currently eligible to, and intends to, register the sale of additional shares under the agreement on Form S-3 pursuant to the SEC's shelf registration rules.

- Other debt and equity financings and asset sales.

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 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 eliminated when incorporated into the final acquisition accounting. Acquisition related costs were $1.9 million, 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):

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		36
Issuance of 42,888 warrants for replacement of Alabama Graphite warrants		54
	$	8,881
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		9,145
Liabilities:		
Accounts payable and accrued liabilities		264
Total liabilities		264
Net assets	$	8,881

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) in January 2017, the Company received a promissory note in the amount of $5.0 million, secured by a mortgage over the Churchrock and Crownpoint properties owned by Laramide Resources Ltd. ("Laramide"). The note has a three-year term and carries an initial interest rate of 5%. The Company received the first two installment payments of $1.5 million each in January 2018 and January 2019. 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 had the right to satisfy up to half of the principal payments by delivering shares of its common stock to the Company, which shares were valued by reference to the volume weighted average price ("VWAP") for Laramide's common stock for the 20 trading days before their respective anniversaries of the initial issuance date in January. 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%.

On August 30, 2019, the Company sold the promissory note (Note 5). Prior to August 30, 2019, the Company had received three tranches of Laramide common shares as partial consideration for the sale, 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 represented 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 made interest payments in the amount of $96,022 in cash during the nine months ending September 30, 2019.

During the nine months ended September 30, 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 September 30, 2019 and December 31, 2018.

	September 30, 2019			
(thousands of dollars)	Note Amount	Plus Accrued Interest	Less Unamortized Note Discount	Note Balance per Balance Sheet
Current Assets				
Notes receivable Laramide – current	$ —	$ —	$ —	$ —
Subtotal Notes Receivable – current	$ —	$ —	$ —	$ —
Non-current Assets				
Notes receivable – Laramide – non-current	$ —	$ —	$ —	$ —
Total Notes Receivable – current and non-current	$ —	$ —	$ —	$ —

	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	$ 1,500	$ 45	$ —	$ 1,545
Non-current Assets				
Notes receivable – Laramide – non-current	$ 2,000	$ —	$ (507)	$ 1,493
Total Notes Receivable – current and non-current	$ 3,500	$ 45	$ (507)	$ 3,038

5. SALE OF URANIUM ASSETS

On March 5, 2019, the Company entered into an Asset Purchase 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, for $2.75 million, including $0.5 million paid at signing. On June 28, 2019, Westwater and URC entered into an Amendment to the Agreement (collectively referred to as the "Agreement"). The Amendment extended the date for closing from July 31, 2019 to August 30, 2019. URC delivered an additional $1.0 million as deposit to the Company upon signing the Amendment. The transaction closed on August 30, 2019 at which time the Company transferred ownership of the royalties and promissory note in exchange for the final payment of $1.25 million.

The sale of these uranium assets was accounted for as an asset disposal. The Company recorded the following gain on disposal of uranium assets on its Condensed Consolidated Statements of Operations:

URC Transaction		
(thousands of dollars)		
Total cash consideration received, net of transaction costs	$	2,470
Carrying value of promissory note		(1,741)
Carrying value of royalty interests		—
Gain on disposal of uranium assets	$	**729**

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 September 30, 2019 and December 31, 2018 and indicate the fair value hierarchy.

	September 30, 2019			
(thousands of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**
Current Assets				
Short-term available-for-sale investments	$ —	$ —	$ —	$ —
Total current assets recorded at fair value	$ —	$ —	$ —	$ —
Non-current Assets				
Restricted cash	$ 3,784	$ —	—	$ 3,784
Total non-current assets recorded at fair value	$ 3,784	$ —	$ —	$ 3,784

(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 September 30, 2019 Turkey	Texas	Alabama	New Mexico	Corporate	Total
Uranium plant	$ —	$ 3,142	$ —	$ —	$ —	$ 3,142
Mineral rights and properties	—	—	8,972	7,806	—	16,778
Other property, plant and equipment	6	429	—	—	126	561
Total	$ 6	$ 3,571	$ 8,972	$ 7,806	$ 126	$ 20,481

(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

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. On December 13, 2018, the Company filed a Request for Arbitration against the Republic of Turkey before the International Centre for the Settlement of Investment Disputes, pursuant to the Treaty between the United States of America and the Republic of Turkey concerning the Reciprocal Encouragement and Protection of Investments. Although the Company is seeking compensation for its investment in the Temrezli and Sefaatli projects through the international arbitration process, 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. See further discussion of the international arbitration process at Item 2 - Management Discussion and Analysis and Part II. Item 1- Legal Proceedings sections of this form 10-Q.

