WESTWATER
RESOURCES

Dear Fellow Shareholders,

2020 was a transformative year for Westwater Resources – and we thank you for being a part of it. We successfully exited day-to-day operations of the uranium business through a strategic sale, while retaining a royalty interest and an equity position in the acquirer, while unlocking restricted cash and releasing bonding obligations. Most importantly, Westwater completed our strategic pivot into a battery graphite production company.

Your management team is now focused exclusively on advancing its battery graphite business, which we believe offers much better long-term growth and value creation potential. As of the date of this writing, 11 metric tonnes of battery graphite products from our Pilot Program have been produced for potential customer testing, and work has begun on a Definitive Feasibility Study. Customer qualification of our battery graphite products is essential to drive future product sales. Now that we have streamlined our portfolio, our efforts to grow our graphite business will intensify.

We are asking Westwater shareholders to vote in favor of important issues set out in our proxy that we believe will be essential to advancing our battery graphite business plan. As part of your consideration, we offer some reasons for your "FOR" vote:

- **We are requesting your support for Westwater to continue its Equity Line of Credit with Lincoln Park Capital,** which offers maximum flexibility in addressing future financing needs. While we hope to address long-term financing needs with a combination of sources of financing, the Lincoln Park facility is part of the overall financing strategy for our Company.
- **We are asking you to vote in favor of increasing the number of shares in the Omnibus Incentive Plan to further align compensation with performance. Two-thirds of the shares in the Management compensation plan are performance-based and not guaranteed. The shares only vest if the Company meets strategic, operational, health and safety, and total shareholder return goals.** Part of the management team's long-term incentive compensation comes in the form of shares in the company. We believe that long-term incentive-based compensation that increases the management team's ownership in the company aligns pay with performance.
- **We ask that you vote YES on "Say on Pay".** We have listened to shareholder feedback and worked to align our short-term and long-term incentive compensation plans directly with performance goals related to health and safety, production of battery graphite, customer testing and adoption, as well as total shareholder return. Please look at our compensation discussion and analysis section of the proxy and consider if you agree with us that our compensation package is aligned with the Company's performance over the past year.

WESTWATER'S ACCOMPLISHMENTS AND PLANS

We developed a unique process and filed a patent application for a purification process the Westwater team developed that reduces the environmental impact of battery graphite production. Cevat Er, our Vice President of Technical Services, led the team whose work resulted in this patent application.

We also began the work to complete a Definitive Feasibility Study for our graphite processing plant. This study will result in a comprehensive plan for the plant, and allow us to complete the detailed design of the facility so we can begin construction late this year. We plan to have the plant commissioned and in production at the end of 2022.

Westwater's business plan execution continues at a rapid pace with the production of 11 metric tonnes from the Pilot Program. With those products and information produced from that program, **we are on track to provide products at a commercial scale in 2023.**

Graphite products, such as those we make, are essential to the growth of the Electric Vehicle (EV) industry here in the United States and the rest of the world. A recent report showed that EV adoption rates in the U.S. have risen from 2% to 4% year-on-year from 2019 to 2020. The report also expects that the growth of EV sales will continue at a rate of more than 20% per year. This equates to more than doubling the worldwide consumption of battery graphite for Lithium-Ion batteries like those that power these electric vehicles.

Further - we are proud to announce that our entire Company completed another year without any lost time injuries or recordable environmental incidents. Our actions to keep our employees safe during the COVID 19 pandemic were also rewarded with zero workplace related transmission of the illness – and minimal impact to our business. We are happy to report that our offices have reopened with protocols in place to provide for a safe and healthy work life.

Now, we are in the process of executing an exploration drilling program on the Coosa Deposit in Alabama to better understand the distribution of graphite and vanadium on the property, in order to optimize mine development. We expect to publish additional vanadium and graphite exploration results in late 2021.

As of the date of this letter, we have a clean balance sheet with $118 million in our treasury and no long-term debt. This is a result of increased interest in our stock and the utilization of financial instruments like our At-The-Market Offering and the Lincoln Park Equity Line of Credit. These two instruments have provided flexible capital that we need to develop, and begin the construction of, our battery graphite processing facility. More will be needed to fully execute our business plan, and the previously mentioned Equity Line of Credit is key to our plan.

And lastly, our ICSID arbitration proceeding against the Republic of Turkey continues without interruption and we are on track for a hearing scheduled for September 2021. We expect the arbitration panel to deliberate for upwards of 12 months following the hearing before reaching a decision.

Our plans for Fiscal Year 2021 and beyond include:

- Graphite business development:
    - Completion of our Definitive Feasibility Study for our graphite processing plant and commencement of plant construction.
    - Further developing our product line and placing more sample material with customers.
    - Completion of an exploration drilling program on the Coosa Deposit to better understand the distribution of graphite and vanadium on the property.
- Sustainability:
    - Continuing our great safety and environmental performance, including developing ISO 14000 and 9001 systems to help us maintain our exemplary safety and environmental performance.
- Advancing our ICSID arbitration proceeding against the Republic of Turkey.

SUMMARY

2020 was a transformative year for Westwater despite the impact of the worldwide pandemic. We are grateful to our shareholders for their support and feedback as we continue to push forward to develop our Coosa Graphite Project.

We are grateful to our dedicated team that continues to exemplify a best-in-class safety culture, creativity and teamwork to support our strategic transformation to a graphite business.

With a great business plan, a record of achievement, and an experienced and accomplished team at Westwater – we are confident that continued success as part of the Green Energy Economy can be achieved.

Sincerely,

Terence J. Cryan
Chairman of the Board

Christopher M. Jones
President and CEO

March 26, 2021

Westwater Resources, Inc.
6950 S. Potomac Street, Suite 300
Centennial, Colorado 80112
www.westwaterresources.net

NOTICE OF 2021 ANNUAL MEETING OF STOCKHOLDERS

To the stockholders of Westwater Resources, Inc.:

We will hold our 2021 Annual Meeting of Stockholders on **May 21, 2021 at 9:00 a.m., local time,** at our headquarters, located at 6950 South Potomac Street, Suite 300, Centennial, Colorado 80112, to consider and vote upon the following matters:

1. Approve the issuance of shares of common stock to Lincoln Park Capital Fund pursuant to New York Stock Exchange American Company Guide Rule 713(a).
2. Approve an amendment to our 2013 Omnibus Incentive Plan, as amended, to increase the authorized number of shares of common stock available and reserved for issuance under such plan by 1,500,000 shares.
3. Elect as directors the five nominees named in the accompanying proxy statement.
4. Provide advisory approval of our executive compensation.
5. Ratify the appointment of Moss Adams LLP as our independent registered public accountant for 2021.
6. Transact such other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

The Board has fixed the close of business on March 25, 2021 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting or at any adjournment or postponement thereof.

Stockholders are cordially invited to attend the meeting in person. Whether or not you plan to be present at the meeting, you are requested to sign and return the enclosed proxy in the enclosed envelope, or vote all of your shares over the telephone or over the Internet, so that your shares may be voted in accordance with your wishes and in order that the presence of a quorum may be assured. The giving of such proxy will not affect your right to vote in person, should you later decide to attend the meeting. **Please date and sign the enclosed proxy and return it promptly in the enclosed envelope, or vote over the telephone or Internet. Your vote is important.**

By Order of the Board of Directors,

/s/ JOHN W. LAWRENCE

John W. Lawrence, *Secretary*

Centennial, Colorado
March 26, 2021

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on May 21, 2021:

The Notice of Annual Meeting, Proxy Statement and 2020 Annual Report to Stockholders are available at *www.westwaterresources.net*.

2021 PROXY STATEMENT SUMMARY

This summary highlights selected information contained in this proxy statement, but it does not contain all the information you should consider. We urge you to read the whole proxy statement and our 2020 Annual Report before you vote. This proxy statement is being made available to stockholders on or about April 2, 2021.

2021 ANNUAL MEETING OF STOCKHOLDERS

Date and Time:	May 21, 2021, at 9:00 a.m., local time
Record Date:	Thursday, March 25, 2021
Place:	Westwater Corporate Headquarters 6950 South Potomac Street, Suite 300 Centennial, Colorado 80112

VOTING MATTERS AND BOARD RECOMMENDATIONS

Matter	Board Recommendation
1. Approval, pursuant to New York Stock Exchange American Company Guide Rule 713(a), of the issuance of more than 19.99% of the Company's issued and outstanding stock pursuant to a purchase agreement entered into between the Company and Lincoln Park Capital Fund, LLC on December 4, 2020 (page 6)	FOR
2. Approval of an increase in the number of shares available under our 2013 Omnibus Incentive Plan (page 10)	FOR
3. Election of five nominees to our Board of Directors (page 18)	FOR each Director Nominee
4. Advisory vote to approve our executive compensation (page 43)	FOR
5. Ratification of the appointment of Moss Adams LLP as our independent registered public accounting firm for 2021 (page 44)	FOR

DIRECTORS OF THE COMPANY AND 2021 NOMINEES FOR DIRECTOR

			Committees			
Name	Age	Director Since	Audit	Compensation	Nominating and Corporate Governance	Health, Safety and Environment
Terence J. Cryan*	58	2017; 2006-16			Ch.	
Christopher M. Jones	62	2013				Ch.
Tracy D. Pagliara*	58	2017	x	x	x	
Karli S. Anderson*	47	2018	x	Ch.		x
Deborah A. Peacock*	64	2020	Ch.	x		

* independent director

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WESTWATER RESOURCES

Westwater Resources, Inc.
6950 S. Potomac Street, Suite 300
Centennial, Colorado 80112
www.westwaterresources.net

PROXY STATEMENT
2021 ANNUAL MEETING OF STOCKHOLDERS

This proxy statement is furnished in connection with the solicitation of proxies by Westwater Resources, Inc. ("**Westwater**" or the "**Company**") on behalf of its Board of Directors for the 2021 Annual Meeting of Stockholders ("**Annual Meeting**").

Questions and Answers About the Annual Meeting

Q: Why am I receiving this proxy statement?

A: You are receiving this proxy statement because you have been identified as a holder of the Company's common stock as of the close of business on March 25, 2021, the record date for the 2021 Annual Meeting of Stockholders.

Q: When and where is the Annual Meeting?

A: The Annual Meeting will take place on May 21, 2021 at 9:00 a.m., local time, at our headquarters, located at 6950 South Potomac Street, Suite 300, Centennial, Colorado 80112.

Q: What are holders of commons stock being asked to vote on?

A: Holders of common stock are being asked to:

- Proposal 1: Approve, pursuant to New York Stock Exchange American Company Guide Rule 713(a), the issuance of more than 19.99 percent of the Company's issued and outstanding stock to Lincoln Park Capital Fund, LLC pursuant to a purchase agreement entered into between the Company and Lincoln Park Capital Fund, LLC on December 4, 2020 (the "**Purchase Agreement**").

- Proposal 2: Approve an amendment to the Westwater Resources, Inc. 2013 Omnibus Incentive Plan to increase the authorized number of shares of common stock available and reserved for issuance under such plan by 1,500,000 shares;

- Proposal 3: Elect as directors the five nominees named in this proxy statement.

- Proposal 4: Provide advisory approval of our executive compensation.

- Proposal 5: Ratify the appointment of Moss Adams LLP as our independent registered public accountant for 2021.

In addition, we may consider such other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

Q: Why is the Company seeking stockholder approval of the common stock issuance proposal?

A: As a result of our listing on New York Stock Exchange American as of March 19, 2021, issuances of our common stock are subject to New York Stock Exchange American Company Guide Rule 713(a), which requires us to obtain stockholder approval prior to the issuance of securities in connection with a transaction, other than a public offering, involving the sale, issuance or potential issuance by us of more than 19.99 percent of our outstanding shares of our common stock (or securities convertible into or exercisable for shares of our common stock) at a price less than the lower of (i) the closing price (as reflected on Nasdaq.com, where we were previously listed) immediately preceding the signing of the binding agreement, or (ii) the average closing price of the common stock (as reflected on Nasdaq.com where we were previously listed) for the five trading days immediately preceding the signing of the binding agreement.

Future sales under the Purchase Agreement may result in the issuance by us of more than 19.99% of our outstanding shares of our common stock, which requires stockholder approval for purposes of New York Stock Exchange American Company Guide Rule 713(a). Accordingly, we are seeking approval from our stockholders of the proposed issuances of shares under the Purchase Agreement. We intend to use the Purchase Agreement as a source of capital to finance the design, engineering and construction of a commercial-scale, battery-grade graphite proceeding plant that is intended to be located in the State of Alabama.

Q: Why is the Company seeking an amendment to the 2013 Omnibus Incentive Plan?

A: This amendment will allow the Company to grant stock-based awards over the next several years to continue to align compensation with stockholder value.

Q: Who is eligible to vote at the Annual Meeting?

A: Holders of common stock as of the close of business on March 25, 2021, the record date for the Annual Meeting, or their duly authorized proxy holders, are eligible to vote. As of the close of business on the record date, there were 32,336,315 shares of common stock outstanding and entitled to vote at the Annual Meeting.

If you own shares that are registered in the name of someone else, such as a broker, bank or other nominee, you need to direct that organization to vote those shares or obtain an authorization from them and vote the shares yourself at the meeting.

Q: How many votes do stockholders have?

A: Holders of common stock are entitled to cast one vote on each proposal properly brought before the Annual Meeting for each share of common stock that such holder owned at the close of business on the record date.

As of the record date, directors and executive officers of the Company as a group beneficially owned and were entitled to vote approximately 190,134 shares of common stock, representing less than 1% of the shares of common stock entitled to vote at the Annual Meeting. All of the directors and executive officers of the Company who are entitled to vote at the Annual Meeting have advised the Company that they intend to vote their shares of common stock in favor of each of the proposals, although such persons have not entered into agreements obligating them to do so.

Q: What vote is required to approve each of the proposals?

A: Assuming a quorum is present:

- <u>Election of Directors</u>: For Proposal 3, directors are elected by a plurality, and the five nominees for director who receive the most **FOR** votes at the Annual Meeting in person or by proxy will be elected to the Board. Abstentions, "broker non-votes" and shares that are voted "withhold" in regards to a director nominee will not be counted toward such nominee's election and will have no effect on the outcome of the election.

- <u>All Other Proposals</u>: For the other proposals and any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting, the affirmative vote of a majority of the votes cast on such proposals or other business at the Annual Meeting in person or by proxy is required for approval. Abstentions and "broker non-votes" are not treated as cast either for or against any such proposals or other business, and therefore will not affect the outcome of the vote.

Q: What constitutes a quorum for the Annual Meeting?

A: The presence in person or by proxy of the holders of one-third of the votes entitled to be cast at the Annual Meeting constitutes a quorum under the Company's bylaws. The Company will treat shares of common stock represented by a properly signed and returned proxy, including abstentions and broker non-votes, as present at the Annual Meeting for the purposes of determining the existence of a quorum. If a quorum is not present, the holders of record of a majority of such shares present and entitled to vote may adjourn the Annual Meeting until a quorum is obtained.

Q: How does the Board recommend that I vote?

A: The Board unanimously recommends that you vote "**FOR**" each of the proposals, including each director nominee.

Q: What happens if I don't vote?

A: If you are the beneficial owner of shares held in "street name" (that is, if you hold your shares through a broker, bank or other holder of record), the broker, bank or other holder of record who holds your shares of common stock will have authority to vote on "routine" proposals, such as the ratification of the appointment of Moss Adams LLP as our independent registered public accountants for 2021 (Proposal 5).

However, banks, brokerage firms and other nominees are precluded from exercising their voting discretion with respect to non-routine matters, such as the approval of the common stock issuance proposal (Proposal 1), the approval of an amendment to the Westwater Resources, Inc. 2013 Omnibus Incentive Plan (Proposal 2), the election of directors (Proposal 3), and advisory approval of our executive compensation (Proposal 4), if you have not submitted voting instructions to the broker, bank or other nominee. As a result, absent specific instructions from the beneficial owner of such shares, brokers, banks or other holders of record are not empowered to vote such shares on non-routine matters, which we refer to as a "broker non-vote." The effect of not instructing your broker, bank or other holder of record regarding how you wish your shares to be voted will ***NOT*** be counted as "**FOR**" or "**AGAINST**" for these non-routine matters, and will ***NOT*** have an effect on Proposals 1, 2, 3 or 4.

No matter how many or few shares you own you are encouraged to vote and have your voice heard.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this proxy statement, please vote promptly by calling the toll-free number listed on your proxy card, accessing the Internet website listed on your proxy card or by completing, signing and dating your proxy card and returning it by mail in the enclosed postage-paid envelope.

If you hold your stock in "street name" through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker. Submitting your proxy by telephone, Internet or mail or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the Annual Meeting. For information on how to vote your shares in person at the Annual Meeting, see *"Can I attend the Annual Meeting and vote my shares in person?"* below.

Q: How do I vote?

A: Stockholders of record may vote, either in person or by proxy, through the following methods:

- Via the Internet: You may vote by proxy via the Internet by following the instructions on the proxy card. You will be asked to provide the company number and control number from the enclosed proxy card.

- By Telephone: You may vote by proxy by calling the toll-free number found on the proxy card.

- By Mail: You may vote by proxy by filling out the proxy card and sending it back in the envelope provided.

- In Person: You may attend the Annual Meeting and vote in person.

If you are a beneficial owner of shares held in "street name" (that is, if you hold your shares through a broker, bank or other holder of record), you can vote in one of four ways:

- Via the Internet: You may vote via the Internet by following the instructions on the voting instruction form accompanying the proxy materials.

- By Telephone: You may vote by proxy by calling the toll-free number found on the voting instruction form.

- By Mail: You may vote by proxy by filling out the voting instruction form and sending it back in the envelope provided.

- In Person: You must obtain a legal proxy from the organization that holds your shares if you wish to attend the Annual Meeting and vote in person. You will need to ask the broker, bank or other nominee holding your shares for a legal proxy and bring the legal proxy with you to the Annual Meeting. You will not be able to vote your shares at the meeting without a legal proxy. If you request a legal proxy, any previously executed proxy will be revoked, and your vote will not be counted unless you appear at the Annual Meeting and vote in person or legally appoint another proxy to vote on your behalf.

Q: How will my proxy be voted?

A: All shares of common stock represented at the Annual Meeting by properly executed proxy cards, voted over the telephone or voted over the Internet will be voted in accordance with the instructions indicated on those proxies. If you hold shares in your name and sign and return a proxy card or submit a proxy by telephone or over the Internet without giving specific voting instructions, your shares will be voted "**FOR**" each director nominee and all other proposals.

Q: If my broker holds my shares in "street name," will my broker automatically vote my shares for me?

A: **No. If you do not provide your broker with instructions on how to vote your "street name" shares, your broker will not be permitted to vote on non-routine matters on your behalf.** You should therefore be sure to provide your broker with instructions on how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker to see if the broker offers telephone or Internet voting.

All stockholders are urged to have their voices heard on this important matter—please vote your shares today.

Q: Can I attend the Annual Meeting and vote my shares in person?

A: Yes. All stockholders, including stockholders of record and stockholders who hold their shares through banks, brokers, custodians or any other record holder, are invited to attend the Annual Meeting. Holders of record of common stock as of the record date can vote in person at the Annual Meeting. If you are not a stockholder of record, you must obtain a valid proxy, executed in your favor, from the record holder of your shares, such as a bank, broker, custodian or other record holder, to be able to vote in person at the Annual Meeting.

If you plan to attend the Annual Meeting, you must hold your shares in your own name, have a letter or recent brokerage statement from the record holder of your shares confirming your ownership or have a valid proxy authorizing you to vote shares at the meeting, and you must bring a form of personal photo identification with you in order to be admitted. The Company reserves the right to refuse admittance to anyone without proper proof of share ownership, proper authorization to vote shares, or proper photo identification.

Q: What does it mean if I receive more than one set of materials?

A: This means you own shares of the Company that are registered under different names. For example, you may own some shares directly as a stockholder of record and other shares through a broker, or you may own shares through more than one broker. In these situations, you will receive multiple sets of proxy materials. You must complete, sign, date and return all of the proxy cards or follow the instructions for any alternative voting procedures on each of the proxy cards you receive in order to vote all of the shares you own. Each proxy card you receive will come with its own postage-paid return envelope; if you vote by mail, make sure you return each proxy card in the return envelope that accompanied that proxy card.

Q: What can I do if I want to change or revoke my vote?

A: You have the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting again at a later date through any of the methods available to you, by attending the Annual Meeting and voting in person, or if you are a holder of record, by giving written notice of revocation to the Company prior to the time the meeting begins. Written notice of revocation should be mailed to: Westwater Resources, Inc., Attention: Secretary, 6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112.

If you hold your shares in "street name," and wish to change or revoke your vote, please refer to the information on the voting instruction form included with these materials and forwarded to you by your bank, broker, custodian or other record holder to see your voting options.

Q: Whom should I call if I have questions about the Annual Meeting?

A: You should call Alliance Advisors, our proxy solicitor, at (855) 600-8107 or our corporate secretary, at (303) 531-0516.

PROPOSAL 1

APPROVAL OF THE ISSUANCE OF MORE THAN 19.99% OF THE COMPANY'S ISSUED AND OUTSTANDING COMMON STOCK PURSUANT TO THE PURCHASE AGREEMENT WITH LINCOLN PARK CAPITAL FUND, LLC

On December 4, 2020, we entered into a purchase agreement (the "**Purchase Agreement**"), and a registration rights agreement (the "**Registration Agreement**"), with Lincoln Park Capital Fund, LLC, an Illinois limited liability company ("**Lincoln Park**"), pursuant to which Lincoln Park has committed to purchase up to $100.0 million of the Company's common stock, $0.001 par value per share. We are submitting this Proposal 1 to you in order to obtain the requisite stockholder authorization in accordance with the requirements of the Purchase Agreement and New York Stock Exchange American ("**NYSE American**") Company Guide Rule 713(a) to sell shares of our common stock, if we so choose, to Lincoln Park in excess of 19.99% of our outstanding shares of common stock as of the date of the Purchase Agreement, as more fully described below. As of March 25, 2021, the Company has sold approximately 19.9% of the outstanding shares of common stock as of the date of the Purchase Agreement, also as more fully described below.

Agreement with Lincoln Park

Under the terms and subject to the conditions of the Purchase Agreement, we have the right, but not the obligation, to sell to Lincoln Park, and Lincoln Park is obligated to purchase, up to $100.0 million worth of shares of our common stock. Sales of common stock by the Company are subject to certain limitations, and may occur from time to time, at our sole discretion, over the 36-month period commencing after the satisfaction of certain conditions set forth in the Purchase Agreement. Such conditions were satisfied on January 7, 2021 (the "**Commencement Date**").

Under the Purchase Agreement, the Company may direct Lincoln Park to purchase up to 100,000 shares of common stock on any business day (each, a "**Regular Purchase**"), subject to a maximum purchase commitment of $1,000,000 per Regular Purchase. In addition, provided the closing price of our common stock exceeds a certain threshold price set forth in the Purchase Agreement and we have directed Lincoln Park to purchase the maximum amount of shares in a Regular Purchase, we may, from time to time and at our sole discretion, also direct Lincoln Park to purchase additional shares of our common stock in "accelerated purchases," and "additional accelerated purchases" as set forth in the Purchase Agreement. The purchase price per share is based on the market price of our common stock at the time of sale as computed under the Purchase Agreement.

The purchase price for Regular Purchases equals 95% of the lower of (i) the lowest sale price of our common stock on the purchase date, or (ii) the arithmetic average of the three lowest closing sale prices for our common stock during the ten consecutive trading days ending on the trading day immediately preceding the purchase date. A purchase notice for a Regular Purchase may only be issued after the markets have closed (i.e., after 4:00 pm eastern time), which ensures that the purchase price is always known and fixed at the time the purchase notice is issued.

On any trading day when the closing price of our common stock is above $0.50 and when the maximum Regular Purchase has been made as described above, we also have the right (but not the obligation), in our sole discretion, to present Lincoln Park with a purchase notice for an accelerated purchase (an "**Accelerated Purchase**"). An Accelerated Purchase directs Lincoln Park to purchase up to the lesser of (i) three times the number of shares purchased pursuant to a Regular Purchase, or (ii) 30% of the trading volume on the date of the Accelerated Purchase, in each case at a purchase price equal to 95% of the lower of the volume weighted average price of our common stock during the Accelerated Purchase measurement period on the applicable Accelerated Purchase date and the closing sale price of our common stock on the applicable Accelerated Purchase date.

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 we direct, subject to certain conditions. In all instances, we may not sell shares of our common stock to Lincoln Park under the Purchase Agreement if it would result in Lincoln Park beneficially owning more than 9.99% of our common stock. There are no upper limits on the price per share that Lincoln Park must pay for shares of common stock. There are no trading volume requirements or restrictions under the Purchase Agreement, and we control the timing and amount of any sales of our common stock to Lincoln Park. There are no limitations on use of proceeds, financial or business covenants, restrictions on future funding, rights of first refusal, participation rights, penalties or liquidated damages in the Purchase Agreement. The Purchase Agreement may be terminated by us at any time, at our discretion, without any penalty or cost to us. We currently intend to use any net proceeds from the sale of securities to Lincoln Park for general corporate purposes, which may include advancing our graphite business, making additions to our working capital or funding future acquisitions, among other things.

We have agreed with Lincoln Park that we will not enter into any "variable rate" transactions with any third party for 36 months, beginning on the Commencement Date, pursuant to the terms of the Purchase Agreement. We issued to Lincoln Park 150,000 shares of common stock as commitment shares in consideration for entering into the Purchase Agreement.

The Purchase Agreement and Registration Agreement are attached as Exhibit 10.1 and Exhibit 10.2, respectively, to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 4, 2020.

Intended Use of the Purchase Agreement

We intend to use the Purchase Agreement as a source of capital to finance the design, engineering and construction of a commercial-scale, battery-grade graphite processing plant that is intended to be located in the State of Alabama and known generally as the Coosa Graphite Project.

In February 2021, Westwater announced the commencement of a definitive feasibility study ("**DFS**") for the Coosa Graphite Project that will produce designs and drawings for the detailed engineering effort needed before beginning the construction of the processing plant. The DFS also will identify long-lead items and provide detailed specifications for these items to be ordered. The processing plant will proceed in two phases. Phase I will build and operate a commercial-scale processing plant capable of producing 7,500 metric tonnes per year of our three battery-grade products, ULTRA-PMG™, ULTRA-CSPG™, and ULTRA-DEXDG™. In Phase II, the capacity of the processing plant will be increased to produce 15,000 metric tonnes per year. The DFS will address both Phase I and Phase II. The DFS is scheduled to be completed by the end of the second quarter of FY2021. Construction of the processing plant is anticipated to begin at the end of 2021 and continue through 2022.

Westwater plans to utilize the DFS as a basis for engaging financial institutions to fund the design, engineering and construction of the processing plant. Westwater realizes that any participation by financial institutions will also require capital contributions from Westwater. However, until the DFS is available and discussions on financing commence, the balance between funding from financial institutions and Westwater cannot be determined. As a result, Westwater put into place the Purchase Agreement to generate the necessary amount of capital that Westwater believes is needed to finance the design, engineering and construction of the processing plant. The Purchase Agreement will minimize capital risk to construct the processing plant and maintain the construction schedule.

Requirement to Seek Stockholder Approval

At the time we entered into the Purchase Agreement, our common stock was listed on the Nasdaq Capital Market, and we agreed in the Purchase Agreement that we would not issue or sell to Lincoln Park under the Purchase Agreement any shares of our common stock in excess of 3,804,370 (plus the 150,000 commitment shares), which represents 19.99% of the shares of our common stock outstanding immediately prior to the execution of the Purchase Agreement (the "**Exchange Cap**"), unless (i) we obtain stockholder approval to issue shares of common stock in excess of the Exchange Cap in accordance with the applicable rules of the Nasdaq Stock Market or (ii) the average price of all applicable sales of common stock to Lincoln Park under the Purchase Agreement (including the 150,000 commitment shares) equals or exceeds $6.15, such that issuances and sales of our common stock to Lincoln Park under the Purchase Agreement would be exempt from the Exchange Cap limitation under applicable Nasdaq rules. Also, the Purchase Agreement provides that we may not issue or sell any shares of our common stock under the Purchase Agreement if such issuance or sale would breach any applicable Nasdaq rules, and Nasdaq Rule 5635(d) requires us to obtain stockholder approval prior to the issuance of securities in connection with a transaction, other than a public offering, involving the sale, issuance or potential issuance by us of more than 19.99% of our outstanding shares of our common stock (or securities convertible into or exercisable for shares of our common stock) at a price less than the lower of (i) the closing price (as reflected on

Nasdaq.com) immediately preceding the signing of the binding agreement, or (ii) the average closing price of the common stock (as reflected on Nasdaq.com) for the five trading days immediately preceding the signing of the binding agreement (the "**Nasdaq 20% Rule**"). Under applicable Nasdaq rules, the Nasdaq 20% Rule continues to apply to transactions we entered into while our common stock was listed on the Nasdaq Capital Market, despite our subsequent decision to delist our common stock from the Nasdaq Capital Market.

In addition, because our common stock has been listed on the NYSE American commencing March 19, 2021, we are subject to the NYSE American listing rules, including Rule 713(a) of the NYSE American Company Guide (together with the Nasdaq 20% Rule, the "**20% Rules**"). Rule 713(a) of the NYSE American Company Guide requires stockholder approval of a transaction, other than a public offering, involving the sale, issuance or potential issuance by an issuer of common stock at a price less than the greater of book or market value which together with sales by officers, directors or principal stockholders of the issuer equals 20% or more of presently outstanding common stock.

Accordingly, to comply with the Exchange Cap and 20% Rules, we are seeking stockholder approval of the issuance of shares of our common stock under the Purchase Agreement. Through March 25, 2021, we have sold 3,800,000 shares of common stock (plus the 150,000 commitment shares) for aggregate gross proceeds of $24,922,200 under the Purchase Agreement, and $75,077,800 of the $100.0 million total commitment under the Purchase Agreement remains available for sale. We may sell up to an additional 4,370 shares under the Purchase Agreement without seeking additional stockholder approval in compliance with the 20% Rules.

In order to fully utilize the $100.0 million expected to be available to us, we believe that we would need to issue 12,000,000 additional shares of common stock to Lincoln Park, which would be in excess of the 20% Rules. Accordingly, in order to be able to sell to Lincoln Park the full amount available under the Purchase Agreement, we are seeking stockholder approval to issue more than 19.99% of our outstanding shares as of the date we entered into the Purchase Agreement with Lincoln Park.

In order to comply with the 20% Rules and to satisfy conditions under the Purchase Agreement, we are seeking stockholder approval to permit issuance of more than 19.99% of our common stock to Lincoln Park pursuant to the Purchase Agreement. We are seeking stockholder approval for the issuance of up to 15,950,000 shares of our common stock under the Purchase Agreement. We would seek additional stockholder approval before issuing more than such 15,950,000 shares.

Effect of Failure to Obtain Stockholder Approval

If the stockholders do not approve this Proposal 1, we will be unable to issue shares of common stock to Lincoln Park pursuant to the Purchase Agreement in excess of the Exchange Cap. As a result, the Company would need to seek alternative sources of financing in order to complete engineering and design and to commence construction of the processing facility for the Coosa Graphite Project. Those alternative sources of financing could include a traditional capital raise, which from past experience have been quite costly, are generally limited in size, may result in significant price discounts for stock offerings, and could include the concurrent issuance of warrants. Without the availability of the Purchase Agreement, Westwater also may need to consider putting into place a convertible debt facility, but those facilities could include significant discounts and could contain terms that may materially impact the value of the Coosa Graphite Project. Yet another option if the Purchase Agreement is not approved is the use of a partner or joint venture, but finding and negotiating with such entities takes time and, in the end, it is likely that Westwater would have to share a substantial portion of the anticipated profits from the Coosa Graphite Project, which is currently wholly-owned by Westwater.

Reasons for Transaction and Effect on Current Stockholders

The Board of Directors has determined that the Purchase Agreement with Lincoln Park is in the best interests of the Company and its stockholders because the right to sell shares to Lincoln Park provides the Company with a reliable source of capital at low cost as compared to other sources, and the ability to access that capital when and as needed, which de-risks the Coosa Graphite Project.

The Purchase Agreement does not affect the rights of the holders of outstanding common stock, but the sale of shares to Lincoln Park pursuant to the terms of the Purchase Agreement will have a dilutive effect on the existing stockholders, including the voting power and economic rights of the existing stockholders. As of March 25, 2021, the Company had 32,336,315 shares outstanding. If we were to sell to Lincoln Park all 15,950,000 shares we are seeking stockholder approval to issue under the Purchase Agreement, Lincoln Park would have purchased approximately 32.8% of the outstanding shares of the Company after such issuances; however, at any one time Lincoln Park is limited from owning more than 9.99 percent of the Company's outstanding shares.

Notwithstanding the foregoing, the Purchase Agreement provides that the Company shall not issue, and Lincoln Park shall not purchase, any shares of our common stock under the Purchase Agreement if such shares proposed to be issued and sold, when aggregated with all other shares of our common stock then owned beneficially (as calculated pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended) by Lincoln Park and its affiliates, would result in the beneficial ownership by Lincoln Park and its affiliates of more than 9.99% of our then issued and outstanding shares of common stock. This beneficial ownership limitation limits the number of shares Lincoln Park may beneficially own at any one time to 9.99% of our outstanding common stock. Consequently, the number of shares Lincoln Park may beneficially own in compliance with the beneficial ownership limitation may increase over time as the number of outstanding shares of our common stock increases over time. Lincoln Park may sell some or all of the shares it purchases under the Purchase Agreement, permitting it to purchase additional shares in compliance with the beneficial ownership limitation. We are not seeking stockholder approval to lift such 9.99% beneficial ownership limitation. However, even with the beneficial ownership limitation, Lincoln Park may be in a position to exert influence over the Company and there is no guarantee that the interests of Lincoln Park align with the interests of other stockholders.

Effect of Approval

If this Proposal 1 is approved by our stockholders, we will be able to issue shares in a greater number than permitted by the Exchange Cap to Lincoln Park under the Purchase Agreement. The number of shares of common stock that we may issue will fluctuate from time to time based on the price of our common stock, however we would seek additional stockholder approval before issuing more than 15,950,000 shares under the Purchase Agreement. We would also seek additional stockholder approval before agreeing to any increase in the value of the shares of common stock we may issue to Lincoln Park under the Purchase Agreement above $100.0 million.

In addition, the additional shares that we could issue to Lincoln Park will result in greater dilution to existing stockholders and may result in a decline in our stock price or greater price volatility.

Each additional share of common stock that would be issuable to Lincoln Park would have the same rights and privileges as each share of our currently authorized common stock.