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 and nine months ended September 30, 2019 and 2018 are as follows:

	For the Three Months Ended September 30, 2019	For the Three Months Ended September 30, 2018	For the Nine Months Ended September 30, 2019	For the Nine Months Ended September 30, 2018
	(thousands of dollars)			
Temrezli project, Turkey	$ —	$ 11	$ —	$ 107
Total Turkey projects	—	11	—	107
Kingsville Dome project, Texas	203	223	592	646
Rosita project, Texas	237	259	454	614
Vasquez project, Texas	85	42	397	373
Other projects, Texas	5	14	(3)	14
Total Texas projects	530	538	1,440	1,647
Cebolleta project, New Mexico	—	—	440	389
Juan Tafoya project, New Mexico	40	39	49	48
Other projects, New Mexico	13	12	13	12
Total New Mexico projects	53	51	502	449
Columbus Basin project, Nevada	126	126	127	249
Railroad Valley, Nevada	—	79	—	95
Total Nevada projects	126	205	127	344
Sal Rica project, Utah	111	112	112	112
Total Utah projects	111	112	112	112
Coosa project, Alabama	31	38	128	47
Total Alabama projects	31	38	128	47
Total expense for the period	$ 851	$ 955	$ 2,309	$ 2,706

9. ASSET RETIREMENT OBLIGATIONS

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

(thousands of dollars)	September 30, 2019	December 31, 2018
Balance, beginning of period	$ 6,203	$ 5,731
Liabilities settled	(334)	(521)
Accretion expense	353	993
Balance, end of period	6,222	6,203
Less: Current portion	(895)	(708)
Non-current portion	$ 5,327	$ 5,495

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 September 2020 at the Company's Rosita and Vasquez projects.

10. COMMON STOCK

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.

Common Stock Issued, Net of Issuance Costs

Stock Purchase Agreement with Lincoln Park Capital Fund, LLC. ("Lincoln Park")

On May 24, 2019, Westwater entered into a securities purchase agreement, as amended by Amendment No. 1 thereto dated as of May 30, 2019 (as so amended, the "Purchase Agreement"), with Lincoln Park, pursuant to which the Company agreed to issue and sell to Lincoln Park, and Lincoln Park agreed to purchase from the Company (i) 104,294 shares of the Company's common stock and (ii) warrants to initially purchase an aggregate of up to 182,515 shares of common stock, at an exercise price of $5.062 per share, for an aggregate of $550,751. On May 30, 2019, the Company issued and sold the common shares and the warrants to Lincoln Park and received aggregate gross proceeds before expenses of $550,751. The warrants will become exercisable upon the six-month anniversary of the Closing Date and thereafter at any time during the five-year period following such date.

Purchase Agreement ("PA") with Lincoln Park

On June 6, 2019, the Company entered into the PA with Lincoln Park to place up to $10.0 million in the aggregate of the Company's common stock on an ongoing basis when required by the Company over a term of 24 months. Westwater will control the timing and amount of any sales to Lincoln Park, and Lincoln Park is obligated to make purchases in accordance with the PA. Any common stock that is sold to Lincoln Park will occur at a purchase price that is based on an agreed upon fixed discount to the Company's prevailing market prices at the time of each sale and with no upper limits to the price Lincoln Park may pay to purchase common stock. The agreement may be terminated by Westwater at any time, in its sole discretion, without any additional cost or penalty.

The PA specifically provides that the Company may not issue or sell any shares of its common stock under the PA if such issuance or sale would breach any applicable rules of The Nasdaq Capital Market. In particular, Nasdaq Listing Rule 5635(d) provides that the Company may not issue or sell more than 19.99% of the shares of the Company's common stock outstanding immediately prior to the execution of the PA without shareholder approval. On August 6, 2019 the Company conducted a Special Meeting of Shareholders whereby the Company received such approval to sell up to 3,200,000 shares of common stock under the PA..

Lincoln Park has no right to require the Company to sell any shares of common stock to Lincoln Park, but Lincoln Park is obligated to make purchases as the Company directs, subject to certain conditions. In all instances, the Company may not sell shares of its common stock to Lincoln Park under the PA if it would result in Lincoln Park beneficially owning more than 9.99% of its common stock.

Following effectiveness of an S-1 registration statement relating to the resale of the shares subject to the PA on June 18, 2019, the Company began selling shares of its common stock to Lincoln Park under the terms of the PA. During the quarter ended September 30, 2019, the Company sold 466,784 shares of common stock for gross proceeds of $1.5 million. Inception-to-date through October 31, 2019, the Company has sold 1,234,534 shares of common stock for gross proceeds of $4.8 million. As of November 6, 2019, the Company has registered the resale by Lincoln Park of an additional 959,000 shares under a registration statement on Form S-1 which will be declared effective on November 7, 2019.

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

On April 14, 2017, the Company entered into the at-the-market offering (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 were 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 September 30, 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 nine months ended September 30, 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 September 30, 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") and the Amended and Restated 2004 Directors' Stock Option and Restricted Stock Plan (the "2004 Directors' 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 and in 2017 re-approve the material terms of the performance goals under the plan. 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 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 September 30, 2019, 45,886 shares were available for future issuances under the 2013 Plan. For the nine months ending September 30, 2019 and 2018, the Company recorded stock-based compensation expense of $0.2 million and $0.3 million, 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 September 30, 2019, there were 113 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 September 30, 2019, there were 4,528 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 September 30, 2019 and 2018:

	September 30, 2019		September 30, 2018	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Stock options outstanding at beginning of period	18,546	$ 64.49	5,723	$ 276.50
Granted	20,942	19.25	16,254	49.00
Expired	(1,040)	78.00	(1,608)	262.00
Canceled or forfeited	(550)	19.25	—	—
Stock options outstanding at end of period	37,898	$ 39.78	20,369	$ 95.50
Stock options exercisable at end of period	37,898	$ 39.78	20,369	$ 95.50

The following table summarizes stock options outstanding and exercisable by stock option plan at September 30, 2019:

	Outstanding Stock Options		Exercisable Stock Options	
Stock Option Plan	Number of Outstanding Stock Options	Weighted Average Exercise Price	Number of Stock Options Exercisable	Weighted Average Exercise Price
2004 Plan	96	$ 1,752.25	96	$ 1,752.25
2004 Directors' Plan	3	10,380.00	3	10,380.00
2013 Plan	33,158	25.47	33,158	25.47
Replacement Options-AGC	4,528	81.65	4,528	81.65
Replacement Options-AEK	113	831.50	113	831.50
	37,898	$ 39.78	37,898	$ 39.78

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 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 September 30, 2019 and 2018:

	September 30, 2019		September 30, 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	1,695	$ 70.00	3,578	$ 70.00
Granted	—	—	—	—
Forfeited	—	—	(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 237,214 and 38,865 were excluded from the calculation of earnings per share because the effect on the basic income per share would be anti-dilutive for the nine months ended September 30, 2019 and 2018, respectively.

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 our 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. 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 assets represent our right to use an underlying asset for the lease term and lease liabilities represent 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.

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. These include such leases as those for land used in exploration and mining activities, office equipment, machinery, office space, storage and other. The Company has elected the short-term lease exemptions 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.

The components of lease expense were as follows:

(thousands of dollars)	September 30, 2019
Operating lease cost	$ 121

Supplemental cash flow information related to leases was as follows:

	Nine months ended September 30, 2019
Cash paid for amounts included in lease liabilities:	
(thousands of dollars)	
Operating cash flows from operating leases	$ 117
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	$ 513

Supplemental balance sheet information related to leases was as follows:

(thousands of dollars, except lease term and discount rate)	September 30, 2019
Operating Leases	
Operating lease right-of-use assets	$ 513
Current portion of lease liabilities	$ 152
Operating lease liabilities – long term portion	369
Total operating lease liabilities	$ 521

		September 30, 2019
Weighted Average Remaining Lease Term	**Operating leases**	**4.0 Years**
Discount Rate	**Operating leases**	**9.5 %**

Maturities of lease liabilities are as follows:

Lease payments by year (In thousands)	Operating Leases
2019	$ 39
2020	159
2021	161
2022	162
2023	92
Total lease payments	**613**
Less imputed interest	(92)
Total	$ 521