Vote Required and Recommendation of the Board of Directors

If a quorum is present, the number of affirmative votes cast in favor of this Proposal 1 must exceed the number of votes cast against the proposal for approval of this proposal; provided, however, that the vote of any shares of our common stock issued to Lincoln Park pursuant to the Purchase Agreement will not be counted in determining whether or not Proposal 1 is approved. Abstentions and broker non-votes will not be taken into account in determining the outcome of the proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF THE ISSUANCE OF MORE THAN 19.99% OF THE COMPANY'S ISSUED AND OUTSTANDING COMMON STOCK PURSUANT TO THE PURCHASE AGREEMENT WITH LINCOLN PARK CAPITAL FUND, LLC.

PROPOSAL 2

AMENDMENT TO OUR 2013 OMNIBUS INCENTIVE PLAN

The Westwater Resources, Inc. 2013 Omnibus Incentive Plan (the "**Incentive Plan**") is the sole active plan that provides for equity incentive compensation to our eligible directors, officers, employees and consultants. The Board believes that the Incentive Plan is in the best interests of the Company and our stockholders, as equity awards help to attract, retain and motivate the directors, officers and employees of the Company to achieve long-term performance goals and enable them to participate in the long-term growth of the Company. Equity awards as a form of compensation for our named executive officers ("**NEO**"s) also aligns the interests of the stockholders and the NEOs.

Stockholders originally approved the Incentive Plan at our June 4, 2013 annual meeting. As part of that approval, 1 million shares of our common stock were authorized and reserved for issuance under the Incentive Plan (that figure is not adjusted for two subsequent reverse stock splits in 2016 and 2019 discussed below) together with shares then still available for awards under our prior equity plans and any shares related to awards outstanding under our prior equity plans if they were to terminate by expiration, forfeiture, cancellation or otherwise. Equity awards were made from the Incentive Plan over the next three-and-a-half years, slowly reducing the number of shares available for future awards. On March 8, 2016, Westwater effectuated a 1-for-12 reverse stock split, which had the effective of significantly reducing even further the number of shares available in the Incentive Plan for future awards.

With only 54,460 shares remaining in the Incentive Plan at the end of 2016 (that figure is not adjusted for a subsequent reverse stock split in 2019 discussed below) on July 18, 2017, our stockholders approved an amendment to the Incentive Plan to increase the authorized number of shares of common stock available and reserved for issuance under the Incentive Plan, and to re-approve the material terms of the performance goals under the Incentive Plan. As part of that approval, another 1 million shares of our common stock were authorized and reserved for issuance under the Incentive Plan (that figure also is not adjusted for the subsequent reverse stock split in 2019 discussed below). Equity awards continued to be made from the Incentive Plan over the following eighteen months, again slowly reducing the number of shares available for future awards.

With only 13,905 shares remaining in the Incentive Plan at the end of 2018 (that figure is not adjusted for a subsequent reverse stock split discussed below), on April 18, 2019, our stockholders approved another amendment to the Incentive Plan to increase the authorized number of shares of common stock available and reserved for issuance under the Incentive Plan, and approved amendments to the limitations on the number of shares that may be issued in individual recipients in any calendar year. As part of that approval, another 3.3 million shares of our common stock were authorized and reserved for issuance under the Incentive Plan; however, on April 23, 2019, Westwater effectuated a 1-for-50 reverse stock split that dramatically reduced the increase to only 66,000 shares.

With only 45,886 shares remaining in the Incentive Plan at the end of 2019, on April 28, 2020, our stockholders approved another amendment to the 2013 Incentive Plan to increase the authorized number of shares of common stock available and reserved for issuance under such plan by 350,000 shares, and approved amendments to the limitations on the number of shares that may be issued to individual recipients in any calendar year. During 2020, Westwater's Compensation Committee, Nominating and Corporate Governance Committee and Board of Directors approved the grant of equity awards in the form of both non-qualified stock options ("**NQSO**"s) to the Directors, which would vest on time-based criteria in one year, and restricted stock units ("**RSU**"s) to officers, employees and a consultant, which would vest on time-based and performance-based criteria over a three-year period. Those equity awards collectively totaled 337,300 shares of Westwater common stock. By the end of 2020, only 58,585 shares are available in the Incentive Plan for future awards. On March 15, 2021, our Board approved, subject to stockholder approval at the Annual Meeting, an amendment to the Incentive Plan to authorize 1,500,000 additional shares for issuance under the Incentive Plan. This amount was determined based upon the anticipated need to issue equity awards to directors, officers, employees and other eligible participants if any from the Incentive Plan over the next 2 years (the Incentive Plan can only operate until June 4, 2023), but recognizing that Westwater anticipates increasing the number of officers and employees to implement its business plan for the Coosa Graphite Project during those two years. In addition, this amount is consistent with prior increases to the Incentive Plan that have been approved by the stockholders. This amount represents approximately 4.6%, on a fully diluted basis, of the 32,336,315 shares of our common stock that was outstanding as of March 25, 2021, and as such, represents minimal risk of dilution or overhang.

Our Board and its Compensation Committee and its Nominating and Corporate Governance Committee believe that equity awards are important in recruiting and retaining highly qualified officers, employees and non-employee directors. The Incentive Plan, as proposed to be amended, will allow the Company to continue to grant equity awards over the next two years and will continue to permit us the flexibility to determine the types and specific terms of awards made to participants. This flexibility allows us to make future awards based on our objectives of aligning compensation with stockholder value.

The following table summarizes the number of shares of common stock subject to outstanding equity awards under the Incentive Plan and our prior equity plans, along with the shares remaining available for issuance under the Incentive Plan, in each case as of December 31, 2020:

	Numbers of Shares	**As a % of Common Stock Outstanding (1)**
Stock options outstanding (2)	159,057	0.83 %
Restricted stock units outstanding	236,403	1.23
Restricted stock awards outstanding	—	—
Shares available for grant	58,585	0.31 %

(1) Based on 19,171,859 shares outstanding as of December 31, 2020.
(2) The weighted average exercise price of the outstanding stock options as of December 31, 2020 was approximately $7.71 per share. Excludes 2,000 replacement options issued to former option holders of Alabama Graphite Corp. upon the Company's acquisition of Alabama Graphite on April 23, 2018.

Upon stockholder approval of the amendment to the Incentive Plan, it will become effective. If the stockholders do not approve the amendment to the Incentive Plan, it will not become effective, the existing Incentive Plan will continue in effect, and we may continue to grant awards under the existing Incentive Plan, subject to its terms, conditions and limitations and up to the limit of 58,585 shares.

A copy of the proposed amendment is attached to this proxy statement as Appendix A, and a full copy of the Incentive Plan as amended is attached hereto as Appendix B.

The Board recommends a vote FOR the approval of the amendment to the Incentive Plan.

Reasons for Approval

We have made strides to better position the Company for growth and future success by embarking on a growth strategy in the battery and energy storage graphite industry. We are committed to further improving the Company's performance, and significant continued effort, focus and dedication will be necessary from our management and employees to do so. We believe it will be critical to our future success that we take steps to maintain the competitiveness of our incentive pay programs and that we continue to tightly align these incentive opportunities with the interests of our stockholders.

To achieve these critical objectives, as discussed more fully below, we are seeking additional shares for issuance under the Incentive Plan.

Retaining and Attracting Employees

Our ability to recruit, retain, reward and motivate employees and officers depends in part on our ability to offer competitive equity compensation. We believe we would be at a competitive disadvantage if we could not continue to use equity awards to recruit and compensate these individuals.

By approving the amendment to the Incentive Plan, based on our current stock price, we anticipate we could deliver competitive equity compensation and grant awards for the next two years, assuming no significant declines in the value of our equity.

Aligning our Employees' Interests with our Stockholders

We believe that the use of equity awards as part of our compensation program is important to our continued success because it fosters a pay for performance culture, which is an important element of our overall compensation program. We believe equity compensation motivates employees to create stockholder value because the value employees realize from equity compensation is directly aligned with creation of stockholder value as reflected by the share price of the Company.

As discussed above, we believe that equity compensation aligns the goals and objectives of our employees with the interests of our stockholders and promotes a focus on long-term value creation. This long-term alignment between our employees and the interests of our stockholders is critical as our management strives to execute on our vision and growth plans. Equity awards that are subject to time-based and performance-based vesting criteria are designed to help retain our management and employees and will motivate them to attain our potential.

If we do not have the flexibility to grant equity awards made available by the increased reserve under the amendment to the Incentive Plan, we may need to increase the cash component of our employees' compensation in order to remain market competitive. Increasing cash compensation would increase our cash compensation expense and would divert cash that could otherwise be invested in the Company's business.

We are requesting approval of the amendment to the Incentive Plan in order to continue to recruit and retain the key employee talent that is vital to the execution of our vision and growth plans and to continue to tightly align compensation opportunities with the creation of stockholder value.

Corporate Governance Considerations

As discussed in more detail below, our Incentive Plan includes provisions designed to serve stockholders' interests and promote effective corporate governance, including the following:

- *No "Evergreen Provision."* The Incentive Plan specifies a fixed number of shares available for future grants and does not provide for any automatic increase based on the number of outstanding shares of our common stock.

- *No Discounted Awards.* The Incentive Plan prohibits the granting of stock options and stock appreciation rights with an exercise or grant price that is less than the fair market value of our common stock on the date.

- *No Re-pricing without Stockholder Approval.* The Incentive Plan prohibits the re-pricing of stock options and stock appreciation rights, without first obtaining the approval of our stockholders.

Background for Approval of Additional Shares

As of December 31, 2020, 2021, we had 58,585 shares available for issuance of future equity awards under the Incentive Plan. In setting and recommending to stockholders the additional number of shares to be authorized for issuance under the Incentive Plan, as amended, the Board considered the following information:

- The Company anticipates that the significant equity awards made during 2020 will continue and in fact be greater in total amounts based upon anticipated increases in officers and employees over the next two years.

Fiscal Year	Options Granted	RSUs Granted	Restricted Stock Granted	Total	% of Weighted Average Number of Shares Outstanding During Year
2020	149,801	236,403	—	386,204	4.39 %
2019	20,943	—	—	20,943	1.07 %
2018	8,974	—	—	8,974	0.97 %

- If we do not increase the shares available for issuance under our Incentive Plan, we would expect to exhaust the share reserve under our Incentive Plan such that there will not be enough shares for meaningful equity compensation in fiscal years 2021 or 2022, and we would thus lose an important compensation tool aligned with stockholder interests to attract, motivate and retain employees.

- If approved, the issuance of the additional shares to be reserved under the Incentive Plan, as amended, would dilute the holdings of stockholders by an additional 4.6% on a fully-diluted basis, based on the 32,336,315 shares of our common stock outstanding as of March 25, 2021.

- In light of the factors described above, our Board believes the additional authorized shares being requested under the amendment to the Incentive Plan represents reasonable potential equity dilution and provides significant incentive for officers, employees, non-employee directors and consultants to increase the value of the Company for all stockholders.

The major features of the Incentive Plan, as proposed to be amended, are summarized below.

Description of the Incentive Plan

Including the proposed amendment, the following is a general description of the material features of the Incentive Plan and its operation. A copy of the Incentive Plan is attached as Appendix B to this Proxy Statement. The description below is qualified in its entirety by the detailed provisions of the Incentive Plan, which are set forth in Appendix B, and the proposed amendment, which is set forth in Appendix A. Because participation in and the types of award to be granted under the Incentive Plan are subject to the discretion of our Compensation Committee, the benefits or amounts that will be received by any participant or group of participants are not currently determinable.

Eligibility

All of our officers, directors and employees, and the officers, directors and employees of our subsidiaries and affiliates, are eligible to receive awards under the Incentive Plan. In addition, consultants, advisers and certain other individuals whose participation in the Incentive Plan is determined to be in the best interests of the Company by the Compensation Committee may participate. However, NQSOs are only available to our employees. As of December 31, 2020, 11 individuals were eligible to receive awards under the Incentive Plan.

Administration of the Incentive Plan

The Incentive Plan is administered by our Compensation Committee, and our Compensation Committee determines all awards, all terms and conditions of awards. and the number of shares of common stock subject to awards under the Incentive Plan for officers, employees and consultants. The Nominating and Corporate Governance Committee determines the number of shares of common stock subject to awards under the Incentive Plan for non-employee directors. Each member of our Compensation Committee and each member of our Nominating and Corporate Governance Committee is both a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act, and an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code. Our Compensation Committee also interprets the provisions of the Incentive Plan. During any period of time in which we do not have a Compensation Committee, the Incentive Plan will be administered by the Board of Directors or another committee appointed by the Board of Directors. References herein to our Compensation Committee include a reference to the Board of Directors or another committee appointed by the Board of Directors for those periods in which the Board of Directors or such other committee appointed by the Board of Directors is acting.

Stock Authorization

The maximum number of shares of common stock available for awards under the Incentive Plan is equal to the sum of (x) 58,585 shares that existed within the Incentive Plan on December 31, 2020; (y) the additional 1,500,000 shares subject to the amendment, plus (y) the number of shares available for awards under our prior equity plans as of June 4, 2013, including any awards made under those plans that terminate by expiration, forfeiture or cancellation.

The maximum number of shares of common stock subject to options or stock appreciation rights that can be issued under the Incentive Plan to any person is 400,000 shares in any single calendar year. The maximum number of shares that can be issued under the Incentive Plan to any person other than pursuant to an option or stock appreciation right is 400,000 shares in any single calendar year. The maximum amount that may be paid as a cash-settled performance-based award for a performance period of twelve months or less to any person eligible for an award is $400,000 and the maximum amount that may be paid as a cash-settled performance-based award for a performance period of greater than twelve months to any person eligible for an award is also $400,000.

Share Usage

Each share subject to an award, including through dividend reinvestment rights, is counted against the share issuance limit on a one-for-one basis. The number of shares subject to a stock appreciation right is also counted against the share issuance limit on a one-for-one basis, regardless of the number of shares actually issued to settle the stock appreciation right. An award that, by its terms, cannot be settled in shares of stock will not count against the share issuance limit.

No Repricing

Except in connection with certain corporate transactions, no amendment or modification may be made to an outstanding stock option or stock appreciation right, including by replacement with or substitution of another award type, that would reduce the exercise price of the stock option or stock appreciation right or would replace any stock option or stock appreciation right with an exercise price above the current market price with cash or another security, in each case without the approval of our stockholders (although appropriate adjustments may be made to outstanding stock options and stock appreciation rights to achieve compliance with applicable law, including the Internal Revenue Code).

Types of Awards Available Under the Incentive Plan

The Incentive Plan allows for several different types of awards and sets forth the various terms and conditions associated with those awards. In sum, the following six type of awards can be made: (1) stock options including those that do not qualify as incentive stock options; (2) stock awards including restricted stock, unrestrictive stock and stock units; (3) stock appreciation rights; (4) performance-based awards; (5) dividend equivalents; and (6) other equity-based awards, including those payable in cash, as determined by the Compensation Committee. For a complete description of each award and their specific terms and conditions, see Appendix B.

Recoupment

Award agreements for awards granted pursuant to the Incentive Plan provide for mandatory repayment by the recipient to us of any gain realized by the recipient to the extent the recipient is in violation of or in conflict with certain agreements with us (including but not limited to an employment or non-competition agreement) or upon termination for "cause" as defined in the Incentive Plan, applicable award agreement, or any other agreement between us and the grantee. Awards are also subject to mandatory repayment to the extent the grantee is or becomes subject to any clawback or recoupment right we may have or to the extent any law, rule or regulation imposes mandatory recoupment.

Change in Control

If the Company experiences a change in control in which outstanding awards that are not exercised prior to the change in control will not be assumed or continued by the surviving entity: (i) except for performance-based awards, all shares of restricted stock and restricted stock units will vest and the underlying shares of common stock and all dividend equivalent rights will be delivered immediately before the change in control; and (ii) either or both of the following actions will be taken: (a) all options and stock appreciation rights will become exercisable 15 days before the change in control and terminate upon the completion of the change in control, or (b) the Compensation Committee may elect, in its sole discretion to cash out all options, stock appreciation rights, restricted stock and stock units before the change in control for an amount equal to, in the case of restricted stock or stock units, the formula or fixed price per share paid to stockholders pursuant to the change in control, in the case of options or stock appreciation rights, such formula or fixed price reduced by the option price or stock appreciation right price applicable to the award. In the case of performance-based awards denominated in shares of common stock, if more than half of the performance period has lapsed, the awards will be converted into shares of restricted stock or stock units based on actual performance to date. If less than half of the performance period has lapsed, or if actual performance is not determinable, the awards will be converted into shares of restricted stock or stock units assuming target performance has been achieved.

A change in control under the Incentive Plan occurs if:

- a person, entity or affiliated group (with certain exceptions, including for certain existing stockholders) acquires, in a transaction or series of transactions, 50% or more of the total combined voting power of our outstanding securities;

- individuals who constitute the Board cease for any reason to constitute a majority of the Board of Directors, treating any individual whose election or nomination was approved by a majority of the incumbent directors as an incumbent director for this purpose;

- the Company consolidates or merges with or into any other entity, or any other entity consolidates or merges with us, other than any such transaction in which the 100% of the total combined voting power of our outstanding securities remains with the holders of securities who held such voting power immediately prior to such transaction; or

- the Company sells or disposes of all or substantially all of its assets.

Adjustments for Stock Dividends and Similar Events

The Compensation Committee will make appropriate adjustments in outstanding awards and the number of shares of common stock available for issuance under the Incentive Plan, including the individual limitations on awards, to reflect stock splits and other similar events.

Amendment or Termination

The Board of Directors may amend, suspend or terminate the Incentive Plan at any time; *provided* that no amendment, suspension or termination may adversely impair the benefits of participants with outstanding awards without the participants' consent or violate our plan's prohibition on repricing. Our stockholders must approve any amendment if such approval is required under applicable law or stock exchange requirements. Our stockholders also must approve any amendment that changes the no-repricing provisions of the Incentive Plan. The Incentive Plan has a term that expires ten years after stockholder approval of the plan, but it may be earlier terminated by the Board of Directors at any time.

Equity Compensation Plan Information

The table appearing on page 11 provides information as of December 31, 2020 with respect to the shares of the Company's common stock that may be issued under the equity compensation plans of the Company. Our only active equity plan is our Incentive Plan.

Federal Income Tax Consequences

Incentive Stock Options. The grant of an option will not be a taxable event for the grantee or for the Company. A grantee will not recognize taxable income upon exercise of an incentive stock option (except that the alternative minimum tax may apply), and any gain realized upon a disposition of our common stock received pursuant to the exercise of an incentive stock option will be taxed as long-term capital gain if the grantee holds the shares of common stock for at least two years after the date of grant and for one year after the date of exercise (the "holding period requirement"). We will not be entitled to any business expense deduction with respect to the exercise of an incentive stock option, except as discussed below.

For the exercise of an option to qualify for the foregoing tax treatment, the grantee generally must be our employee or an employee of a subsidiary from the date the option is granted through a date within three months before the date of exercise of the option.

If all of the foregoing requirements are met except the holding period requirement mentioned above, the grantee will recognize ordinary income upon the disposition of the common stock in an amount generally equal to the excess of the fair market value of the common stock at the time the option was exercised over the option exercise price (but not in excess of the gain realized on the sale). The balance of the realized gain, if any, will be capital gain. We will be allowed a business expense deduction to the extent the grantee recognizes ordinary income.

Non-Qualified Options. The grant of an option will not be a taxable event for the grantee or the Company. Upon exercising a non-qualified option, a grantee will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the common stock on the date of exercise. Upon a subsequent sale or exchange of shares acquired pursuant to the exercise of a non-qualified option, the grantee will have taxable capital gain or loss, measured by the difference between the amount realized on the disposition and the tax basis of the shares of common stock (generally, the amount paid for the shares plus the amount treated as ordinary income at the time the option was exercised).

We will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Restricted Stock. A grantee who is awarded restricted stock will not recognize any taxable income for federal income tax purposes in the year of the award, provided that the shares of common stock are subject to restrictions (that is, the restricted stock is nontransferable and subject to a substantial risk of forfeiture). The fair market value of the common stock on the date the restrictions lapse (less the purchase price, if any) will be treated as compensation income to the grantee and will be taxable in the year the restrictions lapse and dividends paid while the common stock is subject to restrictions will be subject to withholding taxes. We will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Stock Units. There are no immediate tax consequences of receiving an award of stock units under the Incentive Plan. A grantee who is awarded stock units will be required to recognize ordinary income in an amount equal to the fair market value of shares issued to such grantee at the end of the restriction period or, if later, the payment date. We will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Dividend Equivalent Rights. Participants who receive dividend equivalent rights will be required to recognize ordinary income in an amount distributed to the grantee pursuant to the award. We will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Stock Appreciation Rights. There are no immediate tax consequences of receiving an award of stock appreciation rights under the Incentive Plan. Upon exercising a stock appreciation right, a grantee will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the common stock on the date of exercise. We will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE AMENDMENT TO THE WESTWATER RESOURCES, INC. 2013 OMNIBUS INCENTIVE PLAN TO INCREASE THE AUTHORIZED NUMBER OF SHARES OF COMMON STOCK AVAILABLE AND RESERVED FOR ISSUANCE UNDER SUCH PLAN BY 1,500,000 SHARES.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of December 31, 2020 with respect to the shares of common stock that may be issued under our equity compensation plans.

Plan Category	Number of shares issuable under outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a)) (c)
Equity compensation plans approved by security holders (1)(2)(3)	395,460	$ 4.36	58,585

(1) Includes the Incentive Plan, the Amended and Restated 2004 Directors' Stock Option and Restricted Stock Plan, and the 2004 Stock Incentive Plan. The Incentive Plan is the only equity compensation plan under which the Company currently issues equity awards. As of June 4, 2013, the Incentive Plan superseded all prior plans.

(2) Upon completion of the Alabama Graphite transaction, the Company assumed Alabama Graphite's stock-compensation plans. The Company will make no further issuances or grants under the Alabama Graphite plans. At December 31, 2020, there were 2,000 shares underlying exercisable options with a weighted-average exercise price of $75.08.

(3) Weighted average exercise price of outstanding options only.

PROPOSAL 3

ELECTION OF DIRECTORS

The Board has nominated five directors for election at the Annual Meeting. The directors will hold office from election until the next Annual Meeting of Stockholders and until their successors are elected and qualified or until their death, resignation or removal. All of the nominees are currently directors and were elected by the stockholders at the 2020 Annual Meeting.

If your proxy is properly completed and received in time for the Annual Meeting, and if your proxy does not indicate otherwise, the represented shares will be voted "**FOR**" each of the directors presented below. We have no reason to believe that any of the nominees for director will be unable to serve if elected. However, if any of these nominees becomes unavailable, the persons named in the proxy intend to vote for any alternate designated by the current Board. Proxies cannot be voted for a greater number of persons than the nominees named.

The paragraphs below describe each nominee's individual management and leadership experience for at least the last five years, which the Company believes, in the aggregate, creates a well-rounded and capable Board of Directors and contributes to the overall effectiveness of our Board and each of its Committees. The Company's continuing efforts to diversify the Board of Directors has resulted in a 50/50 gender representation for independent Directors. Each nominee is an incumbent director. Each nominee consents to being named herein and to serve on the Board if elected. There are no family relationships among any director, executive officer or any person nominated or chosen by us to become a director.

Following each nominee's biography below, we have highlighted certain notable skills and qualifications that contributed to his or her selection as a member of our Board of Directors.

Name	Age	Director Since	Primary Occupation
Terence J. Cryan	58	2017; 2006-16	Chairman of the Board, Westwater Resources, Inc. and Managing Director, MACCO Restructuring Group, LLC
Christopher M. Jones	62	2013	President and Chief Executive Officer, Westwater Resources, Inc.
Tracy D. Pagliara	58	2017	President & CEO of Williams Industrial Services Group, Inc.
Karli S. Anderson	47	2018	Vice President, Summit Materials, Inc.
Deborah A. Peacock	64	2020	President, CEO & Managing Director, Peacock Law, P.C.

THE BOARD UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE ELECTION OF THE NOMINEES NAMED BELOW.

Director Nominees

Terence J. Cryan
Chairman of the Board and Chairman of the Nominating and Corporate Governance Committee

Terence J. Cryan rejoined the Westwater Resources Board as its Chairman in August 2017. He previously served as a director from October 2006 to March 2016, served as Westwater's Interim President and Chief Executive Officer from September 2012 to March 2013, and served as Chairman of the Board from June 2014 through March 2016. Mr. Cryan is also Chairman of the Board of Ocean Power Technologies, Inc. where he has served as a director since October 2012.

Mr. Cryan currently serves as a Managing Director of MACCO Restructuring Group, LLC, which provides qualified interim leadership and advice to debtors and their stakeholders across a broad spectrum of business sectors. Mr. Cryan served as President and Chief Executive Officer of Global Power Equipment Group Inc. from March 2015 until July 2017. Previously, Mr. Cryan served as Co-founder and Managing Director of Concert Energy Partners, an investment and private equity firm based in New York City from 2001 until 2015. Prior to that, Mr. Cryan was a Senior Managing Director in the Investment Banking Division at Bear Stearns. Additionally, Mr. Cryan was a Managing Director, Head of the Energy and Natural Resources Group and member of the Investment Banking Operating Committee at Paine Webber which he joined following its acquisition of Kidder, Peabody in 1994. From 2007 to 2010, Mr. Cryan also served as President and Chief Executive Officer of Medical Acoustics LLC.

Mr. Cryan served as a Director on the Board of Global Power Equipment Group Inc. from January 2008 until July 2017. Mr. Cryan was previously a Director on the Board of Superior Drilling Products, Inc. from June 2014 to December 2016. He was also previously a director of The Providence Service Corporation from May 2009 to May 2011 and Gryphon Gold Corporation from August 2009 to December 2012. Mr. Cryan has also been an adjunct professor at the Metropolitan College of New York Graduate School of Business and is a frequent speaker at finance and energy & natural resources industry gatherings. Mr. Cryan received a Master of Science degree in Economics from the London School of Economics in 1984 and a Bachelor of Arts degree in Economics from Tufts University in 1983. Mr. Cryan is a Board Leadership Fellow and member of the National Association of Corporate Directors.

Mr. Cryan's extensive financial industry experience and educational background in economics provide him with a wealth of knowledge in dealing with financial, accounting and regulatory matters. Mr. Cryan's prior professional experience also permits him to provide valuable advice to the Company with respect to potential capital raising and merger and acquisition transactions, and his prior Board service and service as Interim President and Chief Executive Officer of the Company provides him a deep understanding of the operations of the Company.

Christopher M. Jones
President and Chief Executive Officer
Chairman of the Health, Safety and Environment Committee

Christopher M. Jones has served as President and Chief Executive Officer and a director since April 2013 and served as the interim Chairman of the Board from March 2016 to August 2017. Mr. Jones has more than 30 years' experience in the mining industry and was most recently President, Chief Executive Officer and a director of Wildcat Silver Corporation from August 2008 to May 2012, where he and his team effectively doubled the size of Wildcat Silver's resources twice using proven metallurgical technologies. Prior to that, Mr. Jones was the Chief Operating Officer and the Mining General Manger at Albian Sands Energy from April 2004 to June 2008. Mr. Jones also held management positions at RAG Coal West Inc., Phelps Dodge Sierrita Corp. and Cyprus Amax Coal Company. He is a member of the American Institute of Mining, Metallurgical, and Petroleum Engineers and is a Professional Engineer registered in Utah and Alberta as well as a member of the National Association of Corporate Directors. Mr. Jones received a Bachelor of Science degree in Mining Engineering at the South Dakota School of Mines and a Master of Business Administration degree from Colorado State University.

Mr. Jones has extensive executive and leadership experience as a result of his prior employment in management roles at other companies within the mining industry, which enables him to provide valuable counsel to Westwater on issues of strategic planning and corporate governance. Mr. Jones' extensive experience engaging First Nations peoples on Canada, leading efforts to implement The Mining Association of Canada's Towards Sustainable Mining process, successful efforts to secure ISO 14001 certifications, and receiving national safety awards for safe mine performance will help secure success for Westwater as it develops businesses in the energy materials sector. In addition, Mr. Jones has a history of leading various mining and production operations, as well as exploration and development projects, which will be useful to Westwater in its efforts to develop its Coosa Graphite Project in Alabama.

Tracy D. Pagliara
Member of the Audit, Compensation and Nominating and Corporate Governance Committees

Tracy D. Pagliara has served as a director since July 2017. Since April 2018, Mr. Pagliara has been serving as CEO of Williams Industrial Services Group Inc. (f/k/a Global Power Equipment Group, Inc.), a publicly traded provider of construction and maintenance services to the power, energy and industrial customers ("Williams"). From July 2017 to April 2018, Mr. Pagliara served as Co-President and Co-CEO of Williams. Mr. Pagliara joined Williams in April 2010 as General Counsel, Secretary and Vice President, Business Development and served in multiple other positions of increasing responsibility, including Senior Vice President, Administration, prior to his appointment as Co-President and Co-CEO in July 2017. Prior to joining Williams in April 2010, Mr. Pagliara served as the Chief Legal Officer of Gardner Denver, Inc., a leading global manufacturer of highly engineered compressors, blowers, pumps and other fluid transfer equipment, from

August 2000 through August 2008. He also had responsibility for other roles during his tenure with Gardner Denver, including Executive Vice President of Administration, Chief Compliance Officer, and Corporate Secretary. Prior to joining Gardner Denver, Mr. Pagliara held positions of increasing responsibility in the legal departments of Verizon Communications/GTE Corporation from August 1996 to August 2000 and Kellwood Company from May 1993 to August 1996, ultimately serving in the role of Assistant General Counsel for each company. Mr. Pagliara has a B.S. in Accounting and a J.D. from the University of Illinois. He is a member of the Missouri and Illinois State Bars and a Certified Public Accountant.

Mr. Pagliara brings to the Board extensive experience advising public companies and companies in the energy industry, in addition to companies with similar capital needs to Westwater. Mr. Pagliara's background in accounting will also permit him to contribute substantially as a member of the Audit Committee.

Karli S. Anderson
Chair of the Compensation Committee and Member of the Audit and the Health, Safety and Environment Committees

Karli S. Anderson is Vice President, Investor Relations at Summit Minerals, Inc., a leading vertically-integrated materials company with operations throughout North America. She previously served as Vice President, Investor Relations for Royal Gold, Inc., a precious metals stream and royalty company engaged in the acquisition and management of precious metal streams, royalties, and similar production-based interests with over 190 properties on six continents. Previously, from 2010 to 2013, Ms. Anderson was a Senior Director of Investor Relations for Newmont Mining Corporation, one of the world's largest gold producers. Ms. Anderson's 20 years of capital markets experience includes shareholder engagement related to environmental, social and governance (ESG) factors with both equity and fixed income investors as well as proxy advisory firms. From 2012 to 2018, Ms. Anderson served as Chairman of the Board of the Denver Gold Group, an organization representing seven-eighths of the world's publicly traded gold and silver companies. Ms. Anderson holds a Bachelor's Degree in telecommunications from Ohio University, a Masters of Business Administration (finance) from the Wharton School at the University of Pennsylvania and is in the process of completing her Master's Degree in Professional Accounting from Colorado State University. Ms. Anderson is a Governance Fellow and member of the National Association of Corporate Directors.

Ms. Anderson's insights and guidance, her wealth of experience in the mining industry, as well as her advocacy towards greater corporate governance within the investment community, will continue to be critical assets to Westwater.

Deborah A. Peacock
Chair of the Audit Committee, Member of the Compensation Committee

Ms. Peacock is an attorney licensed to practice law in New Mexico, Colorado and New York, and she is a Registered Patent Attorney. Ms. Peacock is also a Registered Professional Engineer in Colorado and New Mexico. Ms. Peacock is the President, CEO, Managing Director and owner of Peacock Law P.C. located in Albuquerque, New Mexico, which she founded in April 1995. In 2014, Ms. Peacock co-founded the Greater New Mexico Chapter of Women Corporate Directors and currently serves on its Board.

Since 2011, Ms. Peacock has served on the Board of Regents of New Mexico Institute of Mining & Technology and currently serves as the Chair. Ms. Peacock has served on the New Mexico Mining Safety Board since 2015. Since 2017, Ms. Peacock has served on the Board of Directors of THEMAC Resources Group, Ltd. (and Chairs its Corporate Governance Committee and is a member of its Audit Committee) as well as its wholly-owned subsidiary New Mexico Copper Corp. Since 2017, Ms. Peacock has served on the Board of Directors of New Mexico Gas Company, and since 2018 she has served on the Board of Directors of Emera Technologies, LLC – both wholly-owned subsidiaries of Emera, Inc. Ms. Peacock has served on the Board of New Mexico Angels since 2005. In addition to her current Board service, Ms. Peacock previously served on the Board of The Georgia O'Keeffe Museum located in Santa Fe, New Mexico and both its Audit and Executive Committees, and as Chair of its Audit Committee. She previously served on the New Mexico Environmental Improvement Board and as Chair for four years.

Ms. Peacock obtained her Bachelors of Science degree (B.S.) in Metallurgical Engineering from the Colorado School of Mines, and her Law Degree (J.D.) from Harvard Law School. She is also a Governance Fellow with the National

Association of Corporate Directors. Ms. Peacock brings to the Board extensive experience in or with corporate governance, financial oversight, a wide variety of business and corporate legal matters including intellectual property and mergers & acquisitions, and has knowledge of mining and metallurgy industries, environmental regulations, permitting, and community involvement and engagement.

CORPORATE GOVERNANCE

Board of Directors

The Company's business and affairs are overseen by the Board pursuant to the Delaware General Corporation Law and the Company's Amended and Restated Bylaws, as amended (the "**Bylaws**"). Members of the Board are kept informed of the Company's business through discussions with the Chairman and key members of management, by reviewing materials provided to them and by participating in Board and Committee meetings. All members of the Board are elected annually by the stockholders.

Regular attendance at Board meetings and the Annual Meeting is expected of each director. Our Board held 15 meetings during 2020. No director attended fewer than 75% of the total number of Board and applicable Committee meetings (held during the period that such director served) in 2020. The independent directors met in executive session at several of the Board meetings held in 2020. All of the directors at the time attended the 2020 Annual Meeting of Stockholders.

Board Leadership Structure

The Company's governing documents allow the roles of Chairman and Chief Executive Officer to be filled by the same or different individuals. This approach allows the Board flexibility to determine whether the two roles should be separate or combined based upon the Company's needs and the Board's assessment of the Company's leadership from time to time. Currently, Mr. Cryan serves as Chairman and Mr. Jones serves as Chief Executive Officer.