As of September 30, 2019, the company has $0.5 million in right-of-use assets and $0.5 million in related lease liabilities ($0.2 million of which is current). The most significant operating lease is for its corporate office in Centennial, Colorado, with $0.6 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 $0.6 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 $24.8 million and $25.8 million as of September 30, 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 nine months ended September 30, 2019 and September 30, 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 September 30, 2019 and December 31, 2018:

	September 30, 2019				
(thousands of dollars)	Corporate	Uranium	Lithium	Graphite	Total
Net property, plant and equipment	$ 126	$ 11,383	$ —	$ 8,972	$ 20,481
Restricted cash	—	3,774	—	10	3,784
Operating lease right of use assets	490	23	—	—	513
Total long-term assets	**$ 616**	**$ 15,180**	**$ —**	**$ 8,982**	**$ 24,778**

(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 September 30, 2019 and September 30, 2018. Non-mining activities and other administrative operations are reported in the Corporate column.

(thousands of dollars)	Three months Ended September 30, 2019 Corporate	Uranium	Lithium	Graphite	Total
Statement of Operations					
Mineral property expenses	$ —	$ 583	$ 237	$ 31	$ 851
General and administrative expenses	844	447	1	67	1,359
Arbitration expenses	146	—	—	—	146
Accretion of asset retirement costs	—	197	—	—	197
Depreciation and amortization	1	22	—	—	23
Loss from operations	(991)	(1,249)	(238)	(98)	(2,576)
Other income	13	729	—	—	742
Loss before taxes	**$ (978)**	**$ (520)**	**$ (238)**	**$ (98)**	**$ (1,834)**

(thousands of dollars)	Three months Ended September 30, 2018 Corporate	Uranium	Lithium	Graphite	Total
Statement of Operations					
Mineral property expenses	$ —	$ 600	$ 317	$ 38	$ 955
General and administrative	1,086	478	—	141	1,705
Arbitration expenses	98	—	—	—	98
Accretion of asset retirement costs	—	133	—	—	133
Depreciation and amortization	1	26	—	—	27
Loss from operations	(1,185)	(1,237)	(317)	(179)	(2,918)
Other income (expense)	(246)	27	—	—	(219)
Loss before taxes	**$ (1,431)**	**$ (1,210)**	**$ (317)**	**$ (179)**	**$ (3,137)**

The table below provides a breakdown of the reportable segments for the nine months ended September 30, 2019 and September 30, 2018. Non-mining activities and other administrative operations are reported in the Corporate column.

	Nine months Ended September 30, 2019				
(thousands of dollars)	**Corporate**	**Uranium**	**Lithium**	**Graphite**	**Total**
Statement of Operations					
Mineral property expenses	$ —	$ 1,942	$ 239	$ 128	$ 2,309
General and administrative	3,208	1,272	1	283	4,764
Arbitration expenses	631	—	—	—	631
Accretion of asset retirement costs	—	353	—	—	353
Depreciation and amortization	3	68	—	—	71
Loss from operations	(3,842)	(3,635)	(240)	(411)	(8,128)
Other income (expense)	(384)	729	—	—	345
Loss before taxes	**$ (4,226)**	**$ (2,906)**	**$ (240)**	**$ (411)**	**$ (7,783)**

	Nine months Ended September 30, 2018				
(thousands of dollars)	**Corporate**	**Uranium**	**Lithium**	**Graphite**	**Total**
Statement of Operations					
Mineral property expenses	$ —	$ 2,204	$ 455	$ 47	$ 2,706
General and administrative	3,676	1,383	—	378	5,437
Arbitration expenses	225	—	—	—	225
Acquisition related expenses	333	—	—	—	333
Accretion of asset retirement costs	—	401	—	—	401
Depreciation and amortization	3	90	—	1	94
Impairment of Uranium properties	—	17,968	—	—	17,968
Loss from operations	(4,237)	(22,046)	(455)	(426)	(27,164)
Other income	8	144	—	—	152
Loss before taxes	**$ (4,229)**	**$ (21,902)**	**$ (455)**	**$ (426)**	**$ (27,012)**

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 nine months ended September 30, 2019 has been prepared based on information available to us as of November 6, 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 in 2018 with the acquisition of Alabama Graphite and its Coosa Graphite Project along with the associated Coosa Graphite Mine located across 41,900 acres (17,000 ha) in east-central Alabama. We established our lithium business in 2016 and currently control mineral rights encompassing approximately 36,920 acres (14,941 ha) across two prospective lithium brine basins in Nevada and Utah.

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 US 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 US 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 US national security. This trade investigation was initiated under Section 232 of the Trade Expansion Act after two US uranium producers petitioned the Department of Commerce in January 2018, seeking an order that US nuclear utilities be required to purchase 25% of their uranium from US domestic production. US uranium production has declined significantly since 1987, with domestic uranium producers experiencing a major slowdown in operations and employment.

On July 12, 2019, President Trump announced the completion of the Section 232 trade investigation. President Trump decided to take no trade action, which has allayed market uncertainty about whether a quota, tariff or other trade action would be imposed under the broad power delegated to the President under Section 232. Instead, President Trump ordered a review of the domestic nuclear supply chain (uranium production, conversion, enrichment and fabrication) in the context of the 2017 White House initiative to revive, revitalize and expand the nuclear energy sector.

Although President Trump did not agree that uranium imports threaten to impair the national security of the United States, he acknowledged that the United States uranium industry faces significant challenges in producing uranium domestically and that this is an issue of national security. Accordingly, to address concerns regarding the production of domestic uranium and ensure a comprehensive review of the domestic nuclear supply chain, the President directed that a Nuclear Fuel Working Group be established. The Working Group will include the Secretary of State, Secretary of Energy and Secretary of Defense, among other key officials, and will develop recommendations for reviving and expanding domestic nuclear fuel production (that is, uranium, conversion, enrichment and fuel fabrication). The Working Group was given 90 days to submit a report to the President making recommendations to further enable domestic nuclear fuel production, which was extended by an additional 30 days on October 10, 2019 to November 10, 2019.

RECENT DEVELOPMENTS

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. On June 28, 2019, Westwater and URC entered into an amendment to the agreement. The amendment extended the date for closing under the agreement to August 30, 2019. In addition, URC delivered an additional $1,000,000 as deposit to the Company upon signing the amendment, increasing the total deposit to $1,500,000. The transaction closed on August 30, 2019, on which date the Company transferred ownership of the royalty interests and promissory note to URC in exchange for the final payment of $1.25 million.

Equity Financings

Purchase Agreement ("PA") with Lincoln Park

On June 6, 2019, the Company entered into the PA with Lincoln Park to place up to $10.0 million in the aggregate of the Company's common stock on an ongoing basis when required by the Company over a term of 24 months. Westwater will control the timing and amount of any sales to Lincoln Park, and Lincoln Park is obligated to make purchases in accordance with the PA. Any common stock that is sold to Lincoln Park will occur at a purchase price that is based on an agreed upon fixed discount to the Company's prevailing market prices at the time of each sale and with no upper limits to the price Lincoln Park may pay to purchase common stock. The PA may be terminated by Westwater at any time, in its sole discretion, without any additional cost or penalty.

The PA specifically provides that the Company may not issue or sell any shares of its common stock under the PA if such issuance or sale would breach any applicable rules of The Nasdaq Capital Market. In particular, Nasdaq Listing Rule 5635(d) provides that the Company may not issue or sell more than 19.99% of the shares of the Company's common stock outstanding immediately prior to the execution of the PA without shareholder approval. On August 6, 2019 the Company conducted a Special Meeting of Shareholders whereby the Company received such approval to sell up to 3,200,000 shares of common stock under the PA.

Lincoln Park has no right to require the Company to sell any shares of common stock to Lincoln Park, but Lincoln Park is obligated to make purchases as the Company directs, subject to certain conditions. In all instances, the Company may not sell shares of its common stock to Lincoln Park under the PA if it would result in Lincoln Park beneficially owning more than 9.99% of its common stock.

Following effectiveness of an S-1 registration statement relating to the resale of the shares subject to the PA on June 18, 2019, the Company began selling shares of its common stock to Lincoln Park under the terms of the PA. During the quarter ended September 30, 2019, the Company sold 466,784 shares of common stock for gross proceeds of $1.5 million. Inception-to-date through October 31, 2019, the Company has sold 1,234,534 shares of common stock for gross proceeds of $4.8 million. As of November 6, 2019, the Company has registered for resale by Lincoln Park of an additional 959,000 shares under a registration statement on Form S-1 which will be declared effective on November 7, 2019.