Determination of 2021 Director Nominees

Each of the director nominees at the 2021 Annual Meeting are existing directors of the Company and stood for election and were elected at the Company's 2020 Annual Meeting of Directors. Criteria for financial experience, diversity, and public company experience at a senior level were used as part of the selection process. Marvin K. Kaiser served on the Westwater Board of its Directors from 2007 until the 2020 Annual Meeting.

Director Independence

The Board annually reviews all relationships that directors have with the Company to affirmatively determine whether the directors are "independent" under Nasdaq listing standards. The Board has determined that each of Ms. Anderson and Peacock and Messrs. Cryan and Pagliara are "independent" and as a result, each existing member of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee is "independent." In arriving at the foregoing independence determination, the Board considered transactions and relationships between each director or any member of her or his immediate family and the Company, its subsidiaries or its affiliates. The Board has determined that the directors designated as "independent" have no relationship with the Company that would interfere with the exercise of their independent judgment in carrying out the responsibilities of a director.

Communications with the Board

Interested parties, including the Company's stockholders, desiring to communicate with the Board members, including its non-management directors as a group, may do so by mailing a request to the Secretary of Westwater Resources, Inc. at 6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112. Pursuant to the instruction of the Company's non-management directors, the Secretary will review inquiries and if they are relevant to, and consistent with our operations, policies and procedures, they will be forwarded to the director or directors to whom they are addressed. Inquiries not forwarded will be retained by the Company and will be made available to any director upon request.

Committees of the Board

The Board has established four standing committees: an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, and a Health, Safety and Environment Committee. The table below indicates the members of each standing Board Committee as of March 15, 2021.

Board Member	Audit	Compensation	Nominating and and Corporate Governance	Health, Safety and Environment
Terence J. Cryan*			Ch.	
Christopher M. Jones				Ch.
Tracy D. Pagliara*	x	x	x	
Karli S. Anderson*	x	Ch		x
Deborah A. Peacock	Ch	x		

* independent director

Each of the Company's Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee operates under a charter, adopted by the Board, which is available on the Company's website at *www.westwaterresources.net* under "Corporate Governance," or in print, without charge, to any stockholder who sends a request to the office of the Secretary of Westwater Resources, Inc. at 6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112. The functions performed by each of the standing Committees are briefly described below.

The Audit Committee

We have a separately-designated Audit Committee composed solely of independent directors. The Audit Committee held four meetings in 2020.

The Audit Committee's primary responsibilities are to:

- assist the Board in discharging its responsibilities with respect to the accounting policies, internal controls and financial reporting of the Company;
- monitor compliance with applicable laws and regulations, standards and ethical business conduct, and the systems of internal controls;
- assist the Board in its oversight of the qualifications, independence and performance of the registered public accounting firm engaged to be the independent auditor of the Company; and
- prepare the Audit Committee report required to be included in the Company's proxy statements.

The Board has determined that Ms. Peacock, the chair of the Audit Committee, and Mr. Pagliara, a member of the Audit Committee, each satisfies the criteria adopted by the SEC to serve as an "audit committee financial expert." In addition, the Board has determined that each of Ms. Peacock, Mr. Pagliara and Ms. Anderson, constituting all current members of the Audit Committee, is an independent director pursuant to the requirements under the Exchange Act and Nasdaq listing standards and is able to read and understand the Company's financial statements.

The Compensation Committee

The Compensation Committee held four meetings in 2020. The Compensation Committee is responsible for assisting the Board in setting the compensation of the Company's directors and executive officers and administering and implementing the Company's incentive compensation plans and equity-based plans. The Compensation Committee's duties and responsibilities are to:

- review and approve corporate goals and objectives relevant to the compensation of the Company's executive officers;
- evaluate the performance of the Company's executive officers in light of such goals and objectives; and
- determine and approve executive officer compensation based on such evaluation.

The Compensation Committee also reviews and discusses the Compensation Discussion and Analysis appearing in the Company's proxy statements with management, and based on such review and discussions, has recommended to the Board that the Compensation Discussion and Analysis set forth herein be included in this proxy statement.

Under the Compensation Committee Charter, the Compensation Committee has the authority to retain compensation consultants. Meridian Compensation Partners was engaged in March 2018 to review our Long-Term Incentive program to ensure it was competitive as an incentive and retention program. See the discussion under the heading "*Compensation Discussion and Analysis*" for further information regarding the executive compensation programs. The Compensation Committee also has the authority to obtain advice and assistance from executives, internal or external legal, accounting or other advisors as it determines necessary to carry out its duties.

The Compensation Committee may delegate its authority to determine the amount and form of compensation paid to non-executive employees and consultants to officers and other appropriate supervisory personnel. It may also delegate its authority (other than its authority to determine the compensation of the Chief Executive Officer) to a subcommittee of the Compensation Committee. Finally, to the extent permitted by applicable law, the Compensation Committee may delegate to one or more officers (or other appropriate personnel) the authority to recommend stock options and other stock awards for employees who are not executive officers or members of the Board.

The Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee held one meeting in 2020. The Nominating and Corporate Governance Committee's duties and responsibilities are to:

- recommend to the Board director nominees for the annual meeting of stockholders;
- identify and recommend candidates to fill vacancies occurring between annual stockholder meetings; and
- oversee all aspects of corporate governance of the Company.

The Nominating and Corporate Governance Committee of the Board identifies director candidates based on input provided by a number of sources, including members of the Nominating and Corporate Governance Committee, other directors, our stockholders, members of management and third parties. The Nominating and Corporate Governance Committee does not distinguish between nominees recommended by our stockholders and those recommended by other parties. Any stockholder recommendation must be sent to the Secretary of Westwater Resources, Inc. at 6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112, and must include detailed background information regarding the suggested candidate that demonstrates how the individual meets the Board membership criteria discussed below. The Nominating and Corporate Governance Committee also has the authority to consult with or retain advisors or search firms to assist in the identification of qualified director candidates.

As part of the identification process, the Nominating and Corporate Governance Committee takes into account each candidate's business and professional skills, experience serving in management or on the board of directors of companies similar to the Company, financial literacy, independence, personal integrity and judgment. In conducting this assessment, the Nominating and Corporate Governance Committee will, in connection with its assessment and recommendation of candidates for director, consider diversity (including, but not limited to, gender, race, ethnicity, age, experience and skills) and such other factors as it deems appropriate given the then-current and anticipated future needs of the Board and the Company, and to maintain a balance of perspectives, qualifications, qualities and skills on the Board. The Board does not have a formal diversity policy for directors. However, the Board is committed to an inclusive membership. Although the Nominating and Corporate Governance Committee may seek candidates that have different qualities and experiences at different times in order to maximize the aggregate experience, qualities and strengths of the Board members, nominees for each election or appointment of directors will be evaluated using a substantially similar process. Incumbent directors who are being considered for re-nomination are re-evaluated both on their performance as directors and their continued ability to meet the required qualifications.

The Health, Safety and Environment Committee

The Health, Safety and Environment Committee held two meetings in 2020. Its function is to provide oversight to the Company as the Company undertakes and conducts, in compliance with all regulatory, statutory and the Company's policies, its operations in an economically and socially responsible manner, with due regard to the safety and health of its employees, the impact of its operations on the natural environment, and the social, economic, health and environmental-related impacts in the communities in which the Company operates.

Code of Ethics

The Company has adopted a Code of Ethics for Senior Financial Officers, which is applicable to the Company's chief executive officer, chief financial officer, controller, treasurer and chief internal auditor, and a Code of Business Conduct and Ethics, which is applicable to all of directors, officers and employees. Copies of the codes are available on the Company's website at *http://www.westwaterresources.net/corporate/corporate-governance* or in print, without charge, to any stockholder who sends a request to the office of the Secretary of Westwater Resources, Inc. at 6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112. In the event that the Company makes any amendment to, or grants any waiver from, a provision of the Code of Ethics for Senior Financial Officers that applies to the Company's principal executive officer, principal financial officer, principal accounting officer, controller, or certain other senior officers and requires disclosure under applicable SEC rules, the Company intends to disclose such amendment or waiver and the reasons for the amendment or waiver on the Company's website or, as required by Nasdaq rules, file a Current Report on Form 8 K with the SEC reporting the amendment or waiver.

The Company's Internet website address is provided as an inactive textual reference only. The information provided on the website is not incorporated into, and does not form a part of, this proxy statement.

Related Party Transactions

The Company's general policy with respect to related party transactions is included in its Code of Business Conduct and Ethics, the administration of which is overseen by the Audit Committee. Directors and officers are required to report any transaction that the Company would be required to disclose pursuant to Item 404(a) of Securities and Exchange Commission Regulation S-K (a "**Related Party Transaction**") to the Audit Committee.

The Company collects information about potential Related Party Transactions in its annual questionnaire completed by directors and officers. Potential Related Party Transactions are subject to the review and approval of the non-interested members of the Audit Committee. In determining whether to approve any such transaction, the Audit Committee will consider such factors as it deems relevant, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in arm's length negotiations with an unrelated third party.

The Company was not a party to any Related Party Transaction since the beginning of 2018.

Board Oversight of Risk Management

The Board has overall responsibility for risk oversight with a focus on the most significant risks facing the Company. The Board relies upon the President and Chief Executive Officer to supervise day-to-day risk management, who reports directly to the Board and certain Committees on such matters as appropriate.

The Board is also responsible for oversight of the Company's efforts to address environmental, social and corporate governance ("**ESG**") matters. The Company has a long history of environmental leadership, especially with regard to state and federal regulations as they apply to our former uranium operations. In addition, we have performed our work without serious injury for several years – emblematic of our approach to safe work practices, procedures and leadership. As part of our environmental sustainability efforts as we develop our graphite business, the Westwater team has developed, and made a provisional patent application for, a process that purifies graphite with a lighter environmental footprint than processes used by others in our business. Also, as part of our ongoing efforts to provide for diversity at the Board of Directors, we have 50/50 gender representation for independent Directors.

The Board delegates certain oversight responsibilities to its Committees. For example, while the primary responsibility for financial and other reporting, internal controls, compliance with laws and regulations and ethics rests with the management, the Audit Committee provides risk oversight with respect to the Company's financial statements, the Company's compliance with legal and regulatory requirements and corporate policies and controls, and the independent auditor's selection, retention, qualifications, objectivity and independence. Additionally, the Compensation Committee provides risk oversight with respect to the Company's compensation programs, and the Nominating and Corporate Governance Committee provides risk oversight with respect to the Company's governance structure and processes and succession planning. The Board and each Committee consider reports and presentations from the members of management responsible for the matters considered to enable the Board and each Committee to understand and discuss risk identification and risk management.

AUDIT COMMITTEE REPORT

The Audit Committee, operating under a written charter adopted by the Board, reports to and acts on behalf of the Board by providing oversight of the Company's independent auditors and the Company's financial management and financial reporting procedures. Management has primary responsibility for preparing the Company's financial statements and establishing and maintaining effective internal financial controls and for the public reporting process. Moss Adams LLP, the Company's independent registered public accountants, is responsible for auditing those financial statements and expressing an opinion on the conformity of the Company's audited financial statements with generally accepted accounting principles.

In this context, the Audit Committee reviewed and discussed with management and Moss Adams LLP the audited financial statements for the year ended December 31, 2020, the Moss Adams audit fees, and management's assessment of the effectiveness of the Company's internal control over financial reporting. The Audit Committee has discussed with Moss Adams LLP the matters that are required to be discussed by the applicable Public Company Accounting Oversight Board and SEC standards. Moss Adams LLP has provided to the Audit Committee the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding Moss Adams LLP's communications with the Audit Committee concerning independence, and the Audit Committee discussed with Moss Adams LLP that firm's independence. The Audit Committee also concluded that Moss Adams LLP's provision of audit and non-audit services to the Company and its affiliates is compatible with Moss Adams LLP's independence.

Based on the considerations referred to above, the Audit Committee recommended to the Board that the audited financial statements for the year ended December 31, 2020 be included in the Company's Annual Report on Form 10-K for 2020 and selected Moss Adams LLP as the independent registered public accountants for the Company for 2021.

The Report was submitted by the following members of the Audit Committee of the Board:

Deborah A. Peacock, Chair
Tracy D. Pagliara

Karli S. Anderson

*The information contained in the foregoing Audit Committee Report shall not be deemed to be "soliciting material" or "filed" with the SEC, nor shall such information be incorporated by reference into a future filing under the Securities Act of 1933, as amended (the "**Securities Act**"), or the Exchange Act, except to the extent the Company specifically incorporates this Report by reference therein.*

DIRECTOR COMPENSATION

Annual Compensation

In 2020, the compensation of non-employee directors consisted of an annual $50,000 cash retainer, earned at a rate of $12,500 per quarter. The compensation of the Company's Chairman of the Board, Mr. Cryan, consisted of $27,500 per quarter. All of the Company's directors are also reimbursed for reasonable out-of-pocket expenses related to attendance at Board and Committee meetings.

In addition, each non-employee director earned $1,250 per quarter for each committee served upon, with the Chair of each committee earning either an additional $2,500 per quarter (in the case of the Audit and Compensation Committees) or $1,250 per quarter (in the case of the Nominating and Corporate Governance and the Health, Safety and Environment Committees) for such service.

Also, each non-employee director (other than Mr. Kaiser who retired from the Board in April 2020) was provided with a stock award valued at $50,000 following the annual general meeting of stockholders held in April 2020.

The following table summarizes all compensation earned by directors, excluding Mr. Jones, whose compensation is set forth in the 2020 Summary Compensation Table, in the year ended December 31, 2020.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) [1]	Total ($)
Terence J. Cryan	120,000	50,000	170,000
Tracy D. Pagliara	65,000	50,000	115,000
Karli S. Anderson	75,000	50,000	125,000
Deborah A. Peacock	47,115	50,000	97,115
Marvin K. Kaiser	24,520	—	24,520

(1) Represents the grant date fair value of equity awards granted during 2019 in accordance with FASB ASC Topic 718. See Note 9—Stock Based Compensation of the Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K for a discussion of valuation assumptions for stock and option awards.

The number of RSUs and vested and unvested stock options held by each non-employee director at fiscal year-end 2020 is shown below:

Name	Number of Vested Options	Number of Unvested Options	Restricted Stock Units
Terence J. Cryan	946	31,451	—
Tracy D. Pagliara	946	31,451	—
Karli S. Anderson	—	31,451	—
Deborah A. Peacock	—	31,451	—

EXECUTIVES AND EXECUTIVE COMPENSATION

Executive Officers

The executive officers serve at the discretion of the Board. All officers are employed on a full-time basis.

Name	Age	Position
Christopher M. Jones	62	President and Chief Executive Officer
Jeffrey L. Vigil	67	Vice President—Finance and Chief Financial Officer
Dain A. McCoig	41	Vice President—Operations

Christopher M. Jones – please see above under "*Proposal 3: Election of Directors*" for information about Christopher M. Jones, the Company's President and Chief Executive Officer.

Jeffrey L. Vigil joined the Company as Vice President—Finance and Chief Financial Officer in June 2013. Mr. Vigil is a mining industry financial veteran with more than thirty years of financial management experience in both production stage and development stage enterprises. Previously, he served in various financial positions, including Chief Financial Officer, at Energy Fuels, a uranium company, from April 2009 to May 2013, where he was responsible for financial and management reporting, equity financings, tax planning and compliance, treasury functions and risk management. Mr. Vigil also managed financial, operational and legal due diligence for a number of acquisitions. Prior to Energy Fuels, he served as Chief Financial Officer for Koala Corporation. Mr. Vigil is a graduate of the University of Wyoming with a Bachelor of Science degree in Accounting and is a licensed Certified Public Accountant in the state of Colorado.

Dain A. McCoig joined the Company in 2004 as Plant Engineer and was promoted to Kingsville Dome Plant Supervisor in 2005, Senior Engineer in August 2008, Manager—South Texas Operations in April 2010, Vice President—South Texas Operations in January 2013 and Vice President—Operations in May 2018. Mr. McCoig earned a Bachelor of Science degree in Mechanical Engineering from Colorado School of Mines in 2002 and attained his certification as a Professional Engineer from the Texas Board of Professional Engineers in 2010.

Compensation Discussion and Analysis

In this section and the sections that follow, we discuss the Company's compensation philosophy, describe the compensation program for the senior executive team, and address a fundamental objective of aligning executive compensation with the long-term interests of stockholders. We explain how the Board's Compensation Committee determines compensation for its senior executives and its rationale for specific 2020 decisions, and we also provide a summary of the recent historical activities by the Compensation Committee that are still relevant to its decision-making.

The Compensation Discussion and Analysis describes the compensation of the following named executive officers ("**NEOs**"):

Name	Title
Christopher M. Jones	President, Chief Executive Officer and Director
Jeffrey L. Vigil	Vice President—Finance and Chief Financial Officer
Dain A. McCoig	Vice President—Operations

The Company's executive compensation program is designed to attract and retain qualified management personnel, to align the Company's management interests with that of its stockholders, and to reward exceptional organizational and individual performance. Performance of the Company's executives is evaluated based on financial and non-financial goals that balance achievement of short-terms goals related to the continued improvement of the Company's business and long-term goals that seek to maximize stockholder value.

Philosophy and Objectives of Our Compensation Plan

The Company's compensation program is centered around a philosophy that focuses on management retention, alignment of interests between management and the stockholders and pay-for-performance compensation. The Company believes this philosophy allows the Company to compensate its NEOs competitively, while simultaneously ensuring continued development and achievement of key business strategy goals. The Compensation Committee firmly believes that the Company's pay-for-performance philosophy should recognize both short- and long-term performance and should include both cash and equity compensation arrangements that are supported by strong corporate governance, including active and effective oversight by the Compensation Committee.

The Compensation Committee has outlined the following objectives for compensation of our NEOs and considers such objectives in making compensation decisions:

Objective	**Description**
Attraction and Retention	The Company provides competitive compensation to its NEOs and tie a significant portion of compensation to time-based and performance-based vesting requirements. Together, these actions help to ensure that the Company can continue to attract and retain key management personnel.
Pay for Performance	A significant portion of each NEO's compensation is "at-risk" or variable, based on predetermined performance criteria. Such criteria include both short- and long-term goals, as well as financial and non-financial goals. The Compensation Committee considers each of these criteria in making its compensation decisions each year.
Pay Mix	The Company uses a variety of fixed-pay and incentive compensation forms, including cash, stock, options and RSUs.
Alignment of Incentives	The Company requires its CEO and CFO to obtain a significant stock ownership stake in the Company and tie a meaningful portion of NEO compensation to awards that vest over multi-year periods.
Competitive Packages	The Company evaluates its compensation program in an effort to provide a competitive compensation package to each NEO that takes into account their responsibilities, performance and organization.

How Executive Compensation is Determined

Role of the Compensation Committee

The Compensation Committee oversees the Company's executive compensation programs. Additionally, the Compensation Committee is charged with the review and approval of all annual compensation decisions relating to the NEOs and other officers.

The Compensation Committee is composed entirely of independent, non-management members of the Board. Each member of the Compensation Committee is both a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act, and an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code. No Compensation Committee member participates in any of the Company's employee compensation programs. Each year the Company reviews any and all relationships that each director has with the Company, and the Board subsequently reviews these findings. The responsibilities of the Compensation Committee, as stated in its charter, include the following:

- review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to all incentive-based compensation plans and equity-based plans;

- review and approve the corporate goals and objectives that may be relevant to the compensation of NEOs;
- evaluate the performance of the NEOs in light of the goals and objectives that were set and determine and approve the compensation of the NEOs based on such evaluation; and
- review and approve the recommendations of the CEO with regard to the compensation of all officers of the Company other than the CEO.

Role of Management

The Compensation Committee considers input from the CEO when making executive compensation decisions for the other NEOs. The CEO's input is useful because the CEO reviews and observes the performance of the other NEOs. No other NEO is present or privileged to the recommendations of the CEO to the Compensation Committee. The Compensation Committee and the Board of Directors determine the compensation of the CEO without any management input.

Financial and Non-Financial Performance Goals

The Compensation Committee believes that a significant portion of each NEO's compensation should be tied to the Company's performance measured against specific financial performance targets. The Company measures financial performance awards against certain operational cost targets, budget targets and development, production, restoration and/or reclamation objectives. The Compensation Committee also believes that a significant portion of NEO compensation should be tied to the creation and protection of stockholder value through the achievement of non-financial performance goals and core values. Both financial and non-financial performance goals have changed from time to time and will continue to change as the conditions of the Company and the graphite, lithium and uranium markets evolve. The Company's core values are identified below.

Core Values: Continuous Improvement in:

- Safety:
  - Of each other;
  - Of our environment;
  - Of the communities where we work;
  - Of our assets; and
  - Of our reputation.
- Cost Management:
  - Focus on first quartile cost performance; and
  - Effective and efficient use of our shareholder's assets.
- Reliability and Integrity:
  - Highest level of performance every day;
  - Improving our processes; and
  - Conservative promises well kept.

Peer Group Analysis and Use of Compensation Consultants

The Company has historically evaluated its compensation program against the programs at other companies in order to ensure its compensation program is competitive. Peer companies were selected based on (i) revenue scope within a reasonable range, (ii) asset size within a reasonable range of the Company's asset size, and (iii) mining companies with operational scope comparable to that of the Company – specifically, mining companies with operational activities versus pure "junior" developmental/exploration companies. During 2018, the Compensation Committee utilized the services of Meridian Compensation Partners which reviewed Westwater's long-term incentive program to ensure it was competitive as an incentive and retention program.

2013 Omnibus Incentive Plan

In June 2013, Westwater adopted the 2013 Omnibus Incentive Plan (the "**Incentive Plan**") to provide flexibility in structuring its executive compensation program and to ensure that it would have a sufficient number of shares of common stock available for equity-based awards that it expects to make to eligible individuals over the next several years. The Incentive Plan replaced all prior plans and no more awards were granted under any of the prior plans following the adoption of the Incentive Plan.

The Incentive Plan provides the Compensation Committee substantial flexibility in structuring awards that meet the objectives outlined above. In particular, the Incentive Plan permits the grant of performance-based and time-based RSUs, with many possible performance criteria available as the Compensation Committee determines to be appropriate. In addition to RSUs, the Incentive Plan provides for the grant of awards of stock options, stock appreciation rights, restricted stock, unrestricted stock, dividend equivalent rights, performance shares and other performance-based awards, other equity-based awards and cash bonus awards. All of the Company's officers, directors and employees, and the officers, directors and employees of our subsidiaries and affiliates are eligible to receive awards under the Incentive Plan. In addition, consultants, advisors and certain other individuals whose participation in the Incentive Plan is determined to be in the best interests of the Company by the Compensation Committee may participate. Incentive share options, however, are only available to employees. Please see Proposal 2 for further information about the Incentive Plan and certain proposed amendments to the Incentive Plan.

The Incentive Plan is administered by the Compensation Committee. The Compensation Committee also interprets the provisions of the Incentive Plan. The Compensation Committee also determines which officers, employees and any other eligible participants if any will receive awards under the Incentive Plan, the types of award made, the terms and conditions of awards, and the number of shares of common stock subject to an award, if the award is equity-based.

Executive Compensation Elements

The following table illustrates the principal elements of the Company's executive compensation program, each of which is evaluated and updated on an annual basis by the Compensation Committee:

Pay Element	Characteristics	Primary Objective
Base Salary	Annual fixed cash compensation	Attract and retain qualified and high performing executives
Short-Term Incentive Compensation	Annual compensation based on the achievement of predetermined performance goals	Incentivize NEOs to achieve the short-term performance goals established by the Compensation Committee
Long-Term Incentive Compensation	Long-term equity awards granted as time-based and performance-based RSUs or stock options	Retain NEOs and align their interests with the interests of the stockholders

In addition to the above-mentioned elements, the Company also provides a retirement, health and welfare benefit component to the executive compensation program.

Historical Actions Taken by the Board and Compensation Committee Resulting in a Favorable Vote on the Say-on-Pay Proposal in 2020

The Board and the Compensation Committee takes shareholder feedback seriously. The Committee considers the results of the advisory vote of the stockholders at each annual meeting as the Committee completes its annual review of each pay element and the compensation packages provided to our NEOs. Based on its review and analysis of the favorable vote for the Say-on-Pay Proposal in 2020, as well as stockholder outreach in 2018 and 2019, the Compensation Committee evaluated whether the compensation program provides a competitive pay-for-performance package that effectively incentivizes its NEOs to maximize stockholder value. The Compensation Committee will continue to consider the outcome of the Company's Say-on-Pay votes and its stockholder views when making future compensation decisions for our NEOs.

At our 2020 Annual Meeting, 72% of the shares cast on the Say-on-Pay proposal voted to approve the compensation paid to our NEOs, 26% voted against such compensation, and 2% abstained. While the results were markedly improved from the 2018 and 2019 Annual Meetings, the Board and the Compensation Committee continue to focus on driving NEO performance against specific goals and ensuring that the interests of management and stockholders are aligned properly.

As a historical reference, at our 2018 Annual Meeting, 51% of the shares cast on the Say-on-Pay proposal voted against the compensation paid to our NEOs, 45% voted to approve such compensation, and 4% abstained. Due to the results of the Say-on-Pay vote, the Compensation Committee initiated and directed a comprehensive review of the Company's compensation policies and practices. The Board of Directors directed management to contact some of our largest stockholders to determine how the Company could improve its executive compensation practices. As a result of investor outreach, the Compensation Committee did not award short-term incentive (STI) bonuses to NEOs for 2018. In addition, since total shareholder return in 2018 did not meet specific performance objectives identified in the 2017 LTI goals set by the Compensation Committee, 2018 performance-based RSUs were forfeited.

Also, in direct response to the Say-on-Pay proposal at the 2018 Annual Meeting, the Board of Directors held a meeting on January 29, 2019 and therein appointed Karli Anderson to the Compensation Committee, and also appointed her to serve as the new Chair of the Compensation Committee effective immediately. The former Chair continued to serve on the Compensation Committee until April 18, 2019, when the 2019 annual general meeting of stockholders was held and his term as a director ended.

At our 2019 Annual Meeting, 45% of the shares cast on the Say-on-Pay proposal voted against the compensation paid to our NEOs, 39% voted to approve such compensation, and 26% abstained. In direct response to the Say-on-Pay proposals at the 2018 and 2019 Annual Meetings, the Compensation Committee of the Board of Directors held meetings in August 2019 and therein directed the Westwater management team to prepare a survey of stockholders in order to solicit their input regarding the Company's compensation structure for its named executive officers. On December 7, 2019, the Chairman of the Board approved the survey and issued a letter to the Company's stockholders encouraging their participation. Immediately thereafter the Westwater management team posted the survey to the Company's website, caused the survey also to be posted to the website of a third-party service provider, and sent a broadcast email message to approximately 2,500 addresses from Westwater's investor relations database alerting them to the availability of the survey.

The survey was posted for approximately 3 weeks and during that time Westwater received 62 responses, of which 58 responses indicated that they owned Westwater common stock. All responses were provided anonymously. The survey revealed that the stockholders are aligned with the Board of Directors in their expectations regarding compensation planning for the Company's NEOs. The stockholders agreed with the Board that NEO incentive compensation should emphasize goal achievement, should be "at risk" and should be tied to approved key performance indicators. In addition, the stockholders agreed that STI and LTI awards should be granted when the Westwater management team is challenged with and achieves goals that include specific performance criteria, but if those criteria are not satisfied, the STI or LTI award should be "at risk" – i.e., the failure to achieve a goal forfeits in part or in whole the incentive compensation that is tied to the goal.

The survey also reveals that the stockholders would prefer LTI awards issued to NEOs to consist principally of performance-based stock awards and to a lesser extent time-based awards. When evaluating the long-term performance of the Company's executive management team, the preference is to reward in greater proportion the achievement of specific goals, with the remainder tied to length of service. Finally, the surveyed stockholders believe that approximately one-quarter of the total NEO compensation should involve equity compensation.

The Board and the Compensation Committee will continue to engage in stockholder outreach with the aim of increasing the percentage of stockholders voting in favor of the Say-on-Pay proposal.

Deliberations of the Compensation Committee regarding the NEO performance in 2020

The Compensation Committee of the Board of Directors currently consists of three independent directors: Ms. Anderson (as Chair), and Tracy D. Pagliara and Deborah A. Peacock. In 2020, the Compensation Committee held four meetings and its members engaged in numerous additional informal telephone conference calls. At every meeting in 2020, the Compensation Committee discussed executive compensation issues and made several significant decisions involving the short-term incentive (STI) plan and the long-term incentive (LTI) plan for the NEOs, as follows:

- On February 13, 2020, the Compensation Committee held a meeting to discuss and approve 5 percent merit increases for the NEOs, as they had not received a merit increase since 2018 due in part to an effort to manage expenses. The Committee also discussed the 2020 STI plan for the Company that had been recommended by Company management, modified both the goals within the plan to ensure maximum alignment with stockholders after receiving feedback via direct outreach and survey results, and their relative weighting, and then approved the modified plan. The Committee briefly discussed the 2020 LTI plan for the Company but decided to defer its decision until after the 2020 annual general meeting of stockholders. Please see section entitled "2020 Grants of Plan Based Awards" for an explanation of STI and LTI plan goals.

- On May 12, 2020, following the 2020 annual general meeting of stockholders, the Compensation Committee held a meeting to discuss the 2020 LTI plan for the Company that had been recommended by Company management. The Committee agreed to design the plan to provide for vesting over three years using three sets of criteria equally weighted: service; total stockholder return (TSR); and performance objectives. The Committee decided that the Company's STI and LTI plans should be consistent but should not overlap. The Committee concluded that additional information and further deliberation was needed before the 2020 LTI plan could be approved to ensure maximum alignment with stockholders.

- On June 5, 2020, the Compensation Committee held a meeting to consider and recommend for Board approval the 2020 LTI plan that provided for the award of restricted stock units (RSUs) The Committee established separate performance criteria for each of the three years and agreed that TSR would be measured each year against a custom index of relevant peers. On June 12, 2020, the Compensation Committee's recommendations were presented to the Board and approved.

- On November 10, 2020, the Compensation Committee held a meeting to review the status of the Company's performance against its STI goals for 2020 using in part information provided by Company management. The Committee also discussed the 2021 STI plan, identified several goals that should be included within the plan and tasked Company management with further developing the 2021 plan and its goals.

2020 Grants of Plan-Based Awards

2020 STI Plan Awards

The 2020 STI plan goals were approved by the Compensation Committee in February 2020, and those goals are detailed below along with performance success measurements. In January 2021, the Compensation Committee determined that the management team achieved the following STI goals during 2020:

- 2020 STI Goal 1**:** Zero lost time accidents and zero reportable environmental issues (weighted at 10%).
    - The Company achieved this goal.

- 2020 STI Goal 2: Completion of the reclamation of the Rosita and Vasquez facilities assuming funding is available to do so (weighted at 25%).

    - The Company achieved this goal. The sale of the Company's uranium properties to enCore Energy on December 31, 2020 successfully eliminated any further reclamation obligations.

- 2020 STI Goal 3: Finish design of the pilot plant for the Coosa Graphite Project (weighted at 15%).

    - The Company achieved this goal.

- 2020 STI Goal 4: Operate the pilot plant for the Coosa Graphite Project to produce at least 12.5 tonnes of product that meets performance criteria for customer testing (weighted at 50%).

    - This goal had the dual purposes of providing the required information for the Feasibility Study and producing product at high purity levels which would be suitable for customer testing.

    - The amount of tonnage in this specific goal was not fully achieved, solely due to COVID-19 related lockdowns and restrictions in Germany. Nonetheless, sufficient tonnage of high-purity product was produced to enable the Company to proceed with the Feasibility Study and to produce high-purity product sufficient for customer testing.

    - Therefore, the Compensation Committee determined that this goal had been met and awarded the full measure of this goal.

Further, the Compensation Committee commended Company management for successfully during 2020:

- Selling Westwater's U.S. uranium subsidiaries (including all associated liabilities) to enCore Energy, which closed on December 31, 2020.

2020 LTI Plan Awards

The 2020 LTI plan goals were approved by the Compensation Committee and the Board in June 2020, and those goals are detailed below along with performance success measurements. In January 2021, the Compensation Committee determined that the management team achieved the following LTI goals during 2020:

- 2020 LTI Tranche 1 – time-based vesting over three years on December 31st (weighted one-third).

    - On December 31, 2020, all Company personnel included in LTI plan were present.

    - Therefore, the Compensation Committee vested Tranche 1 in full for the year ending December 31, 2020.

- 2020 LTI Tranche 2 – performance-based vesting over three years (weighted one-third), which for December 31, 2020 was to provide a Preliminary Economic Analysis (PEA) confidence level estimate for capital expenditures (capex) and operational expenditures (opex) for the Coosa Graphite Project, and to produce 40 kg of battery-grade graphite material to customers for qualification.

  - The Company completed a PEA-level study including estimates for capex and opex.

  - The pilot program for the Coosa Graphite Project was successful in producing enough information and battery-grade graphite material to allow for the timely commencement of the Feasibility Study as well as allow for customer shipping.

  - Therefore, the Compensation Committee vested Tranche 2 in full for the year ending December 31, 2020.

- 2020 LTI Tranche 3 – total stockholder return (TSR) performance vesting over three years (weighted one-third) as measured against a custom index, which for the year ending December 31, 2020 is measured from January 1, 2020 to December 31, 2020. The custom index consisted of the Company's uranium peers and graphite peers as shown below. The reason for the bifurcation of the two indices is the changing nature of the Company's business as a result of the sale of the uranium business.

- The agreed upon peer groups included both uranium and graphite peers. The graphite peer group showed a TSR for 2020 of 183% and the uranium peer group showed a TSR for 2020 of 72%.

- The 2020 TSR for Westwater Resources was 227%

- Therefore, the Compensation Committee vested Tranche 3 in full for the year ending December 31, 2020.