Stock Purchase Agreement with Lincoln Park Capital Fund, LLC. ("Lincoln Park")

On May 24, 2019, Westwater entered into a securities purchase agreement, as amended by Amendment No. 1 thereto dated as of May 30, 2019 (as so amended, the "Purchase Agreement"), with Lincoln Park, pursuant to which the Company agreed to issue and sell to Lincoln Park, and Lincoln Park agreed to purchase from the Company (i) 104,294 shares of the Company's common stock, par value $0.001 per share and (ii) warrants to initially purchase an aggregate of up to 182,515 shares of common stock, at an exercise price of $5.062 per share, for an aggregate of $550,751. On May 30, 2019, the Company issued and sold the common shares and the warrants to Lincoln Park and received aggregate gross proceeds before expenses of $550,751. The warrants will become exercisable upon the six-month anniversary of the closing date and thereafter at any time during the five-year period following such date.

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.

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 planned for completion in early 2020.

At the Rosita Project, also located in Texas, the wellfield Production Areas 1 & 2 are plugged, and surface reclamation in those areas is planned for completion in 2020.

Turkish Government Taking of Temrezli and Sefaatli 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 licenses for the Temrezli and Şefaatli uranium projects located in the Republic of Turkey, rendering both projects worthless. These two uranium projects were owned by Westwater's wholly-owned, indirect Turkish subsidiary Adur Madencilik Limited Sirketi ("Adur").

Since 2007, Adur has held the exclusive rights for the exploration and development of uranium at Temrezli and Şefaatli, two sites located around 200 kilometers from Ankara, which include the largest and highest-grade deposits of uranium known to be in Turkey. Through June 2018, Adur and its shareholders had 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 of the uranium mining process in 2013-2014, Adur was granted a number of exploration and operating licenses by the Turkish government to develop the Temrezli mine. As a direct result of Adur's efforts, Temrezli became the most advanced uranium project in Turkey and it was projected to be one of the lowest cost uranium mines in the world. Experts have estimated that the Temrezli 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. Westwater acquired Adur in late 2015 for approximately $18 million in an all-stock acquisition of Adur's parent company, Anatolia Energy Corp.

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, in June 2018 they asserted that those licensed 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 both Turkish and international law. Westwater reached out on numerous occasions to the Turkish government to resolve this dispute amicably, to reinstate the licenses and to remedy Turkey's 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. Additional information regarding the ICSID arbitration proceeding is presented in Part II, Item 1 below.

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, the Company 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 Westwater's stock listing 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 September 30, 2019 was $1.8 million, or $0.95 per share, as compared with a consolidated net loss of $3.1 million, or $3.07 per share for the same period in 2018. The $1.3 million decrease in our consolidated net loss from the respective prior period was primarily the result of the gain on disposal of uranium assets to URC in August 2019 and the reversal of $0.4 million in accrued executive bonuses.

Our consolidated net loss for the nine months ended September 30, 2019 was $7.8 million, or $4.72 per share, as compared with a consolidated net loss of $27.0 million, or $33.98 per share for the same period in 2018. The $19.2 million decrease in our consolidated net loss from the respective prior period was primarily the result of the impairment charge for the Temrezli and Sefaatli uranium mineral interests in 2018 of $18.0 million and the gain on disposal of uranium assets to URC in 2019 of $0.7 million.

Mineral Property Expenses

The following table details our mineral property expenses for the three and nine months ended September 30, 2019 and 2018:

	For the Three months Ended September 30, 2019	For the Three months Ended September 30, 2018	For the Nine months Ended September 30, 2019	For the Nine months Ended September 30, 2018
Restoration/Recovery expenses				
Kingsville Dome project				
Rosita project	$ 7	$ 131	$ —	$ 297
Vasquez project	(8)	(51)	69	50
Total restoration/recovery expenses	(1)	80	69	347
Standby care and maintenance expenses				
Kingsville Dome project	158	181	444	495
Rosita project	97	97	298	276
Vasquez project	93	92	235	231
Temrezli project	—	11	—	107
Total standby care and maintenance expenses	348	381	977	1,109
Exploration and evaluation costs	21	18	113	39
Land maintenance and holding costs	483	476	1,150	1,211
Total mineral property expenses	$ 851	$ 955	$ 2,309	$ 2,706

For the three and nine months ended September 30, 2019, mineral property expenses decreased by $0.1 million and $0.4 million from the corresponding periods during 2018. For both of the comparative periods, the decreases were primarily due to a reduction in reclamation activities at the Vasquez and Rosita Projects due to adverse weather conditions in the first half of 2019 and a reduction in operating activities at the Temrezli Project due to the revocation of the mining licenses by the government of Turkey in September 2018.