URANIUM	
PUBLIC CO PEER GROUP	TSR
Company	
Anfield Resources Inc.	35%
Azarga Uranium Corp.	10%
Energy Fuels Inc.	*
Laramide Resources	81%
Mega Uranium Ltd.	89%
Peninsula Energy Ltd.	*
Toro Energy Limited	125%
U3O8 Corp.	74%
Uranium Energy Corp.	105%
Ur-Energy Inc.	90%
Western Uranium Corp.	38%
Mathematical Average (Sans Hi-Lo - *)	72%

GRAPHITE	
PUBLIC PEER GROUP	TSR
Company	
Archer Exploration Ltd.	274%
Bass Metals LTD	40%
Black Rock Mining Ltd.	202%
Canada Carbon Inc.	100%
Ceylon Graphite Corp	20%
Eagle Graphite Inc.	125%
Focus Graphite Inc.	300%
Graphite One Resources	147%
Great Lakes Graphite Inc.	206%
Hexagon Resources Ltd.	102%
Leading Edge Materials Corp.	258%
Magnis Resources Ltd.	75%
Mason Graphite Inc.	57%
Nextsource Materials Inc.	100%
Northern Graphite Corp.	196%
Nouveau Monde Graphite Inc.	580%
Sama Resources Inc.	*
Syrah Resources Ltd.	182%
Talga Resources Ltd.	210%
Triton Minerals Ltd.	68%
Volt Resources	73%
Zenyatta Ventures Ltd.	*
Novonix	527%
Mathematical Average (Sans Hi-Lo - *)	183%

Evaluation of NEO performance in fiscal 2020

The 2020 compensation mix for the NEOs demonstrates the Company's philosophy regarding significant long-term and performance-based compensation. Over 45% of the total compensation of the CEO, and approximately 38% of total compensation for all of NEOs, was performance-based and not guaranteed. The Compensation Committee anticipates granting additional long-term performance-based and time-based equity awards to executive officers during the course of 2021 to continue aligning their long-term incentives with those of stockholders.

The following discussion addresses the components of the compensation policy for NEOs. As noted, for 2020 the short-term and long-term incentive programs were effective for each NEO—specifically, Messrs. Jones, Vigil and McCoig.

Base Salary

The Compensation Committee establishes base salaries for our executives based on the scope of their responsibilities, and takes into account competitive market compensation paid by comparable mining industry companies. The Company believes that a competitive compensation program will enhance its ability to attract and retain senior executives. In each case, the Compensation Committee takes into account each officer's (i) current and prior compensation, (ii) scope of responsibilities, (iii) experience, (iv) comparable market salaries and (v) the Company's achievement of performance goals (both financial and non-financial). The Compensation Committee also (i) has the opportunity to meet with the officers at various times during the year, which allows the Compensation Committee to form its own assessment of each individual's performance and (ii) reviews reports of the CEO presented to the Compensation Committee, evaluating each of the other officers, including a review of their contributions and performance over the past year, strengths, weaknesses, development plans and succession potential.

During fiscal years 2018 and 2019, the Company did not achieve all of its financial performance goals. As a result, the Committee did not award merit increases to NEOs as part of an effort to manage costs and to align with stockholder interests during a period of relative underperformance of the Company's share price. Starting in fiscal 2020, the Committee addressed the alignment with stockholders regarding share price by implementing a long-term incentive goal tied to total shareholder return (TSR).

For fiscal 2020, the Compensation Committee increased base salaries for NEOs by 5% in recognition of evolution in responsibilities of management as the Company was completing its strategic pivot to the graphite business. In addition, the increase was reflective of the fact that there was no merit increase for 2019. The 2020 base salaries were as follows:

Name	**Title**	**2019 Base Salary**
Christopher M. Jones	President and Chief Executive Officer	$ 318,360
Jeffrey L. Vigil	Vice President—Finance and Chief Financial Officer	$ 232,625
Dain A. McCoig	Vice President—South Texas Operations	$ 213,110

For more information about the 2020 base salaries for each of our NEOs, please see "2020 Summary Compensation Table" on page 40.

Retirement, Health and Welfare Benefits

The Company offers a variety of health and welfare and retirement programs to all eligible employees. The NEOs generally are eligible for the same benefit programs on the same basis as the rest of employees. The Company's health and welfare programs include medical, dental and vision. In addition to the foregoing, the NEOs are eligible to participate in the following program:

401(k) Profit Sharing Plan. The Company maintains a defined contribution profit sharing plan for employees (the "**401(k)**") that is administered by a committee of trustees appointed by the Company. All employees are eligible to participate upon the completion of one month of employment, subject to minimum age requirements. In past years, the Company has made contributions to the 401(k) without regard to current or accumulated net profits of the Company, but the Company suspended matching contributions at the beginning of January 2015.

No Perquisites

The Company does not provide any perquisites, whether cash or otherwise, to its NEOs. In addition, the Company does not provide any tax gross-up for equity awards. Westwater feels that its executive compensation program provides its NEOs with competitive compensation such that the Company does not need to provide any perquisites to achieve the goals of its executive compensation program.

Stock Ownership Policy

The Compensation Committee believes that stock ownership by senior management and stock-based performance compensation arrangements are beneficial in aligning management and stockholders' interests and serves as an executive retention tool through vesting and post-vesting holding period requirements. To that end, the employment agreements for each of Mr. Jones and Mr. Vigil establish stock ownership targets for each executive of stock valued at three times the initial base salary of each executive under the employment agreements. Each of Mr. Jones and Mr. Vigil had five years from his respective employment date to reach the stock ownership target. As part of our efforts to refinance and restructure the Company, Messrs. Jones and Vigil did not receive long-term incentive grants in some years to facilitate these objectives. In addition, two reverse stock splits (in 2016 and 2019), executed to maintain compliance with Nasdaq listing requirements, significantly reduced the stock ownership of management and resulted, in part, in the NEOs not achieving these stock ownership targets. The Compensation Committee believes that increased stock ownership awards, commensurate with meeting or exceeding performance goals, is warranted to better align enhanced insider stock ownership of management with the interests of stockholders.

Tax Treatment

The Compensation Committee considers the anticipated tax treatment to the Company when determining executive compensation. It should be noted that there are many factors which are considered by the Compensation Committee in determining executive compensation, and the Compensation Committee retains flexibility in establishing the Company's executive compensation programs.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

This Report was submitted by the following members of the Compensation Committee of the Board:

Karli S. Anderson, Chairman
Tracy D. Pagliara
Deborah A. Peacock

The information contained in the foregoing Compensation Committee Report shall not be deemed to be "soliciting material" or "filed" with the SEC, nor shall such information be incorporated by reference into a future filing under the Securities Act or the Exchange Act, except to the extent Westwater specifically incorporates this Report by reference therein.

2020 Summary Compensation Table

The following table sets forth information regarding 2020 and 2019 compensation for each of our NEOs;

Name and Principal Position	Year	Salary ($)	Option Awards ($)[1]	Bonus ($)	All Other Compensation ($)[2]	Total ($)
Christopher M. Jones	2020	318,360	191,016	191,016	1,253	701,645
President and CEO	2019	303,200	183,260	136,440	1,253	624,153
Jeffrey L. Vigil	2020	232,625	69,788	69,788	814	373,015
Vice President – Finance and CFO	2019	220,500	66,644	49,613	814	337,571
Dain A. McCoig	2020	213,110	63,933	63,933	1,253	342,229
Vice President – Operations	2019	202,000	61,042	45,450	1,253	309,745

(1) See Note 9—Stock Based Compensation of the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 for a discussion of valuation assumptions for the stock awards. The stock awards column presents the aggregate grant date fair value of RSUs calculated in accordance with FASB ASC Topic 718.

(2) Includes life insurance premiums paid by the Company on behalf of the named officer.

2020 Outstanding Equity Awards at Fiscal Year-End

The following table shows outstanding stock option awards classified as exercisable and unexercisable as of December 31, 2020 for the NEOs. The table also shows unvested and unearned stock awards and RSUs assuming a market value of $4.93 per share, the closing market price of Westwater's stock on December 31, 2020.

		Option Awards				Stock Awards	
Name	Vesting Commencement Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Unites or Other Rights That Have Not Vested ($)
Christopher M. Jones	3/12/2013	92	—	1,638.00	3/12/2023	94,097	463,898
	7/19/2018	3,829	—	19.25	7/19/2028	—	—
	4/18/2019	9,520	—	19.25	4/18/2029	—	—
Jeffrey L. Vigil	7/19/2018	1,392	—	19.25	7/19/2028	34,378	169,484
	4/18/2019	3,462	—	19.25	4/18/2029	—	—
Dain A. McCoig	4/18/2019	3,171	—	19.25	4/18/2029	31,494	155,265

Potential Payments Upon Termination or Change in Control

Employment Agreements

The employment agreements with Messrs. Jones and Vigil provide that, in the event of a change of control, if either executive is terminated without cause (as defined therein), demoted or has his responsibilities materially changed, or circumstances arise that constitute good reason (as defined therein), the Company will pay severance in an amount equal to two years of base salary in the case of Mr. Jones and one-and-one-half year of base salary in the case of Mr. Vigil, in each case in a lump sum within 30 days after his termination or termination of the agreement. If the Company otherwise terminates either executive, including following the disability of either executive, without cause, or fails to renew either employment agreement, or either executive otherwise terminates his employment for good reason, the Company will pay severance in an amount equal to one year of base salary in the case of Mr. Jones and six months of base salary in the case of Mr. Vigil, in each case in a lump sum within 30 days after the termination date. The employment agreements automatically terminate upon the death of the executive.

The employment agreements define "change of control" as (i) any person or group of affiliated or associated persons acquires more than 50% of the voting power of the Company; (ii) the consummation of a sale of all or substantially all of the assets of the Company; (iii) the dissolution of the Company; (iv) a majority of the members of the Board are replaced during any 12-month period; or (v) the consummation of any merger, consolidation, or reorganization involving the Company in which, immediately after giving effect to such merger, consolidation or reorganization, less than 50.1% of the total voting power of outstanding stock of the surviving or resulting entity is then "beneficially owned" (within the meaning of Rule 13d-3 under the Exchange Act) in the aggregate by the stockholders of the Company immediately prior to such merger, consolidation or reorganization.

The Compensation Committee believes such agreements are useful in recruiting and retaining executives, provide continuity of management in the event of an actual or threatened change in control and provide the executives with the security to make decisions that are in the best long-term interest of the stockholders.

Equity Awards

In addition, upon a change in control, the stock options granted under the Company's 2004 Stock Incentive Plan, the restricted stock granted under the Company's 2007 Restricted Stock Plan and any awards under the Company's 2013 Omnibus Incentive Plan will immediately vest in full, to the extent not already vested, for all NEOs.

The Compensation Committee believes that the above-mentioned vesting and acceleration is appropriate on the basis that our NEOs should receive the full benefit of such awards in the event of a change in control.

The following table shows the payments and benefits that would be made to our NEOs, assuming a qualifying termination or a qualifying termination following a change in control occurred on December 31, 2020.

Name	Cash Severance	Equity Acceleration	Total Potential Payment ($)
Christopher M. Jones	$ 636,720	463,898	$ 1,100,618
Jeffrey L. Vigil	$ 348,938	169,484	$ 518,422

Employment Agreements

Christopher M. Jones

On March 12, 2013, the Company entered into an employment agreement with Mr. Jones in connection with his joining the Company as President and CEO. Pursuant to his employment agreement, Mr. Jones is entitled to an annual base salary, which was set initially at $275,000 and was subject to annual adjustment by the Compensation Committee, has a target bonus equal to 60% of his base salary, and was awarded 42 shares of the Company's restricted stock and an option to purchase 92 shares of common stock.

The employment agreement also provides for potential payments in the event of a change of control (as defined therein), if Mr. Jones is terminated without cause (as defined therein), demoted or has his responsibilities materially changed, or circumstances arise that constitute good reason (as defined therein). See "Potential Payments Upon Termination or Change in Control" above.

The employment agreement also contains customary confidentiality, non-competition and non-solicitation provisions. Mr. Jones has agreed not to perform any work in the United States related in any way to uranium mining, or to solicit customers, suppliers or employees of the Company, during the term of the employment agreement and for a period of one year thereafter.

Jeffrey L. Vigil

On June 11, 2013, the Company entered into an employment agreement with Mr. Vigil in connection with his joining the Company as Vice President—Finance and CFO, which was subsequently amended on May 22, 2017. Pursuant to his employment agreement, Mr. Vigil is entitled to an annual base salary, which was set initially at $200,000 and was subject to annual adjustment by the Compensation Committee, has a target bonus equal to 30% of his base salary, and also provided for a grant of 133 restricted stock units.

The employment agreement, as amended, also provides for potential payments in the event of a change of control (as defined therein), if Mr. Vigil is terminated without cause (as defined therein), demoted or has his responsibilities materially changed, or circumstances arise that constitute good reason (as defined therein). See "*Potential Payments Upon Termination or Change in Control*" above.

The employment agreement also contains customary confidentiality, non-competition and non-solicitation provisions. Mr. Vigil has agreed not to perform any work in the United States related in any way to uranium mining, or to solicit customers, suppliers or employees of the Company, during the term of the employment agreement and for a period of six month thereafter.

No Other Employment Agreement

Other than the foregoing employment agreements, the Company does not have any other employment agreements with any of its executive officers.

PROPOSAL 4

ADVISORY APPROVAL OF COMPENSATION OF THE NAMED EXECUTIVE OFFICERS

In accordance with Section 14A of the Exchange Act, Westwater is asking stockholders to approve the following advisory resolution at the 2020 Annual Meeting of Stockholders:

"RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby approved."

The Company is asking stockholders to approve an advisory resolution on compensation of our named executive officers as described in the Compensation Discussion and Analysis, the compensation tables and related narrative discussion included in this Proxy Statement. This proposal, commonly known as a "say-on-pay" proposal, gives stockholders the opportunity to approve, reject or abstain from voting with respect to our executive compensation programs and policies and the compensation paid to the named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers as described in this Proxy Statement.

As described in detail under the heading "Compensation Discussion and Analysis" and in the compensation tables and narrative disclosures that accompany the compensation tables, the Company's compensation program for the named executive officers is designed to reward exceptional organizational and individual performance. The primary objectives of our compensation program are to (i) enhance the Company's ability to attract and retain knowledgeable and experienced senior executives, (ii) drive and reward performance which supports Westwater's core values, (iii) provide a percentage of total compensation that is "at-risk", or variable, based on predetermined performance criteria, (iv) require significant stock holdings to align the interests of our CEO and CFO with those of stockholders, and (v) set compensation and incentive levels that reflect competitive market practices.

Although the vote on this proposal is advisory only, the Board and the Compensation Committee will review and consider the voting results when evaluating our executive compensation program.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

PROPOSAL 5

RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Board has unanimously appointed Moss Adams LLP to be Westwater's independent registered public accountants for the year ending December 31, 2021, and has further directed that management submit the appointment of our independent registered public accountants for ratification by the stockholders at the 2020 Annual Meeting. In recommending ratification by the stockholders of such appointment, the Board is acting upon the recommendation of the Audit Committee, which has satisfied itself as to the firm's professional competence and standing.

Ratification of the appointment of Moss Adams LLP by the stockholders is not required by law. As a matter of policy, however, such appointment is being submitted to the stockholders for ratification at the 2020 Annual Meeting because the Audit Committee and the Board believe this to be a good corporate practice. The persons designated in the enclosed proxy will vote your shares "**FOR"** ratification unless you include instruction in your signed proxy to the contrary. If the stockholders fail to ratify the appointment of this firm, the Board will reconsider the matter.

Representatives of Moss Adams LLP are expected to be present at the Annual Meeting to answer appropriate questions from the stockholders and will be given an opportunity to make a statement on behalf of Moss Adams LLP should they desire to do so. None of Westwater's directors or executive officers has any substantial interest, direct or indirect, in Moss Adams LLP.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF MOSS ADAMS LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS OF WESTWATER.

Audit and Non-Audit Fees

The following table presents fees billed for professional audit services rendered by Moss Adams LLP for the audit of Westwater's annual financial statements for 2020 and 2019.

	2019	2018
Audit fees (1)	$ 276,287	$ 251,525
Audit-related fees	—	—
Tax fees	—	—
All other fees	—	—

(1) Audit fees include fees for the audits of the Company's consolidated financial statements and for services that are usually provided by an auditor in connection with statutory and regulatory filings and engagements.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee is required to pre-approve the audit and non-audit services performed by the independent auditor to assure that the provision of such services does not impair the auditor's independence. All of the foregoing services were pre-approved by the Audit Committee.

OWNERSHIP OF WESTWATER COMMON STOCK

The table below sets forth information as of March 25, 2021 regarding the beneficial ownership (as defined by Rule 13d-3(d)(1) under the Exchange Act) of our common stock by each of our directors and named executive officers, and all directors and executive officers as a group. To the Company's knowledge, no person or group beneficially owns more than five percent of our common stock.

In accordance with applicable rules of the Securities and Exchange Commission, beneficial ownership includes voting or investment power with respect to securities and includes the shares issuable pursuant to stock options that are exercisable, and shares subject to restricted stock units that vest, on, or within 60 days after March 25, 2021. Shares issuable pursuant to the exercise of stock options, and restricted stock units that vest, on, or within 60 days after March 25, 2021, are deemed outstanding for the purpose of computing the ownership percentage of the person holding such options, or shares subject to restricted stock units, but are not deemed outstanding for computing the ownership percentage of any other person. The percentage of beneficial ownership for the following table is based on 32,336,315 shares of common stock outstanding as of March 25, 2021. All officers and directors can be reached at the Company's corporate office address of 6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112.

Name of Individual or Group	Number of Shares of Common Stock Beneficially Owned (1)	Percent of Class
Terence J. Cryan	33,052	*
Christopher M. Jones	36,594	*
Tracy D. Pagliara	32,397	*
Karli S. Anderson	31,451	*
Deborah A. Peacock	31,451	*
Jeffrey L. Vigil	12,996	*
Dain A. McCoig	12,193	*
All current directors and executive officers as a group (7 persons)	190,134	*

* Represents less than 1%.

(1) Includes the following shares that directors and executive officers have the right to acquire on March 25, 2021, or 60 days thereafter, through the exercise of stock options and issuance of stock for vested restrictive stock units: Mr. Cryan, 32,397 shares; Mr. Jones, 13,441 shares; Mr. Pagliara, 32,397 shares; Ms. Anderson, 31,451 shares; Ms. Peacock, 31,451 shares; Mr. Vigil, 4,854 shares; Mr. McCoig, 4,447 shares; and all current directors and officers as a group, 150,438 shares. Except as otherwise noted, the directors and executive officers exercise sole voting and investment power over their shares shown in the table and none of the share are subject to pledge. Except as otherwise noted, the directors, director nominees and executive officers exercise sole voting and investment power over their shares shown in the table and none of the share are subject to pledge.

Other Business

The Board knows of no other matters to be brought before the Annual Meeting. However, if other matters should come before the Annual Meeting, it is the intention of each person named in the proxy to vote such proxy in accordance with his or her own judgment on such matters.

Delivery of Stockholder Documents

The Securities and Exchange Commission (the "**SEC**") has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement and annual report addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

A number of brokers with account holders who are Westwater stockholders may be householding our proxy materials, to the extent such stockholders have given their prior express or implied consent in accordance with SEC rules. A single proxy statement and Annual Report will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent, which is deemed to be given unless you inform the broker otherwise when you receive the original notice of householding. If, at any time, you no longer wish to participate in householding and would prefer to receive separate proxy materials, please notify your broker to discontinue householding and direct your written request to receive a separate proxy statement and annual report to Westwater at: Westwater Resources, Inc., Attention: Secretary, 6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112, or by calling (303) 531-0516, and we will promptly deliver a separate proxy statement and annual report per your request. Stockholders who currently receive multiple copies of the proxy materials at their address and would like to request householding of their communications should contact their broker.

Solicitation of Proxies; Payment of Solicitation Expenses

The Company is providing these proxy materials in connection with the solicitation by its Board of Directors of proxies to be voted at our Annual Meeting. The Company has retained Alliance Advisors as its proxy solicitor and will pay Alliance Advisors approximately $100,000. The Company will bear all expenses incurred in connection with the solicitations of proxies. In addition to the solicitation of proxies by mail. The Company may ask brokers and bank nominees to solicit proxies from their principals and will pay the brokers and bank nominees their expenses for the solicitation. The Company's directors, officers and employees also may solicit proxies by mail, telephone, electronic or facsimile transmission or in person.

Adjournments and Postponements

Although it is not currently expected, the meeting may be adjourned on one or more occasions for the purpose of soliciting additional proxies if a quorum is not present at the meeting. An adjournment generally may be made with the affirmative vote of the owners of a majority of the shares of our common stock present in person or represented by proxy and entitled to vote thereon if no quorum is present or, if a quorum is present, with the majority of the votes cast. Any adjournment of the meeting for the purpose of soliciting additional proxies will allow our stockholders who have already sent in their proxies to revoke them at any time prior to their use at the meeting as adjourned.

Future Stockholder Proposals

In order to include a stockholder proposal in Westwater's proxy statement and form of proxy for the annual meeting to be held in 2022 (the "**2022 Annual Meeting**"), we must receive the proposal at our principal executive offices, addressed to the Secretary, no later than November 27, 2021, which is 120 calendar days before the anniversary of the date this proxy statement for the 2021 Annual Meeting is released to stockholders. However, if the date of the 2022 Annual Meeting is changed by more than 30 days from the anniversary date of the 2021 Annual Meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

Any stockholder proposal or director nomination submitted to us for consideration at the 2022 Annual Meeting but which is not intended to be included in the related proxy statement and form of proxy, must be received between 90 days and 120 days prior to May 21, 2022, which is the first anniversary of the 2021 Annual Meeting, except that if the date of the 2021 Annual Meeting is more than 30 days before or more than 70 days after such anniversary, we must receive the proposal not earlier than the close of business on the 120th day prior to the 2022 Annual Meeting and not later than the close of business on the later of 90th day prior to the 2022 Annual Meeting date or the 10th day following the date on which public announcement of the 2022 Annual Meeting is first made; otherwise, the proposal will be considered by us to be untimely and not properly brought before the meeting.

Stockholders who wish to submit a proposal or a director nominee must meet the eligibility requirements of the SEC and comply with the requirements of our Bylaws and the SEC. In addition, pursuant to the rules and regulations of the SEC, the persons appointed as proxies for the annual meeting to be held in 2022 will have discretionary authority to vote any proxies they hold at such meeting on any matter for which Westwater has not received notice by 45 days prior to the anniversary date on which this proxy statement for the 2021 Annual Meeting is mailed to Westwater stockholders.

Annual Report to Stockholders

We have mailed this proxy statement to each stockholder entitled to vote at the Annual Meeting. A copy of our 2020 Annual Report to Stockholders accompanies this proxy statement. You may obtain, at no charge, additional copies of our 2020 Annual Report to Stockholders, which includes our Annual Report on Form 10-K for the year ended December 31, 2020, by sending us a written request at Westwater Resources, Inc., Attention: Secretary, 6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112, or by calling (303) 531-0483.

**FOURTH AMENDMENT TO
WESTWATER RESOURCES, INC.
2013 OMNIBUS INCENTIVE PLAN**

In accordance with those certain resolutions adopted by the Board of Directors of Westwater Resources, Inc., a Delaware corporation (the "***Corporation***"), and the Board of Directors' Compensation Committee and the approval by the stockholders of the Corporation at the Corporation's Annual Meeting of Stockholders held on May 21, 2021, the 2013 Omnibus Incentive Plan (the "***Plan***") of the Corporation is hereby amended as follows:

1. Section 4.1 of the Plan is hereby amended and restated in its entirety to increase the number of shares reserved for issuance under the Plan by 1,500,000 shares, as follows:

"**4.1 Number of Shares of Stock Available for Awards.**

Subject to such additional shares of Stock as shall be available for Awards under the Plan pursuant to **Section 4.2**, and subject to adjustment pursuant to **Section 17.1**, the maximum number of shares of Stock available for Awards under the Plan shall be equal to the sum of (x) 1,937,666 shares of Stock plus (y) the number of shares of Stock available for awards under the Prior Plans as of the Effective Date plus (z) the number of shares of Stock related to awards outstanding under the Prior Plans as of the Effective Date which thereafter terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares. Such shares of Stock may be authorized and unissued shares of Stock or treasury shares of Stock or any combination of the foregoing, as may be determined from time to time by the Board or by the Committee. Any of the shares of Stock available for Awards under the Plan may be used for any type of Award under the Plan, and any or all of the shares of Stock available for Awards under the Plan shall be available for Awards pursuant to Incentive Stock Options."

2. Unless otherwise expressly provided for in this Fourth Amendment to the Plan (the "***Fourth Amendment***"), all capitalized words, phrases, or defined terms used in this Fourth Amendment will have the same meaning ascribed to them in the Plan.

3. Except as expressly set forth in this Fourth Amendment, there have been no other changes or modifications to the Plan, and the plan remains otherwise unchanged and in full force and effect.

4. This Fourth Amendment shall be effective as of [____], 2021.

WESTWATER RESOURCES, INC.
2013 OMNIBUS INCENTIVE PLAN
AS AMENDED

Westwater Resources, Inc. (the "**Company**") sets forth herein the terms of its 2013 Omnibus Incentive Plan (the "**Plan**"), as follows:

1. PURPOSE

The Plan is intended to (a) provide eligible persons with an incentive to contribute to the success of the Company and to operate and manage the Company's business in a manner that will provide for the Company's long-term growth and profitability to benefit its stockholders and other important stakeholders, including its employees and customers, and (b) provide a means of obtaining, rewarding and retaining key personnel. To this end, the Plan provides for the grant of awards of stock options, stock appreciation rights, restricted stock, stock units, unrestricted stock, dividend equivalent rights, performance shares and other performance-based awards, other equity-based awards, and cash bonus awards. Any of these awards may, but need not, be made as performance incentives to reward the holders of such awards for the achievement of performance goals in accordance with the terms of the Plan. Stock options granted under the Plan may be non-qualified stock options or incentive stock options, as provided herein.

2. DEFINITIONS

For purposes of interpreting the Plan documents (including the Plan and Award Agreements), the following definitions shall apply:

2.1 "**Affiliate**" means any company or other entity that controls, is controlled by or is under common control with the Company within the meaning of Rule 405 of Regulation C under the Securities Act, including any Subsidiary. For purposes of grants of Options or Stock Appreciation Rights, an entity may not be considered an Affiliate unless the Company holds a "controlling interest" in such entity within the meaning of Treasury Regulation Section 1.414(c)-2(b)(2)(i), provided that (a) except as specified in clause (b) below, an interest of "at least 50 percent" shall be used instead of an interest of "at least 80 percent" in each case where "at least 80 percent" appears in Treasury Regulation Section 1.414(c)-2(b)(2)(i) and (b) where the grant of Options or Stock Appreciation Rights is based upon a legitimate business criterion, an interest of "at least 20 percent" shall be used instead of an interest of "at least 80 percent" in each case where "at least 80 percent" appears in Treasury Regulation Section 1.414(c)-2(b)(2)(i).

2.2 "**Applicable Laws**" means the legal requirements relating to the Plan and the Awards under (a) applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders of any jurisdiction applicable to Awards granted to residents therein and (b) the rules of any Stock Exchange on which the Stock is listed.

2.3 "**Award**" means a grant under the Plan of an Option, a Stock Appreciation Right, Restricted Stock, a Stock Unit, Unrestricted Stock, a Dividend Equivalent Right, a Performance Share or other Performance-Based Award, an Other Equity-Based Award, or cash.

2.4 "**Award Agreement**" means the agreement between the Company and a Grantee that evidences and sets out the terms and conditions of an Award.

2.5 "**Award Stock**" shall have the meaning set forth in **Section 17.3(a)(ii)**.

2.6 "**Benefit Arrangement**" shall have the meaning set forth in **Section 15**.

2.7 "**Board**" means the Board of Directors of the Company.

2.8 “**Cause**” means, with respect to any Grantee, as determined by the Committee and unless otherwise provided in an applicable agreement between such Grantee and the Company or an Affiliate, (a) gross negligence or willful misconduct in connection with the performance of duties; (b) conviction of a criminal offense (other than minor traffic offenses); or (c) material breach of any term of any employment, consulting or other services, confidentiality, intellectual property or non-competition agreements, if any, between such Grantee and the Company or an Affiliate. Any determination by the Committee whether an event constituting Cause shall have occurred shall be final, binding and conclusive.

2.9 “**Capital Stock**” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Effective Date or issued thereafter, including, without limitation, all common stock, par value $.001 per share, of the Company.

2.10 “**Change in Control**” means the occurrence of any of the following:

(a) a “Person” or “group” (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act), other than the Existing Stockholders, becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act) of more than fifty percent (50%) of the total voting power of the Voting Stock of the Company, on a Fully Diluted Basis;

(b) individuals who on the Effective Date constitute the Board (together with any new Directors whose election by such Board or whose nomination by such Board for election by the stockholders of the Company was approved by a vote of at least a majority of the members of such Board then in office who either were members of such Board on the Effective Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the members of such Board then in office;

(c) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company, other than any such transaction in which the holders of securities that represented one hundred percent (100%) of the Voting Stock of the Company immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation transaction immediately after such transaction; or

(d) there is consummated any direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one transaction or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any “Person” or “group” (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act).

2.11 “**Code**” means the Internal Revenue Code of 1986, as amended, as now in effect or as hereafter amended, and any successor thereto. References in the Plan to any Code Section shall be deemed to include, as applicable, regulations promulgated under such Code Section.

2.12 “**Committee**” means the Compensation Committee of the Board.

2.13 “**Company**” means Westwater Resources, Inc.

2.14 "**Covered Employee**" means a Grantee who is a "covered employee" within the meaning of Code Section 162(m)(3).

2.15 "**Disability**" means the inability of a Grantee to perform each of the essential duties of such Grantee's position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than 12 months; provided that, with respect to rules regarding expiration of an Incentive Stock Option following termination of a Grantee's Service, Disability shall mean the inability of such Grantee to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

2.16 "**Dividend Equivalent Right**" means a right, granted to a Grantee pursuant to **Section 13**, to receive cash, Stock, other Awards or other property equal in value to dividends or other periodic payments paid or made with respect to a specified number of shares of Stock.

2.17 "**Employee**" means, as of any date of determination, an employee (including an officer) of the Company or an Affiliate.

2.18 "**Effective Date**" means June 4, 2013, the date on which the Plan was approved by the Company's stockholders.

2.19 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, as now in effect or as hereafter amended.

2.20 "**Existing Stockholders**" means Resource Capital Fund V L.P. and RMB Australia Holdings Limited.

2.21 "**Fair Market Value**" means the fair market value of a share of Stock for purposes of the Plan, which shall be determined as of any Grant Date as follows:

(a) If on such Grant Date the shares of Stock are listed on a Stock Exchange, or are publicly traded on another established securities market (a "**Securities Market**"), the Fair Market Value of a share of Stock shall be the closing price of the Stock as reported on such Stock Exchange or such Securities Market (*provided that*, if there is more than one such Stock Exchange or Securities Market, the Committee shall designate the appropriate Stock Exchange or Securities Market for purposes of the Fair Market Value determination). If there is no such reported closing price on such Grant Date, the Fair Market Value of a share of Stock shall be the closing price of the Stock on the next preceding day on which any sale of Stock shall have been reported on such Stock Exchange or such Securities Market.

(b) If on such Grant Date the shares of Stock are not listed on a Stock Exchange or publicly traded on a Securities Market, the Fair Market Value of a share of Stock shall be the value of the Stock as determined by the Committee by the reasonable application of a reasonable valuation method, in a manner consistent with Code Section 409A.

Notwithstanding this **Section 2.21** or **Section 18.3**, for purposes of determining taxable income and the amount of the related tax withholding obligation pursuant to **Section 18.3**, the Fair Market Value will be determined by the Company using any reasonable method; *provided*, further, that for any shares of Stock subject to an Award that are sold by or on behalf of a Grantee on the same date on which such shares may first be sold pursuant to the terms of the related Award Agreement, the Fair Market Value of such shares shall be the sale price of such shares on such date (or if sales of such shares are effectuated at more than one sale price, the weighted average sale price of such shares on such date).

2.22 "**Family Member**" means, with respect to any Grantee as of any date of determination, (a) a person who is a spouse, former spouse, child, stepchild, grandchild, parent, stepparent, grandparent, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother, sister, brother-in-law, or sister-in-law, including adoptive relationships, of such Grantee, (b) any person sharing such Grantee's household (other than a tenant or employee), (c) a trust in which any one or more of the persons specified in clauses (a) and (b) above (and such Grantee) own more than fifty percent (50%) of the beneficial interest, (d) a foundation in which any one or more of the persons specified in clauses (a) and (b) above (and such Grantee) control the management of assets, and (e) any other entity in which one or more of the persons specified in clauses (a) and (b) above (and such Grantee) own more than fifty percent (50%) of the voting interests.

2.23 "**Fully Diluted Basis**" means, as of any date of determination, the sum of (x) the number of shares of Voting Stock outstanding as of such date of determination plus (y) the number of shares of Voting Stock issuable upon the exercise, conversion or exchange of all then-outstanding warrants, options, convertible Capital Stock or indebtedness, exchangeable Capital Stock or indebtedness, or other rights exercisable for or convertible or exchangeable into, directly or indirectly, shares of Voting Stock, whether at the time of issue or upon the passage of time or upon the occurrence of some future event, and whether or not in the money as of such date of determination

2.24 "**Grant Date**" means, as determined by the Committee, the latest to occur of (a) the date as of which the Committee approves the Award, (b) the date on which the recipient of an Award first becomes eligible to receive an Award under **Section 6** hereof (e.g., in the case of a new hire, the first date on which such new hire performs any Service), or (c) such subsequent date specified by the Committee in the corporate action approving the Award.

2.25 "**Grantee**" means a person who receives or holds an Award under the Plan.

2.26 "**Incentive Stock Option**" means an "incentive stock option" within the meaning of Code Section 422, or the corresponding provision of any subsequently enacted tax statute, as amended from time to time.

2.27 "**Non-qualified Stock Option**" means an Option that is not an Incentive Stock Option.

2.28 "**Option**" means an option to purchase one or more shares of Stock pursuant to the Plan.

2.29 "**Option Price**" means the exercise price for each share of Stock subject to an Option.

2.30 "**Other Agreement**" shall have the meaning set forth in **Section 15**.

2.31 "**Other Equity-Based Award**" means an Award representing a right or other interest that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, other than an Option, a Stock Appreciation Right, Restricted Stock, a Stock Unit, Unrestricted Stock, a Dividend Equivalent Right or a Performance Share.

2.32 "**Outside Director**" means a member of the Board who is not an Employee.

2.33 "**Parachute Payment**" shall have the meaning set forth in **Section 15(a)**.

2.34 "**Performance-Based Award**" means an Award of Options, Stock Appreciation Rights, Restricted Stock, Stock Units, Performance Shares, Other Equity-Based Awards or cash made subject to the achievement of performance goals (as provided in **Section 14**) over a Performance Period specified by the Committee.

2.35 "**Performance-Based Compensation**" means compensation under an Award that is intended to satisfy the requirements of Code Section 162(m) for "qualified performance-based compensation" paid to Covered Employees. Notwithstanding the foregoing, nothing in the Plan shall be construed to mean that an Award which does not satisfy the requirements for "qualified performance-based compensation" within the meaning of and pursuant to Code Section 162(m) does not constitute performance-based compensation for other purposes, including the purposes of Code Section 409A.

2.36 "**Performance Measures**" means measures as specified in **Section 14.6.4** on which the performance goals under Performance-Based Awards are based and which are approved by the Company's stockholders pursuant to, and to the extent required by, the Plan in order to qualify such Performance-Based Awards as Performance-Based Compensation.

2.37 "**Performance Period**" means the period of time during which the performance goals under Performance-Based Awards must be met in order to determine the degree of payout and/or vesting with respect to any such Performance-Based Awards.

2.38 "**Performance Shares**" means a Performance-Based Award representing a right or other interest that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, made subject to the achievement of performance goals (as provided in **Section 14**) over a Performance Period of up to ten (10) years.

2.39 "**Person**" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

2.40 "**Plan**" means this 2013 Omnibus Incentive Plan, as amended from time to time.

2.41 "**Prior Plans**" means the Company's Amended and Restated 1995 Stock Incentive Plan, the 2004 Stock Incentive Plan, the Amended and Restated 2004 Directors' Stock Option and Restricted Stock Plan, and the 2007 Restricted Stock Plan.

2.42 "**Reporting Person**" means a person who is required to file reports under Section 16(a) of the Exchange Act, or any successor provision.

2.43 "**Restricted Period**" shall have the meaning set forth in **Section 10.2**.

2.44 "**Restricted Stock**" means shares of Stock awarded to a Grantee pursuant to **Section 10**.

2.45 "**SAR Price**" shall have the meaning set forth in **Section 9.1**.

2.46 "**Securities Act**" means the Securities Act of 1933, as amended, as now in effect or as hereafter amended.

2.47 "**Service**" means service qualifying a Grantee as a Service Provider to the Company or an Affiliate. Unless otherwise provided in the applicable Award Agreement, a Grantee's change in position or duties shall not result in interrupted or terminated Service, so long as such Grantee continues to be a Service Provider to the Company or an Affiliate. Subject to the preceding sentence, any determination by the Committee whether a termination of Service shall have occurred for purposes of the Plan shall be final, binding and conclusive. If a Service Provider's employment or other service relationship is with an Affiliate and the applicable entity ceases to be an Affiliate, a termination of Service shall be deemed to have occurred when such entity ceases to be an Affiliate unless the Service Provider transfers his or her employment or other service relationship to the Company or any other Affiliate.

2.48 "**Service Provider**" means an Employee, officer, or director of the Company or an Affiliate, or a consultant or adviser (who is a natural person) to the Company or an Affiliate currently providing services to the Company or an Affiliate.

2.49 "**Stock**" means the common stock, par value $0.001 per share, of the Company, or any security which shares of Stock may be changed into or for which shares of Stock may be exchanged as provided in **Section 17.1**.

2.50 "**Stock Appreciation Right**" or "**SAR**" means a right granted to a Grantee pursuant to **Section 9**.

2.51 "**Stock Exchange**" means The NASDAQ Stock Exchange LLC or another established national or regional stock exchange on which the Company's equity securities may be listed.

2.52 "**Stock Unit**" means a bookkeeping entry representing the equivalent of one (1) share of Stock awarded to a Grantee pursuant to **Section 10** that (a) is not subject to vesting or (b) is subject to time-based vesting, but not to performance-based vesting. A Stock Unit may also be referred to as a restricted stock unit.

2.53 "**Subsidiary**" means any corporation (other than the Company) or non-corporate entity with respect to which the Company owns, directly or indirectly, fifty percent (50%) or more of the total combined voting power of all classes of stock, membership interests or other ownership interests of any class or kind ordinarily having the power to vote for the directors, managers or other voting members of the governing body of such corporation or non-corporate entity. In addition, any other entity may be designated by the Committee as a Subsidiary, provided that (a) such entity could be considered as a subsidiary according to generally accepted accounting principles in the United States of America, and (b) in the case of an Award of Options or Stock Appreciation Rights, such Award would be considered to be granted in respect of "service recipient stock" under Code Section 409A.

2.54 "**Substitute Award**" means an Award granted upon assumption of, or in substitution for, outstanding awards previously granted under a compensatory plan by a business entity acquired or to be acquired by the Company or an Affiliate or with which the Company or an Affiliate has combined or will combine.

2.55 "**Ten Percent Stockholder**" means a natural person who owns more than ten percent (10%) of the total combined voting power of all classes of outstanding voting securities of the Company, the Company's parent (if any) or any of the Company's Subsidiaries. In determining stock ownership, the attribution rules of Code Section 424(d) shall be applied.

2.56 "**Unrestricted Stock**" shall have the meaning set forth in **Section 11**.

2.57 "**Voting Stock**" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

3. ADMINISTRATION OF THE PLAN

3.1 Committee.

***3.1.1* Powers and Authorities.**

The Committee shall administer the Plan and shall have such powers and authorities related to the administration of the Plan as are consistent with the Company's certificate of incorporation and bylaws and Applicable Laws. Without limiting the generality of the foregoing, the Committee shall have full power and authority to take all actions and to make all determinations required or provided for under the Plan, any Award or any Award Agreement, and shall have full power and authority to take all such other actions and make all such other determinations not inconsistent with the specific terms and provisions of the Plan which the Committee deems to be necessary or appropriate to the administration of the Plan, any Award or any Award Agreement. All such actions and determinations shall be made by (a) the affirmative vote of a majority of the members of the Committee present at a meeting at which a quorum is present, or (b) the unanimous consent of the members of the Committee executed in writing in accordance with the Company's certificate of incorporation and bylaws and Applicable Laws. Unless otherwise expressly determined by the Board, the Committee shall have the authority to interpret and construe all provisions of the Plan, any Award and any Award Agreement, and any such interpretation or construction, and any other determination contemplated to be made under the Plan or any Award Agreement, by the Committee shall be final, binding and conclusive whether or not expressly provided for in any provision of the Plan, such Award or such Award Agreement.

In the event that the Plan, any Award or any Award Agreement provides for any action to be taken by the Board or any determination to be made by the Board, such action may be taken or such determination may be made by the Committee constituted in accordance with this **Section 3.1** if the Board has delegated the power and authority to do so to such Committee.

3.1.2 **Composition of Committee.**

The Committee shall be a committee composed of not fewer than two directors of the Company designated by the Board to administer the Plan. Each member of the Committee shall be a "Non-Employee Director" within the meaning of Rule 16b-3 under the Exchange Act, an "outside director" within the meaning of Code Section 162(m)(4)(C)(i) and, for so long as the Stock is listed on The NASDAQ Stock Exchange LLC, an "independent director" within the meaning of NASDAQ Listing Rule 5605(a)(2) (or, in each case, any successor term or provision); *provided* that any action taken by the Committee shall be valid and effective whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this **Section 3.1.2** or otherwise provided in any charter of the Committee. Without limiting the generality of the foregoing, the Committee may be the Compensation Committee of the Board or a subcommittee thereof if the Compensation Committee of the Board or such subcommittee satisfies the foregoing requirements.

3.1.3 **Other Committees.**

The Board also may appoint one or more committees of the Board, each composed of one or more directors of the Company who need not be Outside Directors, which may administer the Plan with respect to Grantees who are not "officers" as defined in Rule 16a-1(f) under the Exchange Act or directors of the Company, may grant Awards under the Plan to such Grantees, and may determine all terms of such Awards, subject to the requirements of Rule 16b-3 under the Exchange Act, Code Section 162(m) and, for so long as the Stock is listed on The NASDAQ Stock Exchange LLC, the rules of such Stock Exchange.

3.1.4 **Delegation by Committee.**

To the extent permitted by Applicable Laws, the Committee may by resolution delegate some or all of its authority with respect to the Plan and Awards to the Chief Executive Officer of the Company and/or any other officer of the Company designated by the Committee, *provided* that the Committee may not delegate its authority hereunder (a) to make Awards to directors of the Company, (b) to make Awards to Employees who are (i) "officers" as defined in Rule 16a-1(f) under the Exchange Act, (ii) Covered Employees or (iii) officers of the Company who are delegated authority by the Committee pursuant to this **Section 3.1.4**, or (c) to interpret the Plan or any Award. Any delegation hereunder shall be subject to the restrictions and limits that the Committee specifies at the time of such delegation or thereafter. Nothing in the Plan shall be construed as obligating the Committee to delegate authority to any officer of the Company, and the Committee may at any time rescind the authority delegated to an officer of the Company appointed hereunder and delegate authority to one or more other officers of the Company. At all times, an officer of the Company delegated authority pursuant to this **Section 3.1.4** shall serve in such capacity at the pleasure of the Committee. Any action undertaken by any such officer of the Company in accordance with the Committee's delegation of authority shall have the same force and effect as if undertaken directly by the Committee, and any reference in the Plan to the "Committee" shall, to the extent consistent with the terms and limitations of such delegation, be deemed to include a reference to each such officer.

3.2 Board.

The Board from time to time may exercise any or all of the powers and authorities related to the administration and implementation of the Plan, as set forth in **Section 3.1** and other applicable provisions of the Plan, as the Board shall determine, consistent with the Company's certificate of incorporation and bylaws and Applicable Laws.

3.3 Terms of Awards.

3.3.1 **Committee Authority.**

Subject to the other terms and conditions of the Plan, the Committee shall have full and final authority to:

(a) *designate Grantees;*

(b) *determine the type or types of Awards to be made to a Grantee;*

(c) *determine the number of shares of Stock to be subject to an Award;*

(d) *establish the terms and conditions of each Award (including the Option Price of any Option or the purchase price for Restricted Stock), the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting, exercise, transfer, or forfeiture of an Award or the shares of Stock subject thereto, the treatment of an Award in the event of a Change in Control (subject to applicable agreements), and any terms or conditions that may be necessary to qualify Options as Incentive Stock Options;*

(e) *prescribe the form of each Award Agreement evidencing an Award; and*

(f) *subject to the limitation on repricing in Section 3.4, amend, modify or supplement the terms of any outstanding Award, which authority shall include the authority, in order to effectuate the purposes of the Plan but without amending the Plan, to make Awards or to modify outstanding Awards made to eligible natural persons who are foreign nationals or are natural persons who are employed outside the United States to reflect differences in local law, tax policy, or custom, provided that, notwithstanding the foregoing, no amendment, modification or supplement of the terms of any outstanding Award shall, without the consent of the Grantee thereof, impair such Grantee's rights under such Award.*

The Committee shall have the right, in its discretion, to make Awards in substitution or exchange for any award granted under another compensatory plan of the Company, an Affiliate, or any business entity acquired or to be acquired by the Company or an Affiliate or with which the Company or an Affiliate has combined or will combine.

3.3.2 **Forfeiture; Recoupment.**

The Committee may reserve the right in an Award Agreement to cause a forfeiture of the gain realized by a Grantee with respect to an Award thereunder on account of actions taken by, or failed to be taken by, such Grantee in violation or breach of or in conflict with any (a) employment agreement, (b) non-competition agreement, (c) agreement prohibiting solicitation of Employees or clients of the Company or an Affiliate, (d) confidentiality obligation with respect to the Company or an Affiliate, (e) Company policy or procedure, (f) other agreement, or (g) any other obligation of such Grantee to the Company or an Affiliate, as and to the extent specified in such Award Agreement. The Committee may annul an outstanding Award if the Grantee thereof is an Employee of the Company or an Affiliate and is terminated for Cause as defined in the Plan or the applicable Award Agreement or for "cause" as defined in any other agreement between the Company or such Affiliate and such Grantee, as applicable.

Any Award granted pursuant to the Plan shall be subject to mandatory repayment by the Grantee to the Company to the extent the Grantee is, or in the future becomes, subject to (a) any Company "clawback" or recoupment policy that is adopted to comply with the requirements of any Applicable Law, rule or regulation, or otherwise, or (b) any law, rule or regulation which imposes mandatory recoupment, under circumstances set forth in such law, rule or regulation.

3.4 No Repricing.

Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, distribution (whether in the form of cash, shares of Stock, other securities or other property), stock split, extraordinary cash dividend, recapitalization, change in control, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares of Stock or other securities or similar transaction), the Company may not, without obtaining stockholder approval: (a) amend the terms of outstanding Options or SARs to reduce the exercise price of such outstanding Options or SARs; (b) cancel outstanding Options or SARs in exchange for or substitution of Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs; or (c) cancel outstanding Options or SARs with an exercise price above the current stock price in exchange for cash or other securities.

3.5 Deferral Arrangement.

The Committee may permit or require the deferral of any payment pursuant to any Award into a deferred compensation arrangement, subject to such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest or Dividend Equivalent Rights and, in connection therewith, provisions for converting such credits into Stock Units and for restricting deferrals to comply with hardship distribution rules affecting tax-qualified retirement plans subject to Code Section 401(k)(2)(B)(IV), *provided* that no Dividend Equivalent Rights may be granted in connection with, or related to, an Award of Options or SARs. Any such deferrals shall be made in a manner that complies with Code Section 409A, including, if applicable, with respect to when a Separation from Service occurs as defined under Section 409A.

3.6 No Liability.

No member of the Board or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Award or Award Agreement.

3.7 Registration; Share Certificates.

Notwithstanding any provision of the Plan to the contrary, the ownership of the shares of Stock issued under the Plan may be evidenced in such a manner as the Committee, in its sole discretion, deems appropriate, including by book-entry or direct registration (including transaction advices) or the issuance of one or more share certificates.

4. STOCK SUBJECT TO THE PLAN

4.1 Number of Shares of Stock Available for Awards.

Subject to such additional shares of Stock as shall be available for Awards under the Plan pursuant to **Section 4.2**, and subject to adjustment pursuant to **Section 17.1**, the maximum number of shares of Stock available for Awards under the Plan shall be equal to the sum of (x) 1,937,666 shares of Stock plus (y) the number of shares of Stock available for awards under the Prior Plans as of the Effective Date plus (z) the number of shares of Stock related to awards outstanding under the Prior Plans as of the Effective Date which thereafter terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares. Such shares of Stock may be authorized and unissued shares of Stock or treasury shares of Stock or any combination of the foregoing, as may be determined from time to time by the Board or by the Committee. Any of the shares of Stock available for Awards under the Plan may be used for any type of Award under the Plan, and any or all of the shares of Stock available for Awards under the Plan shall be available for Awards pursuant to Incentive Stock Options.

4.2 Adjustments in Authorized Shares of Stock.

In connection with mergers, reorganizations, separations, or other transactions to which Code Section 424(a) applies, the Committee shall have the right to cause the Company to assume awards previously granted under a compensatory plan by another business entity that is a party to such transaction and to substitute Awards under the Plan for such awards. The number of shares of Stock available for Awards under the Plan pursuant to **Section 4.1** shall be increased by the number of shares of Stock subject to any such assumed awards and substitute Awards. Shares available for awards under a shareholder-approved plan of a business entity that is a party to such transaction (as appropriately adjusted, if necessary, to reflect such transaction) may be used for Awards under the Plan and shall not reduce the number of shares of Stock otherwise available for issuance under the Plan, subject to applicable rules of any Stock Exchange on which the Stock is listed.

4.3 Share Usage.

(a) *Shares of Stock subject to an Award shall be counted as used as of the Grant Date.*

(b) *Any shares of Stock, including shares of Stock acquired through dividend reinvestment pursuant to Section 10.4, that are subject to an Award shall be counted against the share issuance limit set forth in Section 4.1 as one (1) share for every one (1) share of Stock subject to such Award. The number of shares of Stock subject to an Award of SARs shall be counted against the share issuance limit set forth in Section 4.1 as one (1) share of Stock for every one (1) share of Stock subject to such Award regardless of the number of shares of Stock actually issued to settle such SARs upon the exercise thereof. The target number of shares issuable under a Performance Share grant shall be counted against the share issuance limit set forth in Section 4.1 as of the Grant Date, but such number shall be adjusted to equal the actual number of shares issued upon settlement of the Performance Shares to the extent different from such target number of shares. An Award that, by its terms, cannot be settled in shares of Stock shall not count against the share limit set forth in Section 4.1.*

(c) *Notwithstanding anything to the contrary in Section 4.1, any shares of Stock related to Awards under the Plan or the Prior Plans which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares shall be available again for issuance under the Plan.*

(d) *The number of shares of Stock available for issuance under the Plan shall not be increased by the number of shares of Stock (i) tendered or withheld or subject to an Award surrendered in connection with the purchase of shares of Stock upon exercise of an Option as provided in Section 12.2, (ii) deducted or delivered from payment of an Award in connection with the Company's tax withholding obligations as provided in Section 18.3 or (iii) purchased by the Company with proceeds from Option exercises.*

5. EFFECTIVE DATE; TERM; AMENDMENT AND TERMINATION

5.1 Effective Date.

The Plan shall be effective as of the Effective Date. Following the Effective Date, no awards shall be made under the Prior Plans. Notwithstanding the foregoing, shares of Stock reserved under the Prior Plans to settle awards, including performance-based awards, which are made under the Prior Plans prior to the Effective Date may be issued and delivered following the Effective Date to settle such awards.

5.2 Term.

The Plan shall terminate automatically ten (10) years after the Effective Date and may be terminated on any earlier date as provided in **Section 5.3**.

5.3 Amendment and Termination.

The Board may, at any time and from time to time, amend, suspend or terminate the Plan as to any shares of Stock as to which Awards have not been made. The effectiveness of any amendment to the Plan shall be contingent on approval of such amendment by the Company's stockholders to the extent provided by the Board or required by Applicable Laws (including the rules of any Stock Exchange on which the Stock is then listed), *provided* that no amendment shall be made to the no-repricing provisions of **Section 3.4** or the Option pricing provisions of **Section 8.1** without the approval of the Company's stockholders. No amendment, suspension or termination of the Plan shall impair rights or obligations under any Award theretofore made under the Plan without the consent of the Grantee thereof.

6. AWARD ELIGIBILITY AND LIMITATIONS

6.1 Eligible Grantees.

Subject to this **Section 6**, Awards may be made under the Plan to (i) any Service Provider, as the Committee shall determine and designate from time to time and (ii) any other individual whose participation in the Plan is determined to be in the best interests of the Company by the Committee.

6.2 Limitation on Shares of Stock Subject to Awards and Cash Awards.

During any time when the Company has a class of equity security registered under Section 12 of the Exchange Act:

(a) *the maximum number of shares of Stock subject to Options or SARs that may be granted under the Plan in a calendar year to any person eligible for an Award under Section 6 is four hundred thousand (400,000) shares;*

(b) *the maximum number of shares of Stock that may be granted under the Plan, other than pursuant to Options or SARs, in a calendar year to any person eligible for an Award under Section 6 is four hundred thousand (400,000) shares; and*

(c) *the maximum amount that may be paid as a cash-settled Performance-Based Award for a Performance Period of twelve (12) months or less to any person eligible for an Award shall be four hundred thousand dollars ($400,000) and the maximum amount that may be paid as a cash-settled Performance-Based Award for a Performance Period of greater than twelve (12) months to any person eligible for an Award shall also be four hundred thousand dollars ($400,000).*

The preceding limitations in this **Section 6.2** are subject to adjustment as provided in **Section 17**.

6.3 Stand-Alone, Additional, Tandem and Substitute Awards.

Subject to **Section 3.4**, Awards granted under the Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, (a) any other Award, (b) any award granted under another plan of the Company, an Affiliate, or any business entity that has been a party to a transaction with the Company or an Affiliate, or (c) any other right of a Grantee to receive payment from the Company or an Affiliate. Such additional, tandem and substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award, or for an award granted under another plan of the Company, an Affiliate, or any business entity that has been a party to a transaction with the Company or an Affiliate, the Committee shall require the surrender of such other Award or award under such other plan in consideration for the grant of such substitute or exchange Award. In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash payments under other plans of the Company or an Affiliate. Notwithstanding **Section 8.1** and **Section 9.1**, but subject to **Section 3.4**, the Option Price of an Option or the SAR Price of a SAR that is a Substitute Award may be less than one hundred percent (100%) of the Fair Market Value of a share of Stock on the original Grant Date; *provided* that such Option Price or SAR Price is determined in accordance with the principles of Code Section 424 for any Incentive Stock Option and consistent with Code Section 409A for any other Option or SAR.

7. AWARD AGREEMENT

Each Award granted pursuant to the Plan shall be evidenced by an Award Agreement, which shall be in such form or forms as the Committee shall from time to time determine. Award Agreements employed under the Plan from time to time or at the same time need not contain similar provisions, but shall be consistent with the terms of the Plan. Each Award Agreement evidencing an Award of Options shall specify whether such Options are intended to be Non-qualified Stock Options or Incentive Stock Options, and, in the absence of such specification, such Options shall be deemed to constitute Non-qualified Stock Options.

8. TERMS AND CONDITIONS OF OPTIONS

8.1 Option Price.

The Option Price of each Option shall be fixed by the Committee and stated in the Award Agreement evidencing such Option. Except in the case of Substitute Awards, the Option Price of each Option shall be at least the Fair Market Value of one (1) share of Stock on the Grant Date; *provided* that in the event that a Grantee is a Ten Percent Stockholder, the Option Price of an Option granted to such Grantee that is intended to be an Incentive Stock Option shall be not less than one hundred ten percent (110%) of the Fair Market Value of one (1) share of Stock on the Grant Date. In no case shall the Option Price of any Option be less than the par value of a share of Stock.

8.2 Vesting.

Subject to **Sections 8.3** and **17.3**, each Option granted under the Plan shall become exercisable at such times and under such conditions as shall be determined by the Committee and stated in the Award Agreement, in another agreement with the Grantee or otherwise in writing, provided that no Option shall be granted to persons who are entitled to overtime under applicable state or federal laws, that will vest or be exercisable within a six-month period starting on the Grant Date.

8.3 Term.

Each Option granted under the Plan shall terminate, and all rights to purchase shares of Stock thereunder shall cease, upon the expiration of ten (10) years from the Grant Date of such Option, or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Committee and stated in the Award

Agreement relating to such Option; *provided* that in the event that the Grantee is a Ten Percent Stockholder, an Option granted to such Grantee that is intended to be an Incentive Stock Option shall not be exercisable after the expiration of five (5) years from its Grant Date; and *provided, further,* that, to the extent deemed necessary or appropriate by the Committee to reflect differences in local law, tax policy, or custom with respect to any Option granted to a Grantee who is a foreign national or is a natural person who is employed outside the United States, such Option may terminate, and all rights to purchase shares of Stock thereunder may cease, upon the expiration of such period longer than ten (10) years from the Grant Date of such Option as the Committee shall determine.

8.4 Termination of Service.

Each Award Agreement with respect to the grant of an Option shall set forth the extent to which the Grantee thereof, if at all, shall have the right to exercise such Option following termination of such Grantee's Service. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of Service.

8.5 Limitations on Exercise of Option.

Notwithstanding any other provision of the Plan, in no event may any Option be exercised, in whole or in part, after the occurrence of an event referred to in **Section 17** which results in the termination of such Option.

8.6 Method of Exercise.

Subject to the terms of **Section 12** and **Section 18.3**, an Option that is exercisable may be exercised by the Grantee's delivery to the Company or its designee or agent of notice of exercise on any business day, at the Company's principal office or the office of such designee or agent, on the form specified by the Company and in accordance with any additional procedures specified by the Committee. Such notice shall specify the number of shares of Stock with respect to which such Option is being exercised and shall be accompanied by payment in full of the Option Price of the shares of Stock for which such Option is being exercised plus the amount (if any) of federal and/or other taxes which the Company may, in its judgment, be required to withhold with respect to the exercise of such Option.

8.7 Rights of Holders of Options.

Unless otherwise stated in the applicable Award Agreement, a Grantee or other person holding or exercising an Option shall have none of the rights of a stockholder of the Company (for example, the right to receive cash or dividend payments or distributions attributable to the shares of Stock subject to such Option, to direct the voting of the shares of Stock subject to such Option, or to receive notice of any meeting of the Company's stockholders) until the shares of Stock subject thereto are fully paid and issued to such Grantee or other person. Except as provided in **Section 17**, no adjustment shall be made for dividends, distributions or other rights with respect to any shares of Stock subject to an Option for which the record date is prior to the date of issuance of such shares of Stock.

8.8 Delivery of Stock.

Promptly after the exercise of an Option by a Grantee and the payment in full of the Option Price with respect thereto, such Grantee shall be entitled to receive such evidence of such Grantee's ownership of the shares of Stock subject to such Option as shall be consistent with **Section 3.7**.

8.9 Transferability of Options.

Except as provided in **Section 8.10**, during the lifetime of a Grantee of an Option, only such Grantee (or, in the event of such Grantee's legal incapacity or incompetency, such Grantee's guardian or legal representative) may exercise such Option. Except as provided in **Section 8.10**, no Option shall be assignable or transferable by the Grantee to whom it is granted, other than by will or the laws of descent and distribution.

8.10 Family Transfers.

If authorized in the applicable Award Agreement and by the Committee, in its sole discretion, a Grantee may transfer, not for value, all or part of an Option which is not an Incentive Stock Option to any Family Member. For the purpose of this **Section 8.10**, a transfer "not for value" is a transfer which is (a) a gift, (b) a transfer under a domestic relations order in settlement of marital property rights or (c) unless Applicable Laws do not permit such transfer, a transfer to an entity in which more than fifty percent (50%) of the voting interests are owned by Family Members (and/or the Grantee) in exchange for an interest in such entity. Following a transfer under this **Section 8.10**, any such Option shall continue to be subject to the same terms and conditions as were applicable immediately prior to such transfer, and the shares of Stock acquired pursuant to such Option shall be subject to the same restrictions with respect to transfers of such shares of Stock as would have applied to the Grantee thereof. Subsequent transfers of transferred Options shall be prohibited except to Family Members of the original Grantee in accordance with this **Section 8.10** or by will or the laws of descent and distribution. The provisions of **Section 8.4** relating to termination of Service shall continue to be applied with respect to the original Grantee of the Option, following which such Option shall be exercisable by the transferee only to the extent, and for the periods specified, in **Section 8.4**.

8.11 Limitations on Incentive Stock Options.

An Option shall constitute an Incentive Stock Option only (a) if the Grantee of such Option is an Employee of the Company or any corporate Subsidiary, (b) to the extent specifically provided in the related Award Agreement and (c) to the extent that the aggregate Fair Market Value (determined at the time such Option is granted) of the shares of Stock with respect to which all Incentive Stock Options held by such Grantee become exercisable for the first time during any calendar year (under the Plan and all other plans of the Company and its Affiliates) does not exceed one hundred thousand dollars ($100,000). Except to the extent provided in the regulations under Code Section 422, this limitation shall be applied by taking Options into account in the order in which they were granted.

8.12 Notice of Disqualifying Disposition.

If any Grantee shall make any disposition of shares of Stock issued pursuant to the exercise of an Incentive Stock Option under the circumstances provided in Code Section 421(b) (relating to certain disqualifying dispositions), such Grantee shall notify the Company of such disposition within ten (10) days thereof.

9. TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS

9.1 Right to Payment and Grant Price.

A SAR shall confer on the Grantee to whom it is granted a right to receive, upon exercise thereof, the excess of (x) the Fair Market Value of one (1) share of Stock on the date of exercise over (y) the per share exercise price of such SAR (the "**SAR Price**") as determined by the Committee. The Award Agreement for a SAR shall specify the SAR Price, which shall be no less than the Fair Market Value of one (1) share of Stock on the Grant Date of such SAR. SARs may be granted in tandem with all or part of an Option granted under the Plan or at any subsequent time during the term of such Option, in combination with all or any part of any other Award or without regard to any Option or other Award; *provided* that a SAR that is granted subsequent to the Grant Date of a related Option must have a SAR Price that is no less than the Fair Market Value of one (1) share of Stock on the Grant Date of such SAR.

9.2 Other Terms.

The Committee shall determine, on the Grant Date or thereafter, the time or times at which and the circumstances under which a SAR may be exercised in whole or in part (including based on achievement of performance goals and/or future Service requirements), the time or times at which SARs shall cease to be or become exercisable following termination of Service or upon other conditions, the method of exercise, method of settlement, form of consideration payable in settlement, method by or forms in which shares of Stock shall be delivered or deemed to be delivered to

Grantees, whether or not a SAR shall be granted in tandem or in combination with any other Award, and any and all other terms and conditions of any SAR.

9.3 Term.

Each SAR granted under the Plan shall terminate, and all rights thereunder shall cease, upon the expiration of ten (10) years from the Grant Date of such SAR or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Committee and stated in the Award Agreement relating to such SAR.

9.4 Transferability of SARS.

Except as provided in **Section 9.5**, during the lifetime of a Grantee of a SAR, only the Grantee (or, in the event of such Grantee's legal incapacity or incompetency, such Grantee's guardian or legal representative) may exercise such SAR. Except as provided in **Section 9.5**, no SAR shall be assignable or transferable by the Grantee to whom it is granted, other than by will or the laws of descent and distribution.

9.5 Family Transfers.

If authorized in the applicable Award Agreement and by the Committee, in its sole discretion, a Grantee may transfer, not for value, all or part of a SAR to any Family Member. For the purpose of this **Section 9.5**, a transfer "not for value" is a transfer which is (a) a gift, (b) a transfer under a domestic relations order in settlement of marital property rights or (c) unless Applicable Laws do not permit such transfer, a transfer to an entity in which more than fifty percent (50%) of the voting interests are owned by Family Members (and/or the Grantee) in exchange for an interest in such entity. Following a transfer under this **Section 9.5**, any such SAR shall continue to be subject to the same terms and conditions as were in effect immediately prior to such transfer, and shares of Stock acquired pursuant to a SAR shall be subject to the same restrictions on transfers of such shares of Stock as would have applied to the Grantee or such SAR. Subsequent transfers of transferred SARs shall be prohibited except to Family Members of the original Grantee in accordance with this **Section 9.5** or by will or the laws of descent and distribution.

10. TERMS AND CONDITIONS OF RESTRICTED STOCK AND STOCK UNITS

10.1 Grant of Restricted Stock or Stock Units.

Awards of Restricted Stock and Stock Units may be made for consideration or for no consideration, other than the par value of the shares of Stock, which shall be deemed paid by past Service or, if so provided in the related Award Agreement or a separate agreement, the promise by the Grantee to perform future Service to the Company or an Affiliate.

10.2 Restrictions.

At the time a grant of Restricted Stock or Stock Units is made, the Committee may, in its sole discretion, (a) establish a period of time during which such Restricted Stock or Stock Units are unvested (a "**Restricted Period**") and (b) prescribe restrictions in addition to or other than the expiration of the Restricted Period, including the achievement of corporate or individual performance goals, which may be applicable to all or any portion of such Restricted Stock or Stock Units as provided in **Section 14**. Awards of Restricted Stock and Stock Units may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the Restricted Period or prior to the satisfaction of any other restrictions prescribed by the Committee with respect to such Awards.

10.3 Registration; Restricted Share Certificates.

Pursuant to **Section 3.7**, to the extent that ownership of Restricted Stock is evidenced by a book-entry registration or direct registration (including transaction advices), such registration shall be notated to evidence the restrictions imposed on such Award of Restricted Stock under the Plan and the applicable Award Agreement. Subject to **Section**

3.7 and the immediately following sentence, the Company may issue, in the name of each Grantee to whom Restricted Stock has been granted, share certificates representing the total number of shares of Restricted Stock granted to the Grantee, as soon as reasonably practicable after the Grant Date of such Restricted Stock. The Committee may provide in an Award Agreement with respect to an Award of Restricted Stock that either (a) the Secretary of the Company shall hold such share certificates for such Grantee's benefit until such time as such shares of Restricted Stock are forfeited to the Company or the restrictions applicable thereto lapse and such Grantee shall deliver a stock power to the Company with respect to each share certificate, or (b) such share certificates shall be delivered to such Grantee, *provided* that such share certificates shall bear legends that comply with applicable securities laws and regulations and make appropriate reference to the restrictions imposed on such Award of Restricted Stock under the Plan and such Award Agreement.

10.4 Rights of Holders of Restricted Stock.

Unless the Committee otherwise provides in an Award Agreement, holders of Restricted Stock shall have the right to vote such shares of Restricted Stock and the right to receive any dividends declared or paid with respect to such shares of Restricted Stock. The Committee may provide that any dividends paid on Restricted Stock must be reinvested in shares of Stock, which may or may not be subject to the same vesting conditions and restrictions as the vesting conditions and restrictions applicable to such Restricted Stock. Dividends paid on Restricted Stock which vests or is earned based upon the achievement of performance goals shall not vest unless such performance goals for such Restricted Stock are achieved, and if such performance goals are not achieved, the Grantee of such Restricted Stock shall promptly forfeit and repay to the Company such dividend payments. All stock distributions, if any, received by a Grantee with respect to Restricted Stock as a result of any stock split, stock dividend, combination of stock, or other similar transaction shall be subject to the vesting conditions and restrictions applicable to such Restricted Stock.

10.5 Rights of Holders of Stock Units.

10.5.1 **Voting and Dividend Rights.**

Holders of Stock Units shall have no rights as stockholders of the Company (for example, the right to receive cash or dividend payments or distributions attributable to the shares of Stock subject to such Stock Units, to direct the voting of the shares of Stock subject to such Stock Units, or to receive notice of any meeting of the Company's stockholders). The Committee may provide in an Award Agreement evidencing a grant of Stock Units that the holder of such Stock Units shall be entitled to receive, upon the Company's payment of a cash dividend on its outstanding shares of Stock, a cash payment for each such Stock Unit which is equal to the per-share dividend paid on such shares of Stock. Dividends paid on Stock Units which vest or are earned based upon the achievement of performance goals shall not vest unless such performance goals for such Stock Units are achieved. Such Award Agreement also may provide that such cash payment shall be deemed reinvested in additional Stock Units at a price per unit equal to the Fair Market Value of a share of Stock on the date on which such cash dividend is paid. Such cash payments paid in connection with Stock Units which vest or are earned based upon the achievement of performance goals shall not vest unless such performance goals for such Stock Units are achieved, and if such performance goals are not achieved, the Grantee of such Stock Units shall promptly forfeit and repay to the Company such cash payments.

10.5.2 **Creditor's Rights.**

A holder of Stock Units shall have no rights other than those of a general unsecured creditor of the Company. Stock Units represent unfunded and unsecured obligations of the Company, subject to the terms and conditions of the applicable Award Agreement.

10.6 Termination of Service.

Unless the Committee otherwise provides in an Award Agreement, in another agreement with the Grantee or otherwise in writing after such Award Agreement is entered into, but prior to termination of Grantee's Service, upon the termination of such Grantee's Service, any Restricted Stock or Stock Units held by such Grantee that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon forfeiture of such Restricted Stock or Stock Units, the Grantee thereof shall have no further rights with respect thereto, including any right to vote such Restricted Stock or any right to receive dividends with respect to such Restricted Stock or Stock Units.