General and Administrative Expenses

Significant expenditures for general and administrative expenses for the three and nine months ended September 30, 2019 and 2018 were:

	For the Three months ended September 30, 2019	For the Three months ended September 30, 2018	For the Nine months ended September 30, 2019	For the Nine months ended September 30, 2018
	(thousands of dollars)			
Stock compensation expense	$ 239	$ 146	$ 255	$ 308
Salaries and payroll burden	197	689	1,619	2,065
Legal, accounting, public company expenses	635	545	2,105	1,816
Insurance and bank fees	171	121	355	398
Consulting and professional services	1	28	52	218
Office expenses	107	102	235	338
Sales and Marketing	6	53	17	178
Other expenses	3	21	126	116
Total	$ 1,359	$ 1,705	$ 4,764	$ 5,437

For the three months ended September 30, 2019, general and administrative charges decreased by $0.3 million compared with the corresponding period in 2018. The decrease was primarily due to the reversal of executive bonus accruals of $0.4 million, offset by an increase in legal, accounting and public company expenses due to financing activities and costs related to the special shareholder meeting held in August 2019.

For the nine months ended September 30, 2019, general and administrative charges decreased by $0.7 million compared with the corresponding period in 2018. The decrease was primarily due to the reversal of executive bonus accruals of $0.4 million, a decrease in consulting expenses of $0.2 million and sales and marketing expenses of $0.2 million, primarily related to the Alabama Graphite activities in 2018, and a decrease of $0.1 million in office expenses. These decreases were offset by an increase in legal, accounting and public company expenses of $0.3 million due to financing activities, Nasdaq compliance activities, shareholder meeting costs for meetings held in April 2019 and August 2019.

Other Income and Expenses

For the three months ended September 30, 2019 the $1.0 million increase in other income compared to the three months ended September 30, 2018 was primarily due to the $0.7 million gain on sale of uranium assets to URC in August 2019, combined with the $0.4 million loss recorded in 2018 from sale of marketable securities.

For the nine months ended September 30, 2019, the $0.2 million increase in other income compared to the nine months ended September 30, 2018 was once again primarily due to the $0.7 million gain on sale of uranium assets to URC in August 2019, offset by an increase of $0.2 million in loss recorded from sale of marketable securities and a decrease in interest income of $0.2 million due to a lower principal balance outstanding on the promissory note in 2019.

FINANCIAL POSITION

Operating Activities

Net cash used in operating activities was $7.2 million for the nine months ended September 30, 2019, as compared with $9.0 million for the same period in 2018. The $1.8 million decrease in cash used was primarily due to a decrease of $1.0 million of mineral property expenses, general and administrative expenses and acquisition related costs in 2019 and an increase in cash from working capital items of $1.0 million, comprised of an increase in cash from working capital items of $0.5 million in 2019 in contrast to a decrease in working capital items of $0.5 million in 2018.

Investing Activities

Net cash provided by investing activities was $3.8 million for the nine months ended September 30, 2019, as compared with $0.4 million of cash provided by investing activities for the nine months ended September 30, 2018. For the 2019 period, the Company received note 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 $2.5 million in net proceeds from the sale of uranium assets to URC in August 2019. For the 2018 period, the Company received a note payment on the Laramide note in the amount of $1.1 million in cash. Additionally, the Company received net proceeds of $0.8 million from the sale of Laramide securities. These increases were partially offset by cash used for note advances to Alabama Graphite of $1.5 million.

Financing Activities

Net cash provided by financing activities was $2.6 million for the nine months ended September 30, 2019 from the proceeds of sales of common stock through the Company's Cantor ATM Offering agreement, to Lincoln Park pursuant to the Stock Purchase Agreement and to Lincoln Park under the Purchase Agreement.