10.7 Purchase of Restricted Stock and Shares of Stock Subject to Stock Units.

The Grantee of an Award of Restricted Stock or vested Stock Units shall be required, to the extent required by Applicable Laws, to purchase such Restricted Stock or the shares of Stock subject to such vested Stock Units from the Company at a purchase price equal to the greater of (x) the aggregate par value of the shares of Stock represented by such Restricted Stock or such vested Stock Units or (y) the purchase price, if any, specified in the Award Agreement relating to such Restricted Stock or such vested Stock Units. Such purchase price shall be payable in a form provided in **Section 12** or, in the sole discretion of the Committee, in consideration for Service rendered or to be rendered to the Company or an Affiliate.

10.8 Delivery of Shares of Stock.

Upon the expiration or termination of any Restricted Period and the satisfaction of any other conditions prescribed by the Committee, including, but not limited to, any delayed delivery period, the restrictions applicable to Restricted Stock or Stock Units settled in shares of Stock shall lapse, and, unless otherwise provided in the applicable Award Agreement, a book-entry or direct registration (including transaction advices) or a share certificate evidencing ownership of such shares of Stock shall, consistent with **Section 3.7**, be issued, free of all such restrictions, to the Grantee thereof or such Grantee's beneficiary or estate, as the case may be. Neither the Grantee, nor the Grantee's beneficiary or estate, shall have any further rights with regard to a Stock Unit once the shares of Stock represented by such Stock Unit have been delivered in accordance with this **Section 10.8**.

11. TERMS AND CONDITIONS OF UNRESTRICTED STOCK AWARDS AND OTHER EQUITY-BASED AWARDS

11.1 Unrestricted Stock Awards.

The Committee may, in its sole discretion, grant (or sell at the par value of a share of Stock or at such other higher purchase price as shall be determined by the Committee) an Award to any Grantee pursuant to which such Grantee may receive shares of Stock free of any restrictions ("**Unrestricted Stock**") under the Plan. Unrestricted Stock Awards may be granted or sold to any Grantee as provided in the immediately preceding sentence in respect of past Service or, if so provided in the related Award Agreement or a separate agreement, the promise by the Grantee to perform future Service, to the Company or an Affiliate or other valid consideration, or in lieu of, or in addition to, any cash compensation due to such Grantee.

11.2 Other Equity-Based Awards.

The Committee may, in its sole discretion, grant Awards in the form of Other Equity-Based Awards, as deemed by the Committee to be consistent with the purposes of the Plan. Awards granted pursuant to this **Section 11.2** may be granted with vesting, value and/or payment contingent upon the achievement of one or more performance goals. The Committee shall determine the terms and conditions of Other Equity-Based Awards at the Grant Date or thereafter. Any dividends paid on Other Equity-Based Awards which vest or are earned based upon the achievement of performance goals shall not vest unless such performance goals for such Other Equity-Based Awards are achieved.

Unless the Committee otherwise provides in an Award Agreement, in another agreement with the Grantee, or otherwise in writing after such Award Agreement is issued, upon the termination of a Grantee's Service, any Other Equity-Based Awards held by such Grantee that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon forfeiture of any Other Equity-Based Award, the Grantee thereof shall have no further rights with respect to such Other Equity-Based Award.

12. FORM OF PAYMENT FOR OPTIONS AND RESTRICTED STOCK

12.1 General Rule.

Payment of the Option Price for the shares of Stock purchased pursuant to the exercise of an Option or the purchase price, if any, for Restricted Stock shall be made in cash or in cash equivalents acceptable to the Company.

12.2 Surrender of Shares of Stock.

To the extent that the applicable Award Agreement so provides, payment of the Option Price for shares of Stock purchased pursuant to the exercise of an Option or the purchase price, if any, for Restricted Stock may be made all or in part through the tender or attestation to the Company of shares of Stock, which shall be valued, for purposes of determining the extent to which such Option Price or purchase price has been paid thereby, at their Fair Market Value on the date of such tender or attestation.

12.3 Cashless Exercise.

To the extent permitted by Applicable Laws and to the extent the Award Agreement so provides, payment of the Option Price for shares of Stock purchased pursuant to the exercise of an Option may be made all or in part by delivery (on a form acceptable to the Committee) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell shares of Stock and to deliver all or part of the proceeds of such sale to the Company in payment of such Option Price and any withholding taxes described in **Section 18.3**, or, with the consent of the Company, by issuing the number of shares of Stock equal in value to the difference between such Option Price and the Fair Market Value of the shares of Stock subject to the portion of such Option being exercised.

12.4 Other Forms of Payment.

To the extent the Award Agreement so provides and/or unless otherwise specified in an Award Agreement, payment of the Option Price for shares of Stock purchased pursuant to exercise of an Option or the purchase price, if any, for Restricted Stock may be made in any other form that is consistent with Applicable Laws, including (a) Service by the Grantee thereof to the Company or an Affiliate and (b) by withholding shares of Stock that would otherwise vest or be issuable in an amount equal to the Option Price or purchase price and the required tax withholding amount.

13. TERMS AND CONDITIONS OF DIVIDEND EQUIVALENT RIGHTS

13.1 Dividend Equivalent Rights.

A Dividend Equivalent Right is an Award entitling the recipient thereof to receive credits based on cash distributions that would have been paid on the shares of Stock specified in such Dividend Equivalent Right (or other Award to which such Dividend Equivalent Right relates) if such shares of Stock had been issued to and held by the recipient of such Dividend Equivalent Right as of the record date. A Dividend Equivalent Right may be granted hereunder to any Grantee, *provided* that no Dividend Equivalent Rights may be granted in connection with, or related to, an Award of Options or SARs. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Agreement therefor. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently (with or without being subject to forfeiture or a repayment obligation) or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional Dividend Equivalent Rights (with or without being subject to forfeiture or a repayment obligation). Any such reinvestment shall be at the Fair Market Value thereof on the date of such reinvestment. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or in multiple installments, all as determined in the sole discretion of the Committee. A Dividend Equivalent Right granted as a component of another Award may provide that such Dividend Equivalent Right shall be settled upon exercise, settlement, or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award. A Dividend Equivalent Right granted as a component of another Award also may contain terms and conditions which are different from the terms and conditions of such other Award, *provided* that Dividend Equivalent Rights credited pursuant to a Dividend Equivalent Right granted as a component of another Award which vests or is earned based upon the achievement of performance goals shall not vest unless such performance goals for such underlying Award are achieved, and if such performance goals are not achieved, the Grantee of such Dividend Equivalent Rights shall promptly forfeit and repay to the Company payments made in connection with such Dividend Equivalent Rights.

13.2 Termination of Service.

Unless the Committee otherwise provides in an Award Agreement, in another agreement with the Grantee, or otherwise in writing after such Award Agreement is issued, a Grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon such Grantee's termination of Service for any reason.

14. TERMS AND CONDITIONS OF PERFORMANCE-BASED AWARDS

14.1 Grant of Performance-Based Awards.

Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Performance-Based Awards to a Plan participant in such amounts and upon such terms as the Committee shall determine.

14.2 Value of Performance-Based Awards.

Each grant of a Performance-Based Award shall have an actual or target number of shares of Stock or initial value that is established by the Committee at the time of grant. The Committee shall set performance goals in its discretion which, depending on the extent to which they are achieved, shall determine the value and/or number of shares of Stock subject to a Performance-Based Award that will be paid out to the Grantee thereof.

14.3 Earning of Performance-Based Awards.

Subject to the terms of the Plan, in particular **Section 14.6.3**, after the applicable Performance Period has ended, the Grantee of Performance-Based Awards shall be entitled to receive a payout on the number of the Performance-Based Awards or value earned by such Grantee over such Performance Period.

14.4 Form and Timing of Payment of Performance-Based Awards.

Payment of earned Performance-Based Awards shall be made in the manner described in the applicable Award Agreement as determined by the Committee. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Performance-Based Awards in the form of cash or shares of Stock (or a combination thereof) equal to the value of such earned Performance-Based Awards and shall pay the Awards that have been earned at the close of the applicable Performance Period, or as soon as reasonably practicable after the Committee has determined that the performance goal or goals relating thereto have been achieved; *provided* that, unless specifically provided in the Award Agreement for such Awards, such payment shall occur no later than the 15th day of the third month following the end of the calendar year in which such Performance Period ends. Any shares of Stock paid out under such Performance-Based Awards may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Performance-Based Awards shall be set forth in the Award Agreement therefor.

14.5 Performance Conditions.

The right of a Grantee to exercise or receive a grant or settlement of any Performance-Based Award, and the timing thereof, may be subject to such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions. If and to the extent required under Code Section 162(m), any power or authority relating to an Award intended to qualify under Code Section 162(m) shall be exercised by the Committee and not by the Board.

14.6 Performance-Based Awards Granted to Designated Covered Employees.

If and to the extent that the Committee determines that a Performance-Based Award to be granted to a Grantee should constitute "qualified performance-based compensation" for purposes of Code Section 162(m), the grant, exercise and/or settlement of such Award shall be contingent upon achievement of pre-established performance goals and other terms set forth in this **Section 14.6**.

14.6.1 **Performance Goals Generally.**

The performance goals for Performance-Based Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this **Section 14.6**. Performance goals shall be objective and shall otherwise meet the requirements of Code Section 162(m), including the requirement that the level or levels of performance targeted by the Committee result in the achievement of performance goals being "substantially uncertain." The Committee may determine that such Awards shall be granted, exercised and/or settled upon achievement of any single performance goal or of two (2) or more performance goals. Performance goals may differ for Awards granted to any one Grantee or to different Grantees.

14.6.2 **Timing For Establishing Performance Goals.**

Performance goals for any Performance-Based Award shall be established not later than the earlier of (a) 90 days after the beginning of any Performance Period applicable to such Award, and (b) the date on which twenty-five percent (25%) of any Performance Period applicable to such Award has expired, or at such other date as may be required or permitted for compensation payable to a Covered Employee to constitute Performance-Based Compensation.

14.6.3 **Payment of Awards; Other Terms.**

Payment of Performance-Based Awards shall be in cash, shares of Stock, or other Awards, including an Award that is subject to additional Service-based vesting, as determined in the sole discretion of the Committee. The Committee may, in its sole discretion, reduce the amount of a payment otherwise to be made in connection with such Awards. The Committee shall specify the circumstances in which such Performance-Based Awards shall be paid or forfeited in the event of termination of Service by the Grantee prior to the end of a Performance Period or settlement of such Awards. In the event payment of the Performance-Based Award is made in the form of another Award subject to Service-based vesting, the Committee shall specify the circumstances in which the payment Award will be paid or forfeited in the event of a termination of Service.

14.6.4 **Performance Measures.**

The performance goals upon which the payment or vesting of a Performance-Based Award to a Covered Employee that is intended to qualify as Performance-Based Compensation may be conditioned shall be limited to the following Performance Measures, with or without adjustment:

(a) *net earnings or net income;*

(b) *operating earnings;*

(c) *pretax earnings;*

(d) *earnings per share;*

(e) *share price, including growth measures and total stockholder return;*

(f) *earnings before interest and taxes;*

(g) *earnings before interest, taxes, depreciation and/or amortization;*

(h) *earnings before interest, taxes, depreciation and/or amortization as adjusted to exclude any one or more of the following:*

- stock-based compensation expense;
- income from discontinued operations;
- gain on cancellation of debt;
- debt extinguishment and related costs;
- restructuring, separation and/or integration charges and costs;
- reorganization and/or recapitalization charges and costs;
- impairment charges;
- gain or loss related to investments;
- sales and use tax settlement; and
- gain on non-monetary transactions.

(i) *sales or revenue growth, whether in general, by type of product or service, or by type of customer;*

(j) *gross or operating margins;*

(k) *return measures, including return on assets, capital, investment, equity, sales or revenue;*

(l) *cash flow, including:*

- operating cash flow;
- free cash flow, defined as earnings before interest, taxes, depreciation and/or amortization (as adjusted to exclude any one or more of the items that may be excluded pursuant to the Performance Measure specified in clause (h) above) less capital expenditures;
- levered free cash flow, defined as free cash flow less interest expense;
- cash flow return on equity; and
- cash flow return on investment;

(m) *productivity ratios;*

(n) *expense targets;*

(o) *market share;*

(p) *financial ratios as provided in credit agreements of the Company and its subsidiaries;*

(q) *working capital targets;*

(r) *completion of acquisitions of businesses or companies;*

(s) *completion of divestitures and asset sales;*

(t) *customer satisfaction;*

(u) *overhead costs;*

(v) *burn rates;*

(w) *resource and reserve identification and targeting;*

(x) *attainment of measurable objectives with respect to compliant resource statements or technical reports;*

(y) *safety and environmental performance;*

(z) *completion of capital markets transactions as approved by the Board; or*

(aa) *any combination of the foregoing business criteria.*

Performance under any of the foregoing Performance Measures (a) may be used to measure the performance of (i) the Company and its Subsidiaries and other Affiliates as a whole, (ii) the Company, any Subsidiary, and/or any other Affiliate or any combination thereof, or (iii) any one or more business units of the Company, any Subsidiary, and/or any other Affiliate, as the Committee, in its sole discretion, deems appropriate and (b) may be compared to the performance of one or more other companies or one or more published or special indices designated or approved by the Committee for such comparison, as the Committee, in its sole discretion, deems appropriate. In addition, the Committee, in its sole discretion, may select performance under the Performance Measure specified in clause (e) above for comparison to performance under one or more stock market indices designated or approved by the Committee. The Committee also shall have the authority to provide for accelerated vesting of any Performance-Based Award based on the achievement of performance goals pursuant to the Performance Measures specified in this **Section 14**.

14.6.5 **Evaluation of Performance.**

The Committee may provide in any Performance-Based Award that any evaluation of performance may include or exclude any of the following events that occur during a Performance Period: (a) asset write-downs; (b) litigation or claims, judgments or settlements; (c) the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results; (d) any reorganization or restructuring events or programs; (e) extraordinary, non-core, non-operating or non-recurring items; (f) acquisitions or divestitures; and (g) foreign exchange gains and losses. To the extent such inclusions or exclusions affect Awards to Covered Employees that are intended to qualify as Performance-Based Compensation, such inclusions or exclusions shall be prescribed in a form that meets the requirements of Code Section 162(m) for deductibility.

14.6.6 **Adjustment of Performance-Based Compensation.**

The Committee shall have the sole discretion to adjust Awards that are intended to qualify as Performance-Based Compensation, either on a formula or discretionary basis, or on any combination thereof, as the Committee determines consistent with the requirements of Code Section 162(m) for deductibility.

14.6.7 **Committee Discretion.**

In the event that Applicable Laws change to permit Committee discretion to alter the governing Performance Measures without obtaining stockholder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining stockholder approval, *provided* that the exercise of such discretion shall not be inconsistent with the requirements of Code Section 162(m). In addition, in the event that the Committee determines that it is advisable to grant Awards that shall not qualify as Performance-Based Compensation, the Committee may make such grants without satisfying the requirements of Code Section 162(m) and base vesting on Performance Measures other than those set forth in **Section 14.6.4**.

14.7 Status of Awards Under Code Section 162(m).

It is the intent of the Company that Performance-Based Awards under **Section 14.6** granted to persons who are designated by the Committee as likely to be Covered Employees within the meaning of Code Section 162(m) and the regulations promulgated thereunder shall, if so designated by the Committee, constitute "qualified performance-based compensation" within the meaning of Code Section 162(m). Accordingly, the terms of **Section 14.6**, including the definitions of Covered Employee and other terms used therein, shall be interpreted in a manner consistent with Code Section 162(m). If any provision of the Plan or any agreement relating to any such Performance-Based Award does not comply or is inconsistent with the requirements of Code Section 162(m), such provision shall be construed or deemed amended to the extent necessary to conform to such requirements.

15. PARACHUTE LIMITATIONS

If any Grantee is a "disqualified individual," as defined in Code Section 280G(c), then, notwithstanding any other provision of the Plan or of any other agreement, contract, or understanding heretofore or hereafter entered into by such Grantee with the Company or an Affiliate, except an agreement, contract, or understanding that expressly addresses Code Section 280G or Code Section 4999 (an "**Other Agreement**"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to the Grantee (including groups or classes of Grantees or beneficiaries of which the Grantee is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for the Grantee (a "**Benefit Arrangement**"), any right of the Grantee to any exercise, vesting, payment, or benefit under the Plan shall be reduced or eliminated:

(a) *to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Grantee under the Plan, all Other Agreements, and all Benefit Arrangements, would cause any exercise, vesting, payment, or benefit to the Grantee under the Plan to be considered a "parachute payment" within the meaning of Code Section 280G(b)(2) as then in effect (a "Parachute Payment"); and*

(b) *if, as a result of receiving such Parachute Payment, the aggregate after-tax amounts received by the Grantee from the Company under the Plan, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by the Grantee without causing any such payment or benefit to be considered a Parachute Payment.*

The Company shall accomplish such reduction by first reducing or eliminating any cash payments (with the payments to be made furthest in the future being reduced first), then by reducing or eliminating any accelerated vesting of Performance-Based Awards, then by reducing or eliminating any accelerated vesting of Options or SARs, then by reducing or eliminating any accelerated vesting of Restricted Stock or Stock Units, then by reducing or eliminating any other remaining Parachute Payments.

16. REQUIREMENTS OF LAW

16.1 General.

The Company shall not be required to offer, sell or issue any shares of Stock under any Award, whether pursuant to the exercise of an Option or SAR or otherwise, if the offer, sale or issuance of such shares of Stock would constitute a violation by the Grantee, the Company or an Affiliate, or any other person, of any provision of Applicable Laws, including any federal or state securities laws or regulations. If at any time the Company shall determine, in its discretion, that the listing, registration or qualification of any shares of Stock subject to an Award upon any securities exchange or under any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the offering, issuance, sale or purchase of shares of Stock in connection with any Award, no shares of Stock may be offered, issued or sold to the Grantee or any other person under such Award, whether pursuant to the exercise of an Option or SAR or otherwise, unless such listing, registration or qualification shall have been effected or obtained free of any conditions not acceptable to the Company, and any delay caused thereby shall in no way affect the date of termination of such Award. Without limiting the generality of the foregoing, upon the exercise of any Option or any SAR that may be settled in shares of Stock or the delivery of any shares of Stock underlying an Award, unless a registration statement under the Securities Act is in effect with respect to the shares of Stock subject to such Award, the Company shall not be required to offer, sell or issue such shares of Stock unless the Committee shall have received evidence satisfactory to it that the Grantee or any other person exercising such Option or SAR or accepting delivery of such shares may acquire such shares of Stock pursuant to an exemption from registration under the Securities Act. Any determination in this connection by the Committee shall be final, binding, and conclusive. The Company may register, but shall in no event be obligated to register, any shares of Stock or other securities issuable pursuant to the Plan pursuant to the Securities Act. The Company shall not be obligated to take any affirmative action in order to cause the exercise of an Option or a SAR or the issuance of shares of Stock or other securities issuable pursuant to the Plan or any Award to comply with any Applicable Laws. As to any jurisdiction that expressly imposes the requirement that an Option or SAR that may be settled in shares of Stock shall not be exercisable until the shares of Stock subject to such Option or SAR are registered under the securities laws thereof or are exempt from such registration, the exercise of such Option or SAR under circumstances in which the laws of such jurisdiction apply shall be deemed conditioned upon the effectiveness of such registration or the availability of such an exemption.

16.2 Rule 16b-3.

During any time when the Company has a class of equity security registered under Section 12 of the Exchange Act, it is the intention of the Company that Awards pursuant to the Plan and the exercise of Options and SARs granted hereunder that would otherwise be subject to Section 16(b) of the Exchange Act shall qualify for the exemption provided by Rule 16b-3 under the Exchange Act. To the extent that any provision of the Plan or action by the Committee does not comply with the requirements of such Rule 16b-3, such provision or action shall be deemed inoperative with respect to such Awards to the extent permitted by Applicable Laws and deemed advisable by the Committee, and shall not affect the validity of the Plan. In the event that such Rule 16b-3 is revised or replaced, the Board may exercise its discretion to modify the Plan in any respect necessary or advisable in its judgment to satisfy the requirements of, or to permit the Company to avail itself of the benefits of, the revised exemption or its replacement.

17. EFFECT OF CHANGES IN CAPITALIZATION

17.1 Changes in Stock.

If the number of outstanding shares of Stock is increased or decreased or the shares of Stock are changed into or exchanged for a different number of shares or kind of capital stock or other securities of the Company on account of any recapitalization, reclassification, stock split, reverse stock split, spin-off, combination of stock, exchange of stock, stock dividend or other distribution payable in capital stock, or other increase or decrease in shares of Stock effected without receipt of consideration by the Company occurring after the Effective Date, the number and kinds of shares of stock for which grants of Options and other Awards may be made under the Plan, including the share limits set forth in **Section 6.2**, shall be adjusted proportionately and accordingly by the Committee. In addition, the number and kind of shares of stock for which Awards are outstanding shall be adjusted proportionately and accordingly by the Committee so that the proportionate interest of the Grantee therein immediately following such event shall, to the extent practicable, be the same as immediately before such event. Any such adjustment in outstanding Options or SARs shall not change the aggregate Option Price or SAR Price payable with respect to shares that are subject to the unexercised portion of such outstanding Options or SARs, as applicable, but shall include a corresponding proportionate adjustment in the per share Option Price or SAR Price, as the case may be. The conversion of any convertible securities of the Company shall not be treated as an increase in shares effected without receipt of consideration. Notwithstanding the foregoing, in the event of any distribution to the Company's stockholders of securities of any other entity or other assets (including an extraordinary dividend, but excluding a non-extraordinary dividend, declared and paid by the Company) without receipt of consideration by the Company, the Board or the Committee constituted pursuant to **Section 3.1.2** shall, in such manner as the Board or the Committee deems appropriate, adjust (a) the number and kind of shares of stock subject to outstanding Awards and/or (b) the aggregate and per share Option Price of outstanding Options and the aggregate and per share SAR Price of outstanding SARs as required to reflect such distribution.

17.2 Reorganization in Which the Company Is the Surviving Entity Which Does not Constitute a Change in Control.

Subject to **Section 17.3**, if the Company shall be the surviving entity in any reorganization, merger or consolidation of the Company with one or more other entities which does not constitute a Change in Control, any Option or SAR theretofore granted pursuant to the Plan shall pertain to and apply to the securities to which a holder of the number of shares of Stock subject to such Option or SAR would have been entitled immediately following such reorganization, merger or consolidation, with a corresponding proportionate adjustment of the per share Option Price or SAR Price so that the aggregate Option Price or SAR Price thereafter shall be the same as the aggregate Option Price or SAR Price of the shares of Stock remaining subject to the Option or SAR as in effect immediately prior to such reorganization, merger, or consolidation. Subject to any contrary language in an Award Agreement or in another agreement with the Grantee, or otherwise set forth in writing, any restrictions applicable to such Award shall apply as well to any replacement shares received by the Grantee as a result of such reorganization, merger or consolidation. In the event of any reorganization, merger or consolidation of the Company referred to in this **Section 17.2**, Performance-Based Awards shall be adjusted (including any adjustment to the Performance Measures applicable to such Awards deemed appropriate by the Committee) so as to apply to the securities that a holder of the number of shares of Stock subject to the Performance-Based Awards would have been entitled to receive immediately following such reorganization, merger or consolidation.

17.3 Change in Control in which Awards are not Assumed.

Except as otherwise provided in the applicable Award Agreement or in another agreement with the Grantee, or as otherwise set forth in writing, upon the occurrence of a Change in Control in which outstanding Options, SARs, Restricted Stock, Stock Units, Dividend Equivalent Rights or Other Equity-Based Awards are not being assumed or continued, the following provisions shall apply to such Award, to the extent not assumed or continued:

(a) *in each case with the exception of Performance-Based Awards, all outstanding Restricted Stock shall be deemed to have vested, all Stock Units shall be deemed to have vested and the shares of Stock subject thereto shall be delivered, and all Dividend Equivalent Rights shall be deemed to have vested and the shares of Stock subject thereto shall be delivered, immediately prior to the occurrence of such Change in Control, and either of the following two actions shall be taken:*

(i) *fifteen (15) days prior to the scheduled consummation of such Change in Control, all Options and SARs outstanding hereunder shall become immediately exercisable and* *shall remain exercisable for a period of fifteen (15) days, which exercise shall be effective upon such consummation; or*

(ii) *the Committee may elect, in its sole discretion, to cancel any outstanding Awards of Options, SARs, Restricted Stock, Stock Units and/or Dividend Equivalent Rights and pay or deliver, or cause to be paid or delivered, to the holder thereof an amount in cash or securities having a value (as determined by the Committee acting in good faith), in the case of Restricted Stock or Stock Units and Dividend Equivalent Rights (for shares of Stock subject thereto), equal to the formula or fixed price per share paid to holders of shares of Stock pursuant to such Change in Control and, in the case of Options or SARs, equal to the product of the number of shares of Stock subject to such Options or SARs (the "Award Stock") multiplied by the amount, if any, by which (x) the formula or fixed price per share paid to holders of shares of Stock pursuant to such transaction exceeds (y) the Option Price or SAR Price applicable to such Award Stock.*

(b) *For Performance-Based Awards denominated in Stock, if less than half of the Performance Period has lapsed, such Awards shall be treated as though target performance has been achieved. If at least half the Performance Period has lapsed, actual performance to date shall be determined as of a date reasonably proximal to the date of consummation of the Change in Control as determined by the Committee in its sole discretion, and that level of performance thus determined shall be treated as achieved immediately prior to occurrence of the Change in Control. For purposes of the preceding sentence, if, based on the discretion of the Committee, actual performance is not determinable, the Awards shall be treated as though target performance has been achieved. After application of this Section 17.3(b), if any Awards arise from application of this Section 17, such Awards shall be settled under the applicable provision of Section 17.3(a).*

(c) *Other Equity-Based Awards shall be governed by the terms of the applicable Award Agreement.*

With respect to the Company's establishment of an exercise window, (A) any exercise of an Option or SAR during the fifteen (15)-day period referred to above shall be conditioned upon the consummation of the applicable Change in Control and shall be effective only immediately before the consummation thereof, and (B) upon consummation of any Change in Control, the Plan and all outstanding but unexercised Options and SARs shall terminate. The Committee shall send notice of an event that shall result in such a termination to all natural persons and entities who hold Options and SARs not later than the time at which the Company gives notice thereof to its stockholders.

17.4 Change in Control in which Awards are Assumed.

Except as otherwise provided in the applicable Award Agreement or in another agreement with the Grantee, or as otherwise set forth in writing, upon the occurrence of a Change in Control in which outstanding Options, SARs, Restricted Stock, Stock Units, Dividend Equivalent Rights or Other Equity-Based Awards are being assumed or continued, the following provisions shall apply to such Award, to the extent assumed or continued:

The Plan and the Options, SARs, Restricted Stock, Stock Units, Dividend Equivalent Rights and Other Equity-Based Awards granted under the Plan shall continue in the manner and under the terms so provided in the event of any Change in Control to the extent that provision is made in writing in connection with such Change in Control for the assumption or continuation of such Options, SARs, Restricted Stock, Stock Units, Dividend Equivalent Rights and Other Equity-Based Awards, or for the substitution for such Options, SARs, Restricted Stock, Stock Units, Dividend Equivalent Rights and Other Equity-Based Awards of new common stock options, stock appreciation rights, restricted stock, common stock units, dividend equivalent rights and other equity-based awards relating to the stock of a successor entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number of shares (disregarding any consideration that is not common stock) and option and stock appreciation rights exercise prices. In the event an Award is assumed, continued or substituted upon the consummation of any Change in Control and the employment of such Grantee with the Company or an Affiliate is terminated without Cause within one year following the consummation of such Change in Control, such Award shall be fully vested and may be exercised in full, to the extent applicable, beginning on the date of such termination and for the one-year period immediately following such termination or for such longer period as the Committee shall determine.

17.5 Adjustments

Adjustments under this **Section 17** related to shares of Stock or other securities of the Company shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive. No fractional shares or other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share. The Committee may provide in the applicable Award Agreement at the time of grant, in another agreement with the Grantee, or otherwise in writing at any time thereafter with the consent of the Grantee, for different provisions to apply to an Award in place of those provided in **Sections 17.1, 17.2, 17.3** and **17.4**. This **Section 17** shall not limit the Committee's ability to provide for alternative treatment of Awards outstanding under the Plan in the event of a change in control event involving the Company that is not a Change in Control.

17.6 No Limitations on Company.

The making of Awards pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure or to merge, consolidate, dissolve, or liquidate, or to sell or transfer all or any part of its business or assets (including all or any part of the business or assets of any Subsidiary or other Affiliate) or engage in any other transaction or activity.

18. GENERAL PROVISIONS

18.1 Disclaimer of Rights.

No provision in the Plan or in any Award or Award Agreement shall be construed to confer upon any individual the right to remain in the employ or Service of the Company or an Affiliate, or to interfere in any way with any contractual or other right or authority of the Company or an Affiliate either to increase or decrease the compensation or other payments to any natural person or entity at any time, or to terminate any employment or other relationship between any natural person or entity and the Company or an Affiliate. In addition, notwithstanding anything contained in the Plan to the contrary, unless otherwise stated in the applicable Award Agreement, in another agreement with the Grantee, or otherwise in writing, no Award granted under the Plan shall be affected by any change of duties or position of the Grantee thereof, so long as such Grantee continues to provide Service. The obligation of the Company to pay any benefits pursuant to the Plan shall be interpreted as a contractual obligation to pay only those amounts provided herein, in the manner and under the conditions prescribed herein. The Plan and Awards shall in no way be interpreted to require the Company to transfer any amounts to a third-party trustee or otherwise hold any amounts in trust or escrow for payment to any Grantee or beneficiary under the terms of the Plan.

18.2 Nonexclusivity of the Plan.

Neither the adoption of the Plan nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or particular individuals) as the Board in its discretion determines desirable.

18.3 Withholding Taxes.

The Company or an Affiliate, as the case may be, shall have the right to deduct from payments of any kind otherwise due to a Grantee any federal, state, or local taxes of any kind required by law to be withheld with respect to the vesting of or other lapse of restrictions applicable to an Award or upon the issuance of any shares of Stock upon the exercise of an Option or pursuant to any other Award. At the time of such vesting, lapse, or exercise, the Grantee shall pay in cash to the Company or an Affiliate, as the case may be, any amount that the Company or such Affiliate may reasonably determine to be necessary to satisfy such withholding obligation; *provided* that if there is a same-day sale of shares of Stock subject to an Award, the Grantee shall pay such withholding obligation on the day on which such same-day sale is completed. Subject to the prior approval of the Company or an Affiliate, which may be withheld by the Company or such Affiliate, as the case may be, in its sole discretion, the Grantee may elect to satisfy such withholding obligation, in whole or in part, (a) by causing the Company or such Affiliate to withhold shares of Stock otherwise issuable to the Grantee or (b) by delivering to the Company or such Affiliate shares of Stock already owned by the Grantee. The shares of Stock so withheld or delivered shall have an aggregate Fair Market Value equal to such withholding obligation. The Fair Market Value of the shares of Stock used to satisfy such withholding obligation shall be determined by the Company or such Affiliate as of the date on which the amount of tax to be withheld is to be determined. A Grantee who has made an election pursuant to this **Section 18.3** may satisfy such Grantee's withholding obligation only with shares of Stock that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements. The maximum number of shares of Stock that may be withheld from any Award to satisfy any federal, state or local tax withholding requirements upon the exercise, vesting, or lapse of restrictions applicable to any Award or payment of shares of Stock pursuant to such Award, as applicable, may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount required by the Company or the applicable Affiliate to be withheld and paid to any such federal, state or local taxing authority with respect to such exercise, vesting, lapse of restrictions, or payment of shares of Stock. Notwithstanding **Section 2.21** or this **Section 18.3**, for purposes of determining taxable income and the amount of the related tax withholding obligation pursuant to this **Section 18.3**, for any shares of Stock subject to an Award that are sold by or on behalf of a Grantee on the same date on which such shares may first be sold pursuant to the terms of the related Award Agreement, the Fair Market Value of such shares shall be the sale price of such shares on such date (or if sales of such shares are effectuated at more than one sale price, the weighted average sale price of such shares on such date), so long as such Grantee has provided the Company, or its designee or agent, with advance written notice of such sale. In such case, the percentage of shares of Stock withheld shall equal the applicable minimum withholding rate.

18.4 Captions.

The use of captions in the Plan or any Award Agreement is for convenience of reference only and shall not affect the meaning of any provision of the Plan or such Award Agreement.

18.5 Construction.

Unless the context otherwise requires, all references in the Plan to "including" shall mean "including, without limitation."

18.6 Other Provisions.

Each Award granted under the Plan may contain such other terms and conditions not inconsistent with the Plan as may be determined by the Committee, in its sole discretion.

18.7 Number and Gender.

With respect to words used in the Plan, the singular form shall include the plural form and the masculine gender shall include the feminine gender, as the context requires.

18.8 Severability.

If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

18.9 Governing Law.

The validity and construction of the Plan and the instruments evidencing the Awards hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan and the instruments evidencing the Awards granted hereunder to the substantive laws of any other jurisdiction.

18.10 Section 409A of the Code.

The Company intends to comply with Code Section 409A, or an exemption to Code Section 409A, with regard to Awards hereunder that constitute nonqualified deferred compensation within the meaning of Code Section 409A. To the extent that the Company determines that a Grantee would be subject to the additional twenty percent (20%) tax imposed on certain nonqualified deferred compensation plans pursuant to Code Section 409A as a result of any provision of any Award granted under the Plan, such provision shall be deemed amended to the minimum extent necessary to avoid application of such additional tax. The nature of any such amendment shall be determined by the Committee.

* * *

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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2020
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)	(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	Name of Each Exchange on Which Registered
Common Stock, par value $0.001 per share	WWR	Nasdaq Capital Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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

The aggregate market value of the Common Stock held by non-affiliates of the Registrant at June 30, 2020 was approximately $17,661,760. Number of shares of Common Stock, $0.001 par value, outstanding as of February 11, 2021 was 29,413,019 shares.

WESTWATER RESOURCES, INC.
ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020
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GLOSSARY OF CERTAIN ENERGY MINERALS INDUSTRY TERMS

Claim	A claim is a tract of land up to 20 acres in size, of which the right to mine is held under the federal General Mining Law of 1872 and applicable local laws.
Graphite	A naturally occurring carbon material with electrical properties that enhance the performance of electrical storage batteries, listed on The US Critical Minerals list as well as the EU Critical Raw Materials list.
Gross acres	Total acreage of land under which we have mineral rights. May include unleased fractional ownership.
Mineral Resource	A mineralized body which has been delineated by appropriately spaced drilling and/or underground sampling sufficient to support the estimate of tonnages and grade of the mineral deposit. Such a deposit does not qualify as a reserve, until a comprehensive evaluation based upon unit cost, grade, recoveries, and other material factors conclude legal and economic feasibility.
Net acres	Actual acres under lease which may differ from gross acres when fractional mineral interests are not leased.
Ore	Naturally occurring concentration of mineralization from which a mineral or minerals of economic value can be extracted at a reasonable profit.
Probable reserves	Reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven (measured) reserves, is high enough to assume continuity between points of observation.
Proven reserves	Reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill-holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.
Reserve	That part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.
Spot price	The price at which a mineral commodity may be purchased for delivery within one year.
Surety obligations	A bond, letter of credit, or financial guarantee posted by a party in favor of a beneficiary to ensure the performance of its or another party's obligations, e.g., reclamation bonds, workers' compensation bond, or guarantees of debt instruments.
Tailings	Waste material from a mineral processing mill after the metals and minerals of a commercial nature have been extracted; or that portion of the ore which remains after the valuable minerals have been extracted.
Vanadium	A rare-earth metal used as a strengthening alloy in steelmaking, and in certain types of batteries, listed on the US Critical Minerals list.
Waste	Barren rock in a mine, or graphite in a rock formation that is too low in grade to be mined and milled at a profit.

USE OF NAMES

In this Annual Report on Form 10-K, unless the context otherwise requires, the terms "we", "us", "our", "WWR", "Westwater", "Corporation", or the "Company" refer to Westwater Resources, Inc. and its subsidiaries. The Company changed its name from "Uranium Resources, Inc." to "Westwater Resources, Inc." effective August 21, 2017.

CURRENCY

The accounts of the Company are maintained in U.S. dollars. All dollar amounts referenced in this Annual Report on Form 10-K and the consolidated financial statements are stated in U.S. dollars.

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 outcome of the pilot scale production of graphite, the timing and content of a definitive feasibility study, the timing or occurrence of a commercial scale processing facility, any future drilling or production from the Company's properties, 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 spot price and long-term contract price of graphite (both flake graphite feedstock and purified graphite products) and vanadium, and the world-wide supply and demand of graphite and vanadium;
- government regulation of the mining and manufacturing industries in the United States;
- operating conditions at our mining and manufacturing projects;
- 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 results;

- any graphite or vanadium discoveries not being in high enough concentration to make it economic to extract the metals;

- ability to finance growth plans;

- currently pending or new litigation or arbitration; and

- our ability to maintain and timely receive mining, manufacturing, and other permits from regulatory agencies.

For a more detailed discussion of such risks and other important factors that could cause actual results to differ materially from those in such forward-looking statements and forward-looking information, please see “Item 1A. Risk Factors” below in this Annual Report on Form 10-K. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements and forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that these statements will prove to be accurate as actual results and future events could differ materially from those anticipated in the statements. Except as required by law, we assume no obligation to publicly update any forward-looking statements and forward-looking information, whether as a result of new information, future events or otherwise.

STATEMENT REGARDING THIRD PARTY INFORMATION

Certain information provided in this report has been provided to us by the third parties or is publicly available information published or filed with applicable securities regulatory bodies, including the SEC. WWR has not verified, and is not in a position to verify, and expressly disclaims any responsibility for, the accuracy, completeness or fairness of such third-party information and refers the reader to the information publicly published or filed by the third parties for additional information.

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

THE COMPANY

Westwater Resources, Inc. is a 44-year-old public company focused on battery graphite development. Originally incorporated in 1977 as Uranium Resources, Inc. to mine uranium in Texas, our company has been reborn as an energy materials developer. Westwater is focused on battery-ready graphite materials after its acquisition of Alabama Graphite Corp. ("Alabama Graphite") and its Coosa Graphite Project ("Coosa Project") in Alabama in April 2018. Westwater recently discovered significant vanadium concentrations at the Coosa Project and has developed an exploration plan to further investigate the size and extent of those concentrations.

Our principal executive offices are located at 6950 South Potomac Street, Suite 300, Centennial, Colorado 80112, and our telephone number is (303) 531-0516. Our website is located at *www.westwaterresources.net*. Information contained on our website or that can be accessed through our website is not incorporated by reference into this report. As of February 11, 2021, the Company and its subsidiaries had 11 employees.

OUR STRATEGY

Our strategy is to increase shareholder value by expanding into the battery materials marketplace. The acquisition of the Coosa Project graphite mineral properties from Alabama Graphite in April 2018 provides the Company with the opportunity to develop critical raw materials utilized by the growing market for electric battery storage for automobiles, trucks and buses, consumer electronics, as well as grid-based storage devices. In 2020, the global battery market consumed an estimated 290,000 tonnes of graphite, and is projected to grow at an annual rate of 20.0% over the next 10-year period, according to Roskill Information Services Ltd.

Our goal for the graphite business is to develop a battery-graphite manufacturing business in Alabama that produces low-cost, high-quality, and high-margin graphite products for battery manufacturers. We began operation of a pilot-scale processing plant in 2020, designed to both manufacture battery graphite materials in quantities suitable for potential customer testing and inform a definitive Feasibility Study scheduled for the first half of 2021. We anticipate that this is to be followed by construction of a commercial scale processing facility beginning in late 2021 and continuing through 2022 that purifies readily available graphite flake concentrates from various sources to >99.95% pure carbon. Once purified, the graphite will be further processed into three advanced component products with enhanced conductivity performance needed by battery manufacturers. These advanced graphite products are purified micronized graphite ("ULTRA-PMG™"), delaminated expanded graphite ("ULTRA-DEXDG™") and coated spherical purified graphite ("ULTRA-CSPG™"). At the same time, subject to the availability of financing, we plan to begin developing the Coosa Graphite mine (planned for start-up in eight years) on our 40,000-plus-acre mineral-rights holdings that can serve as a hedge against future feedstock costs and provide in-house quality assurance and quality control ("QA/QC") for raw-material inputs.

Our project pipeline is prioritized with a goal of achieving sustainable production over time with our graphite, project so as to take advantage of rising and/or high price environments for battery materials. We may adjust near-term and long-term business priorities in accordance with market conditions.

Our broad base of mining, processing and manufacturing expertise from graphite, base and precious metals to energy materials is our key competitive advantage. Westwater possesses a unique combination of battery-materials knowledge and extensive project-execution experience, coupled with decades of capital markets expertise which makes our business a powerful presence in the new energy marketplace. We intend to advance the Company's project towards production, while prudently managing our cash and liquidity position for financial flexibility.

KEY BUSINESS AND CORPORATE DEVELOPMENTS IN 2020

Sale of Uranium Business

On December 31, 2020, Westwater, its wholly owned subsidiary URI Neutron Holdings II, Inc. ("Neutron Holdings"), and enCore Energy Corp. ("enCore") entered into a securities purchase agreement (the "Purchase Agreement") pursuant to which Westwater and Neutron Holdings agreed to sell their subsidiaries engaged in the uranium business in Texas and New Mexico (the "Uranium Subsidiaries") to enCore on the terms and subject to the conditions in the Purchase Agreement (the "Transaction"). The Transaction closed December 31, 2020.

At the closing of the Transaction, enCore delivered $0.7 million in cash and issued $1.8 million worth of its common shares to Westwater, valued at the volume weighted average price of enCore's common shares for the ten trading days ending on and including December 30, 2020, and Westwater and Neutron Holdings transferred all of the equity interests in the Uranium Subsidiaries to enCore along with a copy of a database relating to the Grants Mineral Belt located in New Mexico. In addition, enCore delivered to Westwater a 2% net smelter return royalty on production from the uranium properties held by Uranco, Inc. in New Mexico at the time of the closing, and a 2.5% net profits interest on the profits from operations of Neutron Energy, Inc.'s Juan Tafoya and Cebolleta Projects. Pursuant to the terms of the Purchase Agreement, enCore also replaced the indemnification obligations of Westwater for certain reclamation surety bonds held in the name of URI, Inc., and Westwater assigned and transferred to enCore all rights to cash collateral held to secure such indemnity obligations.

Also, at the closing, Westwater delivered $0.3 million in cash to enCore, which amount will be delivered in escrow to the lender under the loan made to URI, Inc. in May 2020 pursuant to the Small Business Administration Paycheck Protection Program (the "PPP Loan") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The escrowed amount will be released to Westwater upon, and subject to, forgiveness of the PPP Loan under the terms of the CARES Act. In the event that all or a portion of the PPP Loan is ineligible for forgiveness, the lender will retain the escrowed amount up to the amount of the unforgiven portion of the PPP Loan, plus interest. No assurance is provided that URI, Inc. will obtain forgiveness of the PPP Loan in whole or in part.

Graphite Product Development with Dorfner Anzaplan

Westwater announced on November 21, 2019 that it engaged Dorfner Anzaplan of Hirschau, Germany to advance the development of processes needed to purify graphite concentrates and to produce the Company's battery grade products: ULTRA-PMG™, ULTRA-DEXDG™ and ULTRA-CSPG™. Dorfner Anzaplan is an internationally recognized and highly regarded organization that specializes in high-purity industrial and strategic metals businesses. It employs state-of-the-art analytical methods and facilities and employs innovative processing technologies to provide effective solutions tailored to its clients' requirements.

Dorfner Anzaplan and other engineering consultants have collaborated with Westwater to scale up laboratory sample production to pilot scale production rates through new work executed through the second quarter of 2020 that:

- Defined the method, equipment and operating parameters and requirements for graphite purification;
- Defined operating parameters and equipment for processes required to manufacture Westwater's battery graphite products; and
- Designed and executed Westwater's pilot program.

One important result of this effort to date has been the development of a new processing method for the purification of graphite. The Company has filed a Provisional Patent Application with the U.S. Patent and Trademark Office. Purification is the critical first step in manufacturing battery graphite products.

Westwater's pilot scale program utilizes approximately 30 metric tons of graphite concentrate feedstock received from our supplier, with whom we have executed a long-term agreement to supply graphite concentrate under a cap and collar pricing arrangement. This graphite concentrate shipment to Dorfner Anzaplan's facility in Germany was previously announced in an October 9, 2020 press release. The pilot operation resulting from this work program with Dorfner Anzaplan and other engineering consultants is providing various product sizes of each of the Company's three principal battery-grade conductivity enhancement products to potential clients to advance the prospective clients' commodity evaluation and pre-qualification programs. This large-scale sample testing effort is the next step in the development schedule of the Coosa Graphite Project as it advances to a commercial production decision. The pilot facility has begun operation and production of Westwater's battery products. Operation of the pilot program is expected to continue through the second quarter of 2021.

Equity Financings

December 2020 Purchase Agreement with Lincoln Park Capital, LLC ("Lincoln Park")

On December 4, 2020, the Company entered into a Purchase Agreement with Lincoln Park (the "December 2020 PA") to place up to $100.0 million in the aggregate of the Company's common stock on an ongoing basis when required by the Company over a term of 36 months. The Company controls the timing and amount of any sales to Lincoln Park, and Lincoln Park is obligated to make purchases in accordance with the December 2020 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 the Company at any time, in its sole discretion, without any additional cost or penalty.

The December 2020 PA specifically provides that the Company may not issue or sell any shares of its common stock under the agreement 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 December 2020 PA without shareholder approval.

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 December 2020 PA if it would result in Lincoln Park beneficially owning more than 9.99% of its common stock.

The Company did not sell any of its common stock to Lincoln Park under the December 2020 PA during 2020. From January 1, 2021 to February 11, 2021, the Company sold 0.9 million shares of common stock for gross proceeds of $6.6 million.

May 2020 Purchase Agreement with Lincoln Park

On May 21, 2020, the Company entered into a Purchase Agreement with Lincoln Park, as amended on May 29, 2020 (the "May 2020 PA"), to place up to $12.0 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, which agreement was authorized by the Company's shareholders at its 2020 annual meeting. As an initial purchase on May 21, 2020, Lincoln Park bought $250,000 worth of the Company's common stock at a price of $1.2989 per share. The Company issued 156,250 shares of common stock to Lincoln Park as consideration for its commitment to purchase shares of common stock under the May 2020 PA.

On May 21, 2020, the Company entered into a registration rights agreement with Lincoln Park pursuant to which the Company filed a registration statement on Form S-1 with the Securities and Exchange Commission, which was declared effective on June 26, 2020 relating to the resale of an initial tranche of 1.97 million shares subject to the May 2020 PA. As of September 30, 2020, the Company had sold 1.8 shares of common stock for gross proceeds of $3.8 million, of which 1.6 million shares of common stock and gross proceeds of $3.5 million was sold in the three months ended September 30, 2020. The Company filed a second registration statement on Form S-1 relating to the resale of 3.2 million shares which was declared effective on October 2, 2020, and sold 1.1 million shares for gross proceeds of $8.2 million in October 2020. With the October 2020 sales, the $12.0 million sales capacity of the 2020 Purchase Agreement was reached and the agreement terminated.

2019 Purchase Agreement ("2019 Purchase Agreement") with Lincoln Park

On June 6, 2019, the Company entered into the 2019 Purchase Agreement 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. On August 6, 2019 the Company's shareholders approved the sale of up to 3.2 million shares of common stock under the 2019 Purchase Agreement. Following effectiveness of a registration statement on Form S-1 relating to the resale of the shares subject to the 2019 Purchase Agreement on June 18, 2019, the Company began selling shares of its common stock to Lincoln Park under the terms of the 2019 Purchase Agreement. On September 11, 2019, October 28, 2019 and February 28, 2020 the Company filed subsequent registration statements on Form S-1, which were declared effective on September 20, 2019, November 7, 2019 and March 6, 2020, respectively, registering for resale additional shares under the 2019 Purchase Agreement. During 2019, the Company sold 1.7 million shares of common stock for gross proceeds of $5.8 million. During 2020, the Company sold 1.5 million shares for gross proceeds of $1.9 million. The 2019 Purchase Agreement was terminated in May 2020 with historical sales of 3.2 million shares of common stock for gross proceeds of $7.7 million.

Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co. ("Cantor")

On April 14, 2017, the Company entered into a Controlled Equity Offering Sales Agreement (the "ATM Offering Agreement") with Cantor acting as sales agent. Under the ATM Offering Agreement, the Company may from time to time sell shares of its common stock in "at-the-market" offerings. 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 Agreement.

During 2019, the Company sold 0.1 million shares of common stock for net proceeds of $0.4 million under the ATM Offering Agreement. During 2020, the Company sold 11.0 million shares of common stock for net proceeds of $49.9 million and from January 1, 2021 to February 5, 2021, the Company sold 9.3 million shares of common stock for net proceeds of $47.3 million under the ATM Offering Agreement. As of February 5, 2021, the Company has no shares of common stock registered for sale under the ATM Offering Agreement.

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

On January 27, 2020, Westwater filed a Claimant's Memorial (the "Memorial") in its arbitration proceeding against the Republic of Turkey ("Turkey"). The Memorial relates to Westwater's request for arbitration submitted to the International Centre for the Settlement of Investment Disputes ("ICSID") in December 2018 as a result of Turkey's unlawful actions against Westwater's investments at the Temrezli and Sefaatli uranium projects owned by Westwater's Turkish subsidiary Adur Madencilik Limited Sirketi.

The Memorial sets forth the basis for Westwater's claims under the treaty between the United States and Turkey concerning the reciprocal encouragement and protection of investments and international law generally, as well as the basis for the jurisdiction of the tribunal constituted on May 1, 2019 following ICSID's registration of Westwater's request for arbitration. The Memorial also establishes the reparations owed by Turkey for breach of its international obligations towards Westwater, consisting of no less than $36.5 million, plus costs and post-award interest, as compensation for Westwater's resulting loss of its investment. Accompanying the Memorial is an expert report regarding the reparations owed to Westwater. In determining the amount of Westwater's loss, the expert report considered (i) the projected future cash flows from the expropriated projects, discounted to present value by a risk-adjusted discount rate, (ii) valuations from transactions for similar projects, and (iii) in the case of the Sefaatli project, the amounts invested in the project.

On March 11, 2020, Turkey filed a request to bifurcate the arbitration proceeding, and on March 30, 2020, Westwater filed a response in opposition to Turkey's request for bifurcation. On April 28, 2020, the arbitral tribunal denied Turkey's bifurcation request. On May 13, 2020, Turkey filed with the arbitral tribunal a request, which Westwater elected not to oppose, to extend the date on which their Counter-Memorial must be filed (and to change dates for subsequent pleadings as well as document production and witness identification deadlines), which the tribunal approved on June 3, 2020. As a result of these decisions by the tribunal, Turkey filed its Counter-Memorial on September 14, 2020. The hearing on the substantive issues and damages is scheduled for September 13-17, 2021.

Additional information regarding the ICSID arbitration proceeding is presented in Part II, Item 1 below.

Vanadium Target Identification

In late November 2018, Westwater announced the discovery of significant concentration of vanadium mineralization at several locations, hosted in the graphitic schists at the Company's Coosa, Alabama 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 Coosa graphite deposit, as defined in the 2015 Preliminary Economic Assessment for the Coosa Project. The second phase of this project is expected to begin during the first half of 2021. Scope for this effort includes drilling various targets to expand our knowledge of the geology, examining the core and/or cuttings for mineral constituents, and adding to our geologic model. In addition, vanadium mineralization is expected to be evaluated using extractive metallurgy techniques to ascertain any economic potential.

Global Pandemic and our Actions to Ensure Safety

On March 11, 2020, the World Health Organization designated COVID-19 as a global pandemic. The pandemic spread outside of China during the first quarter of 2020 and has impacted businesses throughout the world. In the U.S., many state and local governments have, based on local conditions, either recommended or mandated actions to slow the transmission of COVID-19. These measures range from limitations on crowd size to mandatory orders for non-essential citizens to "shelter in place" or "stay at home" until further direction. Borders between many countries have been closed to contain the spread of COVID-19. Uncertainty with respect to the economic effects of the pandemic has introduced significant volatility in the financial markets.

This pandemic, and the resultant uncertain economic conditions it has created, could adversely affect our operations, major facilities, or employees' health. Westwater has the following priorities while managing business activities during this period of volatility and uncertainty:

- First, to ensure the health and safety of employees and the communities where they work.
- Second, to work with business partners to maintain the advanced graphite product development schedule.
- Third, to ensure adequate financial liquidity to support key operations and business activities.

Westwater's corporate business activities are largely unaffected at this time. Westwater has reduced utilization of its offices and remote working arrangements were instituted to ensure that some employees were able to work remotely using systems that already were in place. Westwater's continued focus on the health and safety of employees, the safety of operations, and the safety of the communities in which our employees live and work remains paramount. To that end, and where remote working was not practical, Westwater eliminated unnecessary travel, instituted health protocols for working together, and ensured that employees are permitted to take time off due to illness or the illness of those around them without penalty. As a result, our corporate business activities will continue on as before, without interruption.

To the extent that the COVID-19 pandemic continues or worsens, local governments or governmental agencies may impose additional restrictions. The result of COVID-19 and those restrictions could result in a number of adverse impacts to Westwater's business, including but not limited to additional disruption to the economy, additional work restrictions, and supply chains being interrupted, slowed, or rendered inoperable. As a result, it may be challenging to obtain and process raw materials to support business needs, and individuals could become ill, quarantined, or otherwise unable to work and/or travel due to health reasons or governmental restrictions. Also, governments may impose other laws, regulations or taxes which could adversely impact Westwater's business, financial condition or results of operations. The potential effects of COVID-19 could also impact Westwater in a number of other ways including, but not limited to, laws and regulations affecting business, the availability of future borrowings, the cost of borrowings, and potential impairment of the carrying value of long-lived tangible assets.

OVERVIEW OF THE BATTERY GRAPHITE INDUSTRY

Graphite is the name given to a common form of the element carbon. Occurring naturally as a mineral in numerous deposits around the world, graphite is used in many industrial applications. These end uses take advantage of the graphite's natural characteristics of high lubricity, high resistance to corrosion, ability to withstand high temperatures while remaining highly stable, and excellent conductivity of heat and electricity.

In recent years, graphite has become an essential component in the production of all types of electrical storage batteries. This role will continue to be important as demand for these batteries increases, with the world's growing electric-vehicle and energy-storage needs. Natural battery-ready graphite products are derived from flake graphite that has been transformed through a series of specialty downstream processes into various battery graphite products. These processes include, but are not limited to:

- Purification to battery-grade carbon as graphitic (C_g) content of $\geq$ 99.95%,
- Micronization (sizing);
- Intercalation (expansion), and delamination (sheering);
- Spheronization (shaping), and classification (sorting); and
- Surface treatment (carbon coating).

Natural flake graphite is increasingly supplanting the use of synthetic graphite in battery applications, for cost and performance reasons. Through a series of sophisticated and precise processing steps, flake-graphite concentrates are transformed into high-value end products for the battery industry. These products, such as purified micronized graphite and delaminated expanded graphite, are used as conductivity-enhancement additives for the manufacture of cathodes for a number of battery material families. Coated spherical purified graphite is used for the manufacture of anodes in Lithium-Ion batteries. Additional high-performance, battery-ready graphite materials can also be produced, using these three products as a starting point.

The global battery market consumed 182,400 tonnes in 2018 and was growing at a rate of 16.1% over the previous ten years (Roskill, 2019). The greatest share of this market is made up of four battery-market segments that require advanced battery-graphite products:

- **Lithium-Ion batteries —** these are rechargeable lithium-based batteries used in everything from cellphones and hand tools to laptop computers and electric vehicles.
- **Alkaline Power Cells —** these are the most popular consumer batteries in the world, with more than 10 billion units produced worldwide each year (Roskill, 2019).
- **Lead Acid batteries —** these are the workhorse batteries used in automobiles and back-up power supplies and other energy-storage applications where weight is less important than capacity, and make up about 80% of the storage capacities in gigawatt hours (GWh) of all batteries presently sold worldwide (Sanders, 2018).
- **Primary Lithium batteries —** these are non-rechargeable, lightweight lithium-based batteries like those used in flashlights, smoke detectors, and applications where long life and lightweight matters most.

All of these batteries use graphite as a critical, non-substitutable constituent. According to analysts, batteries accounted for an estimated 290,000 tonnes of graphite consumption in 2020. Demand for batteries grew by a compound annual growth rate of 16.1% between 2008 and 2018 (Roskill, 2019). Based on Roskill's base case scenario for electric vehicle demand, this rate of growth could increase to 20.2% over the next decade, with graphite consumption in batteries reaching 1,900,000 tonnes in 2028, of which well over 1,000,000 tonnes is projected to be natural graphite. Consumption of graphite in Lithium-Ion batteries currently accounts for around 84% of the battery market for graphite but this could rise to 95-98% by 2028. Competition between natural and synthetic graphite is expected to continue in Lithium-Ion batteries with the choice reducing to price, performance and availability. Also, synthetic graphite and natural graphite blends are becoming a popular choice for EV application to optimize performance and cost by taking advantage of each graphite attribute such as cycle life, energy density and cost. Synthetic graphite consumption by anode manufacturers is expected to grow because of the concentration of the industry in China; however, natural flake graphite demand is forecast to grow at a higher rate because of natural graphite's performance and cost efficiencies.

In addition, natural graphite flake costs in China have gone up as well as purification costs due to increased environmental costs (hydrofluoric acid handling cost). In fact, China has become one of the major importers for natural graphite flake relying upon less expensive African sources. China does not have a cost advantage when it comes to natural graphite and also poses a geopolitical risk particularly to EU and US regions. The existing capacity of spherical natural graphite for Lithium-Ion batteries is estimated at 131,800 tonnes which is significantly smaller than that of spherical artificial graphite whose existing capacity is 638,500 tonnes as of 2020. To support natural graphite demand in the future, additional 446,700 tonnes of natural graphite capacity is in construction with another 622,000 tonnes of capacity planned. It is also important to note that over 85% of the additional capacity is planned in China whereas North America accounts for only 6.7% of additional capacities, highlighting one main reason that graphite is designated on The US Critical Minerals list as well as designated on The EU's Critical Raw Materials list.

Overall battery consumption is rising at an accelerated growth rate due to recent and robust developments in electric-automobile markets, personal electronic devices and electrical grid storage, an enabling technology for wind and solar power installation. The global shift towards low- and zero-emissions vehicles and power sources will continue to drive increasing demand for graphite-battery materials for the foreseeable future. Recent developments in this sector include:

- The United Kingdom and France have announced a prohibition on the sale of gasoline- and diesel-powered vehicles by 2040. Electric vehicles using battery storage are the only viable technology that can satisfy the demands for new cars mandated by these nations;

- China, the largest new-car market in the world, has mandated that 8% of all new cars sold are to be plug-in hybrid, battery electric or fuel-cell powered;

- Many major automobile companies have developed, or are developing, an electric-based technology to replace internal-combustion engines;

- Governments around the world continue to incentivize electric-vehicle ownership through subsidies and other incentives;

- The installed base of wind and solar power electrical-generating systems is increasing every year. Grid battery storage is the answer to increasing system reliability and unlocking the value of these power sources; and

- As a result of these catalysts, and according to Roskill, the Lithium-Ion battery market is expected to grow at a compounded annual growth rate of over 20%.

A significant challenge for battery manufacturers is that the primary source of battery-grade graphite is China, presenting the global battery industry with significant risks, including supply chain management risks, economic risks and environmental unsustainability. Also, critical domestic production is absent in the United States. A Presidential Executive Order signed September 30, 2020 includes graphite on its list of minerals critical to the safety and security of the United States. With little current domestic natural graphite production of any kind, the United States is presently required to source most of its battery graphite from China.

Westwater has developed graphite-purification technology and advanced product-development processes to meet the demands of these customers, as well as the large base of existing consumers for battery-graphite materials. Westwater is developing methodologies and facilities to produce high- purity, battery-graphite products in the State of Alabama. These products are designed to address all major battery sectors. In addition, the processes we intend to use are environmentally sustainable and permittable in the United States, where a robust regulatory environment complements our core values to reliably deliver safe, well-made products to our customers.

OVERVIEW OF THE VANADIUM INDUSTRY

Vanadium is a lightweight metal used in the construction industry, in high strength steel alloys, and in some large grid storage batteries. According to the United States Geological Survey (USGS), about 73,000 metric tonnes of vanadium per year were consumed worldwide in 2019 approximately 80% of which was utilized by the steel industry, where additions of the metal to conventional steel materials adds strength and corrosion resistance. Importantly for Westwater, demand for Vanadium Flow batteries is increasing as solar and wind power generators seek to make their installations more reliable electricity providers. Market research firm Roskill predicts that there will be a 45% increase in demand for vanadium, mostly in China.

Currently, about 85% of all vanadium is produced in South Africa, China and Russia. There is no significant production of vanadium currently in the United States.

COMPETITION

There is global competition for graphite, capital, customers and the employment and retention of qualified personnel. In the production and marketing of graphite, there are a number of producing entities globally, some of which are government controlled and several of which are significantly larger and better capitalized than we are. For instance, more than 80% of the battery grade graphite products globally are produced in China. Globally, some of these organizations also have substantially greater financial, technical, manufacturing and distribution resources than Westwater.

With respect to sales of graphite, the Company expects to compete primarily based on price. We will market graphite directly to users of the product. We are in direct competition with supplies available from various sources worldwide. We believe we compete with multiple graphite exploration, development and production companies.

OVERVIEW OF WESTWATER RESOURCES' COOSA GRAPHITE PROJECT ("THE "COOSA PROJECT")

Westwater acquired Alabama Graphite in 2018 as part of a strategic decision to refocus the Company to supply battery manufacturers with low-cost, high-quality, and high-margin graphite products. As a result of that business transaction, Westwater became the owner of the Coosa Graphite Project, which was the principal asset of Alabama Graphite. Westwater believes that graphite has an important strategic place in the global economy as a high-demand commodity as electrical storage systems for wind and solar power, and as the electrification of our transportation systems becomes more widespread. The principal asset acquired was the Coosa Project, which includes the Coosa graphite deposit located near Rockford, Alabama, 50 miles southeast of Birmingham. The Coosa deposit is located in an area that has been a past producer of graphite, utilizing a geology trend spanning tens of thousands of acres, known as the "Alabama Graphite Belt." The State of Alabama remains a business-friendly jurisdiction, exemplified by the state successfully securing a $1 billion commitment from Daimler Benz to build a Lithium-Ion battery factory near its automobile assembly plant in the state. In addition, several other automobile manufacturers have sited plants in Alabama as a result of this favorable business climate.

Westwater's graphite business plan will accelerate product development and market development by purchasing readily available graphite flake from qualified suppliers, for which a procurement contract is currently in place, to serve as plant feedstock while the Coosa graphite mine is being permitted and developed. Development of a mine at the Coosa graphite deposit, planned for start-up in the next eight years, will serve as an in-house source of graphite feedstock, a hedge against future feedstock cost increases, and will provide in-house QA/QC for raw-material inputs. The Company plans to finish operation of a pilot program in the 2nd quarter of 2021. Materials produced in the pilot program, estimated at 12 or more metric tonnes over three different products, will be used for customer development and product qualification, and pilot-plant operating data will serve as the foundation for the design and construction of a commercial scale processing facility. As part of the planned facility, the graphite is purified, and then the material is further processed into the three advanced component products which provide graphite materials with enhanced conductivity performance for battery manufacturers: Purified Micronized Graphite, Delaminated Expanded Graphite, and Coated Spherical Purified Graphite. WWR is working with a number of potential customers.

Description of the Graphite Deposit

The Coosa graphite deposit is located at the southern end of the Appalachian mountain range, in Coosa County, Alabama. The deposit area is approximately 52 miles south-southeast of the city of Birmingham, and 23 miles south-southwest of the town of Sylacauga. The project mineral tenure is comprised of approximately 41,965 acres of privately-owned mineral rights that the Company holds under a long-term lease.

The Coosa graphite deposit is hosted in high-grade metamorphic rocks. Graphitic material is present in two types of schist, a quartz-graphite schist that generally has grades greater than 1% Cg and a quartz-biotite-graphite-schist that has grades generally less than 1% Cg. The uppermost 60-100 feet of the graphite-bearing rocks have been weathered and oxidized such that they could be easily mined by simple excavation equipment without any blasting. As currently defined, mining will mainly be centered on these weathered units.

A mineral resource estimate for the Coosa deposit, as set forth in a Preliminary Economic Assessment (PEA) completed by Alabama Graphite in 2015, demonstrated an overall concentration of non-reserve mineralized material of 157.8 million short tons averaging 2.48%, at a graphitic carbon cut- off grade of 1% Cg. This estimate is based on assay data from 69 core drill holes, totaling 20,414 feet.

Mining Method

The Coosa graphite deposit is expected to be mined by conventional small-scale open-pit mining methods through several shallow pits (less than 100 feet deep each) that will be developed over life of the project. At full-scale production, the mining rate will be approximately 577,000 short tons per annum, at an average grade of 3.2% Cg. Mine operations will employ small conventional loading and haulage equipment, including a 6.0 cubic yard excavator and 45-ton articulated haul trucks. Mineralized material will be ripped with a bulldozer to prepare the mineralized material for mining with the excavator. Additional support to the mine and plant will be provided by graders and smaller dozers to maintain access roads, stockpiles and overburden storage areas.

Concentrate Plant

Mineralized material from the Coosa Project mine is projected to have an average grade of 3.2% Cg, and will contain impurities consisting of quartz, muscovite, iron oxides and calcite. Most of the impurities are present on the surfaces of the graphite flakes and can be easily removed during a metallurgical process known as flotation. Flotation processing maximizes the removal of these impurities while avoiding degradation of graphite flakes.

The concentration plant will consist of two-stage crushing, rod and ball-mill grinding, and multi-stage flotation units. The plant will operate 24 hours per day, 7 days per week, 52 weeks per year. The concentrator operating availability is expected to be on the order of 93%. The concentrator plant capacity has been planned to handle approximately 577,000 short tons of material to produce 16,500 tonnes per annum of final concentrated product, with minimum 95% Cg and a 90% graphite recovery rate. The flotation concentrate will be transported to a purification plant for secondary processing and cleaning to produce the ultra-pure final products.

Purification and Post-Processing Activities

The purification of the graphite concentrate is expected to be performed using a proprietary, patent pending purification process that is being tested by Dorfner Anzaplan and other engineering consultants, utilizing the purchased feedstock we intend to use until the mine starts production, expected in the next eight years. The operation of the pilot process will further inform the design of the full-scale purification process to be built beginning in 2021. Once the graphite is purified to a minimum graphite carbon content of 99.95%, we will then process it through a combination of sizing, expansion, spheronization and coating to the advanced graphite products we intend to sell.

The Company has developed a new method for the purification of graphite concentrate. The process uses a combination of technologies including a caustic bake, acid leach and thermal finishing, a process that allows for a smaller and more sustainable environmental footprint than that of a hydrofluoric leaching system as used by other battery companies. This unique application developed by Westwater is the subject of a Provisional Patent Application that has been filed before the U.S. Patent and Trademark Office.

Products and Business Development

The Company is working to develop products for all potential major battery markets. Unlike many of its peers, the Company believes that no battery market should be ignored, as is often the case with most publicity currently focused on Lithium-Ion batteries. Lead-acid, alkaline and primary-lithium battery manufacturers have significantly shorter and less stringent qualification requirements compared to large-scale Lithium-Ion battery applications.

The advanced graphite products which the Company intends to develop and sell are:

- **Purified Micronized Graphite.** Conductivity enhancement materials for both the rechargeable and single use Lithium-Ion, Primary-Lithium, Lead-Acid, and Alkaline battery markets;

- **Delaminated Expanded Graphite.** Conductivity enhancement materials for both the rechargeable and single use Lithium-Ion, Primary-Lithium, Lead-Acid, and Alkaline battery markets;

- **Coated Spherical Purified Graphite.** For Lithium-Ion battery anodes. 95% of a Lithium-Ion battery's anode is coated spherical purified graphite and there is 10-30 times more specialty anode graphite required for the production of these batteries than there is Lithium in a Lithium-Ion battery.

The Company has initiated discussions with several battery manufacturers (including automobile manufacturers) for the purposes of evaluating the Company's battery-graphite products, with the goal of executing multi-year supply agreements. To date, the Company has executed Non-Disclosure Agreements with potential customers and is working to place test samples with potential customers.

CORE VALUES AND ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS

Westwater Resources operates according to its core values which incorporates ESG principles:

- Safety:
  - Of each other
  - Of our environment
  - Of the communities where we work
  - Of our assets
  - Of our reputation
- Cost Management
  - Effective and efficient use of our shareholders' assets
  - Focus on first quartile cost performance
- Reliability and Integrity
  - Highest level of performance every day
  - Improving our processes
  - Conservative promises well kept

The Company works to be a good corporate citizen and to safeguard our employees, operations, neighbors and local communities where our employees and stakeholders live and work in the United States.