For the nine months ended September 30, 2018, net cash provided by financing activities was $5.9 million. During 2018, the Company received net cash proceeds of $1.3 million, $2.9 million and $1.7 million from the sale of common stock sold through the Company's Common Stock Purchase Agreement with Aspire Capital, LLC ("Aspire"), a registered direct offering to Aspire 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 September 30, 2019 the Company’s cash balances were $0.7 million and the Company had a working capital deficit balance of $2.6 million. The Company’s cash balance at October 31, 2019 is $2.3 million. Subsequent to October 31, 2019, the Company expects to fund operations as follows:

- The Stock Purchase Agreement with Lincoln Park Capital, LLC. whereby the Company may place up to $10.0 million in the aggregate of the Company's common stock on an ongoing basis when required by the Company over a term of 24-months ending in June 2021. The Company currently has $5.2 million remaining sales capacity, subject to the registration of shares on Form S-1. As of November 5, 2019, the Company has registered for resale by Lincoln Park an additional 959,000 shares on Form S-1.

- The Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co. which currently has $23.8 million remaining sales capacity, subject to the registration of shares on Form S-3. The Company is currently eligible to, and intends to, register the sale of additional shares under the agreement on Form S-3 pursuant to the SEC's shelf registration rules.

- Other debt and equity financings and asset sales.

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.

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 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 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 September 30, 2019.

Changes in Internal Controls

There were no changes in our internal control over financial reporting during the quarter ended September 30, 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, other than as set forth below.

Arbitration Against Turkey

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. The Request for Arbitration was filed as a result of the Republic of Turkey's unlawful actions against the Company's licenses for the Temrezli and Sefaatli uranium projects owned by Westwater's Turkish subsidiary Adur Madencilik Limited Sirketi ("Adur"). Specifically, 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, in June 2018 they asserted that those licenses 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 both Turkish and international law. Westwater reached out on numerous occasions to the Turkish government to resolve this dispute amicably, to reinstate the licenses and to remedy Turkey's unlawful actions, but to no avail.

As a result, on December 13, 2018, Westwater filed before ICSID its arbitration request against the Republic of Turkey. On December 21, 2018, ICSID registered Westwater's Request for Arbitration. On May 1, 2019, the three-member ICSID Panel for the arbitration was established – one of the panel members was selected by Westwater, another was selected by Turkey, and the third panel member (serving as the Chair) was selected by the two party-appointed arbitrators. On September 9, 2019, the ICSID Panel issued Procedural Order #1, which places the locale for the proceeding in Washington, DC, and sets January 27, 2020 as the date for Westwater to file its Memorial, which is a document that sets out Westwater's case. The ICSID Panel sets March 9, 2020 as the date for Turkey to move to bifurcate the proceeding (into legal and factual issues), or alternatively sets June 15, 2020 as the date for Turkey to file its counter-Memorial. Additional dates were established in the Order that depend upon whether or not Turkey moves to bifurcate the proceeding and whether or not the ICSID Panel grants that request. A hearing on the merits is scheduled for May 17-21, 2021 if Turkey does not request bifurcation. If Turkey requests bifurcation and that request is denied by the Panel, then the hearing on the merits is scheduled for September 13-17, 2021. If Turkey requests bifurcation and that request is granted by the Panel, then a hearing on the bifurcation issues is scheduled for March 15-17, 2021.

ITEM 1A. RISK FACTORS.

There have been no material changes from those risk factors set forth in our yearly Report on Form 10-K for the year ended December 31, 2018, which are incorporated herein by reference.

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

On October 16, 2019, the Company issued 46,636 shares of its common stock to Cantor Fitzgerald & Co. ("Cantor Fitzgerald") in satisfaction of amounts due for advisory services provided pursuant to the terms of a letter agreement (the "Cantor Agreement"), dated March 4, 2015, between the Company and Cantor Fitzgerald. Under the Cantor Agreement, Cantor Fitzgerald provided financial advisory services to the Company in connection with the Company's sale of certain assets to Uranium Royalty (USA) Corp. and Uranium Royalty Corp (together, "URC"). Upon the closing of the transaction with URC, Cantor Fitzgerald became entitled to an advisory fee of $280,000, of which the Company paid $140,000 in cash. Cantor Fitzgerald accepted 46,636 shares in lieu of the remaining $140,000 due under the Cantor Agreement at a value of approximately $3.002 per share, which shares were issued on October 16, 2019. The shares issued under the Cantor Agreement were issued pursuant to the exemption from registration set forth in Section 4(a)(2) of the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit Number	Description
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: November 6, 2019

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

Dated: November 6, 2019

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