As these core values apply to our daily work, Environmental, Social and Governance (ESG) criteria are applied to our decisions and actions.

Environmental Criteria and Actions

The Feasibility Study for our processing facility has commenced. Integral to that study, we are defining the raw material inputs, energy inputs, product streams, and waste streams, including air, water, solids and heat, for processing our graphite into battery products. Integrated into these input and output streams, we are defining methods of minimizing impacts to our environment, including:

- Assessing the origin of our graphite and its impact to the environment.
- Assessing the supply chain for reagents and their impact to the environment.
- Assessing the energy forecasted for use in the manufacturing of our products.
- Performing trade off studies for recycling our reagents and waste streams to ensure we have minimized our impact to the communities where we work and where we source our input materials.

Social Criteria and Actions

Westwater has a strong history in social license. The company has spent the last eight years providing scholarships to members of the Cebolleta and Juan Tafoya Land Grants in New Mexico. We have supported this scholarship effort over the years to ensure that young people are afforded an opportunity to attend colleges and universities. As a result of this work, students in Veterinary Medicine, Mining Engineering, Nursing, Pharmacology, Criminal Justice and Business Management have been able to further their education.

As part of our project design and analysis we are evaluating community needs, with input from the community, and our ability to satisfy them – whether in education, infrastructure, or in other ways applicable to community needs. We seek to understand and minimize negative impacts to all of our stakeholders.

Governance Criteria and Factors

We have methods in place to ensure we do our job to integrate and govern ESG work in our business:

- We have an HSE Committee reporting directly to the entire Board of Directors of Westwater. This committee will be replaced with an ESG Committee with a charter that reads, in part:

  The ESG Committee's primary purposes are to:
  (1) provide advice, counsel and recommendations to management, who have primary responsibility for:

  - health, safety, loss prevention issues and operational security,
  - issues relating to sustainable development, environmental management and affairs, community relations, human rights, government relations and communications;

  and (2) assist the Board in its oversight of compliance and risk management.

- We have direct experience in managing ISO 14001 Environmental Management Systems. These systems are designed to provide for reliable performance in sustainable management of businesses. Once our Feasibility Study is complete, we expect to design ISO 14001 based management systems to facilitate and govern our environmental performance. This effort includes the establishment of a preliminary set of metrics for measuring that performance.

United States

Graphite extraction and processing is regulated by the federal and state governments. Compliance with such regulations has a material effect on the economics of our operations and the timing of project development. Our primary regulatory costs have been related to obtaining licenses and operating permits from federal and state agencies before the commencement of production activities, as well as the cost for maintaining compliance with licenses and permits once they have been issued. The current environmental and technical regulatory requirements for the graphite extraction and processing industry are well established. However, the regulatory process can make permitting difficult and timing unpredictable.

U.S. regulations pertaining to graphite extraction and processing continually evolve in the U.S. However, at this time we do not anticipate any adverse impact from these regulations that would be unique to our operations.

Graphite Mine Development Permits

Graphite mining and processing in Alabama requires various permits, including those for any emissions to air, water, or other aspects of the environment. Permits may be required from the State of Alabama, the U.S. Environmental Protection agency, The Army Corps of Engineers, and other State and Federal Agencies as identified in the Company's Definitive Feasibility Study presently underway. Specifically, for the mine, a mine permit may be required in accordance with the Alabama Surface Mining Act of 1969. It is administrated by the Alabama Department of Labor ("DoL"). DoL issues mining permits, ensures that mine sites are properly bonded for reclamation purposes, and makes periodic inspections. A streamlined permit application process reduces the start-up time for new operations, and expedites permit renewals. A mining permit is filed by completing the "Application for Surface Mining Permit and Comprehensive Reclamation Plan" along with the $250 permit fee. The applicant must also post a cash, surety or negotiable bond in the amount of $2,500 per acre area to be disturbed payable to "Commissioner, Alabama Department of Labor". The Coosa graphite mine may be subject to the US National Environmental Policy Act process, with potential review by various federal agencies that may include US Environmental Protection Agency, the Army Corp of Engineers, and others.

Water Rights

In Alabama, any surface or groundwater withdrawals are managed through the Alabama Water Use Reporting Program. The Alabama Water Resources Act and associated regulations establish the requirements for water withdrawals. The process begins with the submittal of an application form called a "Declaration of Beneficial Use" and other required information to the Office of Water Resources ("OWR") within the Alabama Department of Economic and Community Affairs. Once application information is reviewed and determined to be complete, OWR will issue what is called a Certificate of Use ("COU") that lists the applicant's name and information concerning all registered surface and/or groundwater withdrawal points and their withdrawal information. Entities with a capacity to withdraw more than 100,000 gallons per day are required to register with OWR and obtain a COU. The COU certify that proposed water use will not interfere with an existing water use and is beneficial.

AVAILABLE INFORMATION

Our internet website address is www.westwaterresources.net. Our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) of 15(d) of the Exchange Act, are available free of charge through our website under the tab "Investor Relations" as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. We also make available on our website copies of materials regarding our corporate governance policies and practices, including our Code of Ethics, Nominating and Governance Committee Charter, Audit Committee Charter and Compensation Committee Charter. You may read and copy any materials we file with the Securities and Exchange Commission ("SEC") at the SEC's website at http://www.sec.gov. You may also obtain a printed copy of the foregoing materials by sending a written request to: Westwater Resources, Inc., 6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112, Attention: Information Request, or by calling 303.531.0516. The information found on our internet website is not part of this or any report filed or furnished to the SEC.

ITEM 1A. RISK FACTORS

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

Risks Related to Our Business

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

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

- our partnership with Dorfner Anzaplan and utilization of other engineering consultants for the associated pilot scale program may fail to meet current expectations, and, as a result, we may never realize commercial scale production of graphite products;

- the definitive Feasibility Study, once completed, may conclude that our battery-graphite business plan is not economically feasible;

- unanticipated liabilities or contingencies, including those related to intellectual property;

- the need for additional capital and other resources to expand into the battery-graphite manufacturing business;

- competition from better-funded public and private companies, including from producers of synthetic graphite, and competition from foreign companies that are not subject to the same environmental and other regulations as the Company;

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

- the potential for interruptions in our sources of graphite prior to operation of the Coosa graphite mine due to environmental and transportation risks.

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

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

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

We began operation of a pilot-scale processing plant in 2020, designed to both manufacture battery graphite materials in quantities suitable for potential customer testing and to inform a definitive Feasibility Study scheduled for mid-2021, which is expected to be followed by construction of a commercial scale processing facility in 2022 that purifies readily available graphite flake concentrates from various sources to 99.95% pure carbon. Construction projects of this scale are subject to risks and will require significant capital. Any failure to complete these plants on schedule and within budget could adversely impact our business, results of operations and financial condition.

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

WWR is not producing any products at a commercial scale at this time. As a result, we do not currently have a reliable source of operating cash. If we cannot successfully transition to commercial scale production of graphite and vanadium, partner with another company that has cash resources, find other means of generating and/or access additional sources of private or public capital, we may not be able to remain in business.

We do not have a committed source of financing for the development of our graphite or vanadium projects. Pursuant to our modified preliminary economic assessment of the Coosa Graphite Project, the capital expenditures to construct the commercial scale processing facility are estimated at approximately $120 million, and delays in constructing the commercial scale processing facility and other cost overruns may increase that estimate significantly. As of February 11, 2021, we have $101 million in cash, and there can be no assurance that we will be able to obtain financing on commercially reasonable terms, if at all, for the remainder of the amount needed to construct the commercial scale processing facility or develop our properties. Our inability to construct the commercial scale processing facility or develop our properties would have a material adverse effect on our future operations.

We have incurred losses and have had no revenue from operations since 2009, and we expect to continue to incur losses in the foreseeable future. We have no way to generate cash inflows outside of financing activities and we will continue to incur operating losses until we begin graphite and/or vanadium production on a scale sufficient to generate revenues to fund continuing operations, which cannot be assured. Our future graphite production is dependent on completion of the commercial scale processing facility and successful implementation of graphite purification technology. Our future vanadium production is dependent upon the completion of an evaluation plan that will assess the amount, location and size of vanadium concentrations at our Coosa Project mine in Alabama. We can provide no assurance that we will successfully produce graphite on a commercial scale, that our properties will be placed into production or that we will be able to continue to find, develop, acquire and finance additional reserves. If we fail to reach commercial scale production and cannot find other means of generating revenue other than producing graphite and vanadium and/or access additional sources of private or public capital, we may not be able to remain in business and holders of our securities may lose their entire investment.

Volatility in graphite and vanadium prices may result in the Company not receiving an adequate return on invested capital.

Unless and until the Company produces natural graphite from the Coosa graphite deposit in Alabama, which is not projected to occur until the next eight to ten years at the earliest, the Company will be exposed to fluctuations in the price of natural flake graphite, which may increase substantially as the demand for graphite increases. In addition, the Company's graphite and vanadium exploration and development activities may be significantly adversely affected by volatility in the price of graphite or vanadium. The success of our mining operations and ability to achieve positive cash flow is dependent on our ability to develop our properties and then operate them at a profit sufficient to finance further mining activities and for the acquisition and development of additional properties. Any profit will necessarily be dependent upon, and affected by, the long and short-term market prices of graphite and vanadium. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as global and regional supply and demand, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, and the political and economic conditions of mineral-producing countries throughout the world. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company's graphite and vanadium activities not producing an adequate return on invested capital to be profitable or viable. In addition, a significant, sustained drop in graphite and vanadium prices would cause us to recognize impairment of the carrying value of our graphite and vanadium or other assets, which could have an adverse impact on the Company's financial conditions and results of operations

Our operations are each subject to environmental risks.

We are required to comply with environmental protection laws, regulations and permitting requirements in the United States, and we anticipate that we will be required to continue to do so in the future in connection with both our proposed graphite manufacturing business and our proposed graphite and vanadium mining operations. We have expended significant resources, both financial and managerial, to comply with environmental protection laws, regulations and permitting requirements, and we anticipate that we will be required to continue to do so in the future. The material laws and regulations within the U.S. include the Clean Air Act, Clean Water Act, Safe Drinking Water Act, Federal Land Policy Management Act, National Park System Mining Regulations Act, the State Mined Land Reclamation Acts or State Department of Environmental Quality regulations and the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the rules and regulations of the NEPA, the National Pollution Discharge Elimination System (NPDES) and Section 404 of the Clean Water Act (CWA) as applicable.

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

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

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

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

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

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

Our business and mineral exploration and processing programs depend upon our ability to employ the services of geologists, engineers and other experts. In operating our business and in order to continue our programs, we compete for the services of professionals with other mineral exploration and processing companies and businesses. In addition, several entities have expressed an interest in hiring certain of our employees. Our ability to maintain and expand our business and continue our exploration programs may be impaired if we are unable to continue to employ or engage those parties currently providing services and expertise to us or identify and engage other qualified personnel to do so in their place. To retain key employees, we may face increased compensation costs, including potential new stock incentive grants and there can be no assurance that the incentive measures we implement will be successful in helping us retain our key personnel.

Our patents and other protective measures may not adequately protect our proprietary intellectual property, and we may be infringing on the rights of others.

Our intellectual property, particularly our proprietary rights to an improved method for the purification of graphite concentrate, is critical to our success. We have filed a provisional patent application in the United States, and we generally enter into confidentiality and invention agreements with our employees and consultants. We cannot assure that a patent application will result in an issued patent and our failure to secure rights under the patent application may limit our ability to protect the intellectual property rights at the core of our proposed graphite production business. In addition, such patent protection and agreements and various other measures we take to protect our intellectual property from use by others may not be effective for various reasons generally applicable to patents and their granting and enforcement. In addition, the costs associated with enforcing patents, confidentiality and invention agreements or other intellectual property rights may be expensive. Our inability to protect our proprietary intellectual property rights or gain a competitive advantage from such rights could harm our ability to generate revenues and, as a result, our business and operations.

We could also become subject to litigation claiming that our intellectual property or proprietary information infringes the rights of a third party. In that event, we could incur substantial defense costs and, if such litigation is successful, we could be required to pay the claimant damages and royalties for our past and future use of such intellectual property or proprietary information, or we could be prohibited from using it in the future, which could prevent us from pursuing our graphite production business, or we could be required to modify our process and facilities. Our inability to use our intellectual property and proprietary information on a cost-effective basis in the future could have a material adverse effect on our revenue, cash flow and profitability.

Pandemics, epidemics or disease outbreaks, such as the novel coronavirus (COVID-19 virus), may disrupt our business, supply chains and the business of our business partners, which could materially affect our operations, liquidity and results of operations.

We face various risks related to health epidemics, pandemics and similar outbreaks, including the global outbreak of coronavirus disease 2019 ("COVID-19"). The continued spread of COVID-19 has led to disruption and volatility in the global capital markets, which increases the cost of capital and adversely impacts access to capital. If significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions, facility closures or other restrictions in connection with the COVID-19 pandemic, our operations will likely be impacted. In addition, our costs may increase as a result of the COVID-19 outbreak. These cost increases may not be fully recoverable or adequately covered by insurance.

It is possible that the continued spread of COVID-19 could also further cause disruption in our supply chains, adversely affect our business partners, delay our plans to advance our pilot or commercial facilities or cause other unpredictable events. We continue to work with our stakeholders to address this global pandemic responsibly. In addition, we continue to monitor the situation, to assess further possible implications to our business, and to take actions in an effort to mitigate adverse consequences. We cannot at this time predict the impact of the COVID-19 pandemic, but it could have material adverse effects on our business, financial position, results of operations and/or cash flows.

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

On June 20, 2018, the General Directorate of Mining Affairs, a department of the Turkish Ministry of Energy and Natural Resources, notified the Company that the mining and exploration licenses for its Temrezli and Sefaatli projects located in Turkey had been revoked and potential compensation would be proffered. Westwater has reached out on numerous occasions to the Turkish government to resolve this dispute amicably, to reinstate the licenses and to remedy its unlawful actions, but to no avail. As a result, on December 13, 2018 Westwater filed a Request for Arbitration against the Republic of Turkey before ICSID, pursuant to the Treaty between the United States of America and the Republic of Turkey concerning the Reciprocal Encouragement and Protection of Investments. On December 21, 2018, ICSID advised that it had formally "registered" the Request for Arbitration. On March 11, 2020, Turkey filed a request to bifurcate the arbitration proceeding, and on March 30, 2020, Westwater filed a response in opposition to Turkey's request for bifurcation. On April 28, 2020, the arbitral tribunal denied Turkey's bifurcation request. On May 13, 2020, Turkey filed with the arbitral tribunal a request, which Westwater elected not to oppose, to extend the date on which their Counter-Memorial must be filed (and to change dates for subsequent pleadings as well as document production and witness identification deadlines), which the tribunal approved on June 3, 2020. As a result of these decisions by the tribunal, Turkey filed its Counter-Memorial on September 14, 2020. The hearing on the substantive issues and damages is scheduled for September 13-17, 2021.

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

We may not realize the full anticipated benefits of the sale of our uranium assets to enCore Energy Corp.

We may not realize the full anticipated benefits of the sale of our uranium assets to enCore, in which case our business, financial results or operations could be adversely affected. Under the terms of the enCore Purchase Agreement, enCore granted to Westwater a 2% net smelter return royalty on production from the uranium properties held by Uranco, Inc. in New Mexico at the time of the closing, and a 2.5% net profits interest on the profits from operations of Neutron Energy, Inc.'s Juan Tafoya and Cebolleta Projects. If either the royalty or net profits interest is terminated, or if the terms of each are otherwise modified, we may not realize the full anticipated benefits of the sale of our uranium assets, and our business may be adversely affected.

Additionally, the Company anticipates cost-savings of approximately $4 million annually, which were previously tied to land payments, reclamation expenses and operating costs associated with the uranium properties. There can be no assurance that we will realize any anticipated benefits of these cost-savings, which could have an adverse effect on our results of operations and financial condition.

Risks Related to Exploration and Mining Activities

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

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

The size and extent of the Company's vanadium mineral reserves at the Coosa Project is unknown and may not be in sufficient quantities to make its extraction and processing economically feasible.

The Company recently discovered significant vanadium concentrations at the Coosa Project and has developed an exploration plan to further investigate the size and extent of those concentrations. While there can be no assurance that the size and extent of those concentrations will end up being economically feasible, even if the Company finds vanadium in sufficient quantities to warrant recovery, it ultimately may not be recoverable. Finally, even if any vanadium is recoverable, the Company does not know whether recovery can be done at a profit. Our vanadium activities are highly prospective, face a high risk of failure and may not result in any benefit to the Company.

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

The Company does not have and may not be able to obtain surface or access rights to all or a portion of the Coosa Project.

Although the Company has rights to the minerals in the ground at the Coosa Project, the Company does not have rights to, or ownership of, the surface to the areas covered by its mineral rights. While applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, the enforcement of such rights through the courts can be costly and time consuming. It may be necessary for the Company to negotiate surface access or to purchase the surface rights if long-term access is required. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate satisfactory agreements with any such existing landowners/occupiers for such access or purchase such surface rights, and therefore it may be unable to carry out planned exploration or mining activities at the Coosa Project. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction the outcomes of which cannot be predicted with any certainty. The inability of the Company to secure surface access or purchase required surface rights could materially and adversely affect the timing, cost or overall ability of the Company to develop any mineral deposits it may locate at the Coosa Project.

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

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

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

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

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

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

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

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

Title to the Coosa Project may be subject to defects in title or other claims, which could affect our property rights and claims.

There are risks that title to the Coosa Project may be challenged or impugned. There may be valid challenges to the title of the Coosa Project which, if successful, could impair development or operations. This is particularly the case because we hold our interest solely through a lease, as such interest is substantially based on contract as opposed to a direct interest in the property.

The lease agreements pursuant to which the Company has interests in the Coosa Project provide that the Company must make a series of cash payments over certain time periods. Failure by the Company to make such payments in a timely fashion may result in the Company losing its interest in the Coosa Project. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain the lease agreements in good standing, or to be able to comply with all of its obligations thereunder, which could result in the Company forfeiting its interest in the Coosa Project.

Risks Related to Ownership of Our Common Stock

Our stock price has been and may continue to be volatile and may fluctuate significantly, which may adversely impact investor confidence and results and increase the likelihood of securities class action litigation.

Our common stock price has experienced substantial volatility in the past and may remain volatile in the future. During 2020, the sale price of our common stock ranged from a high of $14.50 per share to a low of $0.25 per share. Volatility in our stock price can be driven by many factors including, but not limited to, market conditions in the energy materials industry, announcements that we may make regarding our business plans or strategy, including announcements concerning our anticipated battery-graphite business or the sale of our uranium assets to enCore Energy in a transaction that closed on December 31, 2020, the substantial increase in the sale and issuance of shares of our common stock to finance our operations and the accuracy of expectations and predictions of analysts and the market as they pertain to our future business prospects. In addition, the price of our common stock may increase or decrease substantially for reasons unrelated to our operating performance or prospects. If our common stock continues to experience substantial price volatility, any shares investors purchase may rapidly lose some or substantially all of their value.

Shareholders of a public company sometimes bring securities class action suits against the company following periods of instability in the market price of that company's securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our results of operations and financial condition.

Furthermore, our ability to raise funds through the issuance of equity or otherwise use our common stock as consideration is impacted by the price of our common stock. A low stock price may adversely impact our ability to fund our operating and growth plans, including the Coosa Graphite Project, which would harm our business and prospects.

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

The Company has not previously paid dividends on its common stock. We currently anticipate that we will retain all of our available cash, if any, for use as working capital and for other general corporate purposes. Any payment of future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applicable to the payment of dividends and other considerations that our Board of Directors deems relevant. Investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize a return on their investment.

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

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

Shareholders would be diluted if we use common stock to raise capital, and the perception that such sales may occur, could cause the price of our common stock to fall.

We plan to seek additional capital to carry out our business plan. This financing could involve one or more types of securities including common stock, convertible debt or warrants to acquire common stock. These securities could be issued at or below the then prevailing market price for our common stock. Any issuance of additional shares of our common stock could be dilutive to existing holders of our securities and could adversely affect the market price of our common stock.

On December 4, 2020, we entered into the Purchase Agreement with Lincoln Park, pursuant to which Lincoln Park has committed to purchase up to $100,000,000 of our common stock. The shares of our common stock that may be issued under the Purchase Agreement may be sold by us to Lincoln Park at our discretion from time to time over a 36-month period commencing after the satisfaction of certain conditions set forth in the Purchase Agreement, which conditions were satisfied on January 7, 2021. As of February 11, 2021, we have received $6.6 million in aggregate gross proceeds from prior sales of 0.9 million shares under the Purchase Agreement. The purchase price for the shares that we may sell to Lincoln Park under the Purchase Agreement will fluctuate based on the price of our common stock. Depending on market liquidity at the time, sales of such shares may cause the trading price of our common stock to fall.

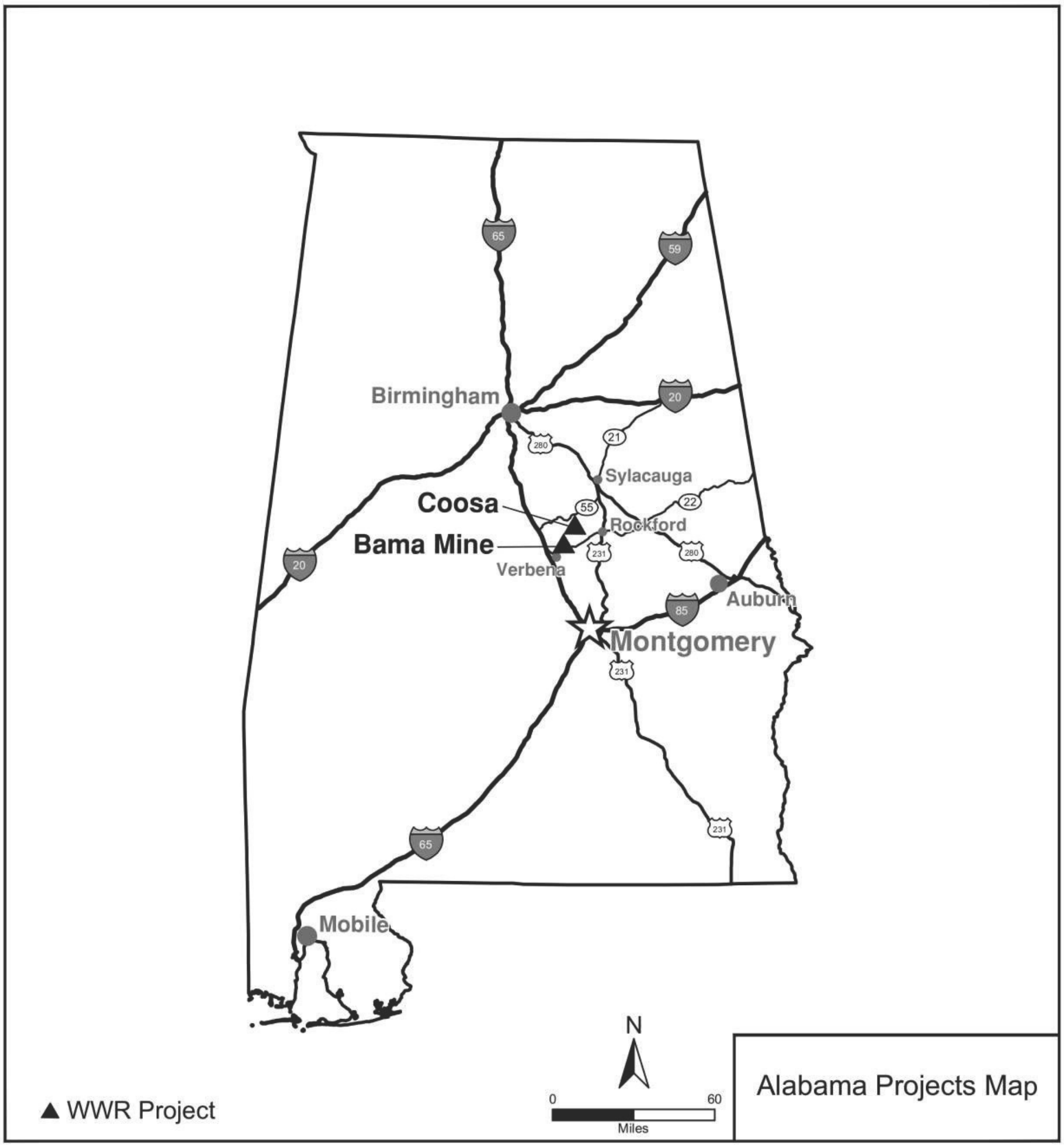
After Lincoln Park has acquired the shares, Lincoln Park may resell all, some or none of those shares at any time or from time to time in its discretion. Therefore, sales to Lincoln Park by us could result in substantial dilution to the interests of other holders of our common stock. Additionally, the sale of a substantial number of shares of our common stock to Lincoln Park, or the anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

GRAPHITE PROJECT



Through its acquisition of Alabama Graphite Corporation, Westwater gained control of an advanced graphite exploration project, the Coosa Project. The project area is situated in east-central Alabama, approximately 50 miles southeast of the city of Birmingham and 25 miles south-southwest of the town of Sylacauga.

Coosa Project

General. The Coosa graphite project is situated in east-central Alabama, near the western end of Coosa County. The project is located near the southwestern-most extent of the Alabama graphite belt.

The Property. The Coosa Project is comprised of a lease of privately-owned mineral rights from a single land owner covering an overall area of approximately 41,964 acres (approximately 65.6 square miles). The various property parcels that comprise the lease are contiguous with each other, except for a few small and isolated parcels which are situated in the far south part of the project area. The lease has a series of five-year terms (commencing August 1, 2012) that are not to exceed 70 years in total. Under the terms of the lease the Company is required to make annual payments of $10,000 for the original lease in order to maintain our property rights. The Company is obligated to pay the owner of the mineral estate a net smelter returns royalty of 2.00% for any production and sale of graphite, vanadium and other minerals derived from the leased lands. There is a further obligation to pay a 0.50% net smelter return royalty, not to exceed $150,000, and make payments of $100,000 at the time of completion of a "bankable feasibility study" and an additional $150,000 upon completion of "full permitting" of the leased property. These payments are payable to an unaffiliated third-party. The Company does not hold any surface rights in the project area.

Accessibility. Access to the Coosa Project is good. The general area of the project is accessible from local and regional population centers via a network of paved federal, state and county two-lane highways. Various parts of the project lands are traversed by numerous partially maintained dirt and gravel logging roads.

History. The Coosa Project is situated near the southwestern end of the Alabama Graphite Belt, which is a northeast-trending group of graphite deposits and occurrences that are situated in the central and eastern parts of the state. The initial attempt to produce graphite mineralization in the belt commenced in 1888, with efforts focusing upon prospects located to the northeast of the region of the Coosa Project. The first commercial production of graphite from deposits in the Alabama Graphite Belt was in 1899 and limited activities continued at least into the 1940s. Within the lands that comprise the Coosa Project graphite production was carried out at the Fixico mine, which operated intermittently between 1902 and 1908. Other graphite prospects in the project area were evaluated but no efforts were made to mine any other prospects in the project area. Alabama Graphite acquired property rights that comprise the Coosa Project and carried out trenching and drilling programs and completed an aerial geophysical survey of a portion of the project area between 2012 and 2015.

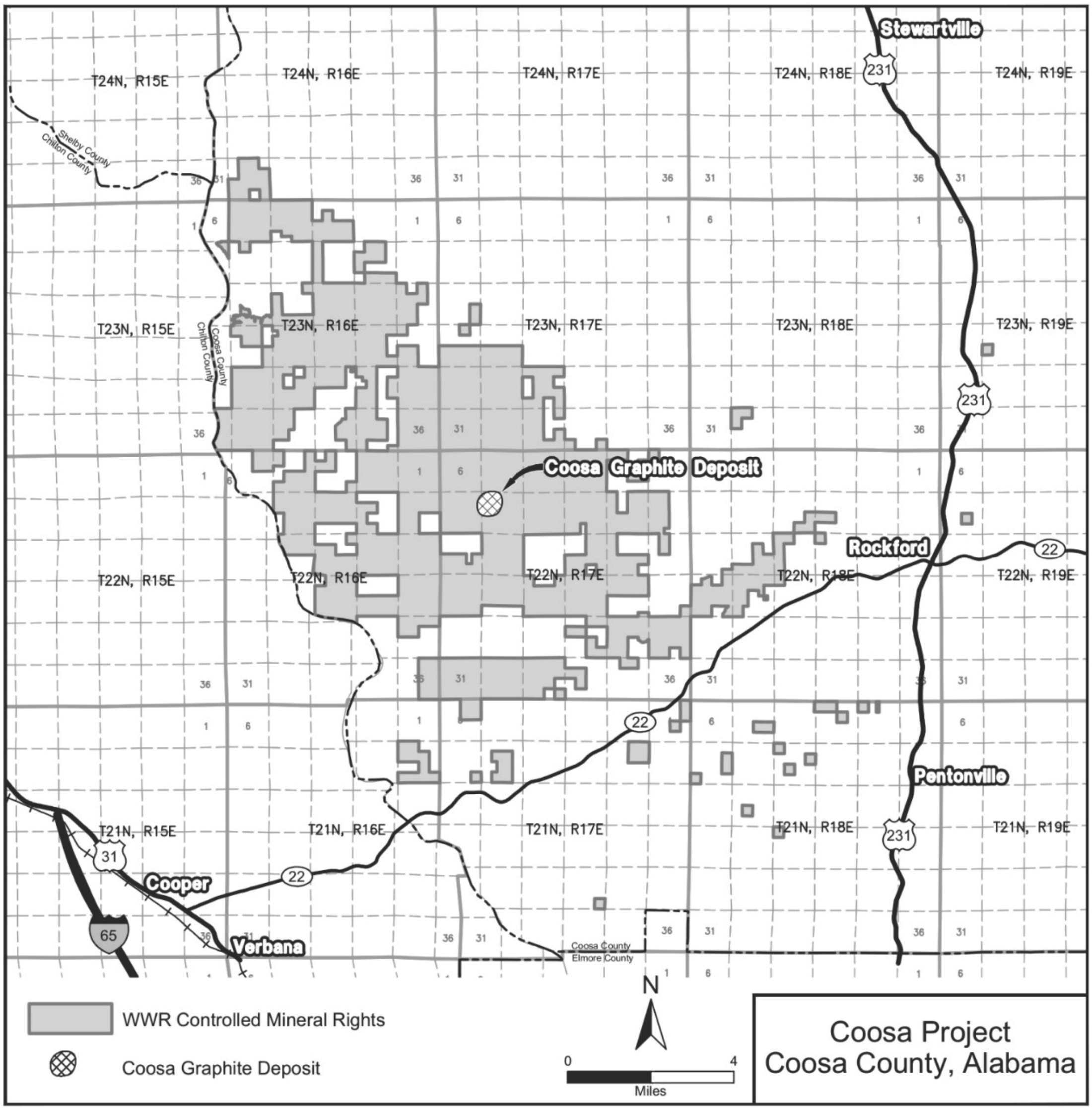
Project Geology. The Coosa Project is located at the southern-most end of the Appalachian mountain range in east-central Alabama. Within the Appalachian Mountains a group of Precambrian to Paleozoic age metamorphic rocks host scattered graphite deposits, in an area known as the Alabama Graphite Belt. At the Coosa Project graphite mineralization, sometimes associated with vanadium mineralization, is hosted within the Higgins Ferry Group, which is comprised of coarse to fine-grained biotite-feldspar-quartz gneiss, various quartz-muscovite and quartz-muscovite-graphite schist, quartzite and altered mafic rocks. The rocks of the Higgins Ferry Group are thought to be Precambrian to Paleozoic in age. In the project area graphite (and vanadium) mineralization is hosted in a series of quartz-muscovite-biotite-graphite and quartz-graphite schists that are generally medium to coarse grained, and are moderately foliated and somewhat contorted. The graphitic schist units are occasionally cut by pegmatites, which are unmineralized with respect to graphite and vanadium. Graphite grades in the quartz-muscovite-biotite-graphite schist are generally 1 percent graphite or less, while graphite grades in the quartz-graphite schist commonly exceed 1 percent. The graphitic schists are moderately to strongly weathered to depths that may extend 10s of feet to occasionally more than 100 feet, and can generally be considered to be surface minable.

Project Activities. Prior to its acquisition by Westwater, Alabama Graphite carried out several exploration programs to identify and partially define the extent and magnitude of graphite mineralization at the Coosa Project, including core and sonic drilling, trenching and sampling, and an airborne geophysical survey. As a result of this exploration a near-surface graphite deposit (the "Coosa deposit") was defined in the central portion of the project area. A study of the magnitude and extent of the graphite resources of the Coosa deposit was completed by an independent third-party engineering firm, as was the preparation of a preliminary mine plan for possible future development of the deposit.

Since completing acquisition, the Company has revised and re-written the business plan for Alabama Graphite. The Company will now focus its immediate attention not only on defining and upgrading the Coosa project mineral deposit, but will advance the construction of a production facility, in advance of mine development. We will start production of battery products on feedstock acquired from third-party suppliers, until such time that the Coosa mine attains production. At that time, we can continue utilizing purchased feedstock and mined material to make the best possible products. We have selected a third-party source of graphite feedstock.

Production Pilot Operations. The Company is currently conducting its pilot program. During the pilot scale program, graphite concentrates are purified and turned into battery grade advance products. The majority of the pilot program has been or will be performed at contracted laboratories. The purified material is manufactured into our three products, purified micronized graphite, coated spherical purified graphite and delaminated expanded graphite. Once the pilot program is completed, the Company can move toward full scale production.

Permitting Status. The Company does not hold any active permits for the project, but is currently reviewing local, State, and federal permit requirements for future project development.



WORK COMPLETED ON PROPERTIES IN 2020

Property	Statement of Operations: Operating Expenses	Statement of Operations: Mineral Property Expenses	Statement of Operations: Impairment	Balance Sheet: Property, Plant & Equipment	Balance Sheet: Restoration Liability	Total Expenditures
	(expressed in thousands of dollars)					
Rosita project	$ 409	$ 55	$ 1,161	$ —	$ 552	$ 2,177
Kingsville Dome project	748	159	101	—	58	1,066
Vasquez project	426	174	—	101	652	1,353
Butler Ranch project	—	20	—	—	—	20
Cebolleta project	—	391	3,325	—	—	3,716
Juan Tafoya project	—	224	613	—	—	837
Work completed on discontinued operations	$ 1,583	$ 1,023	$ 5,200	$ 101	$ 1,262	$ 9,169
Coosa project	$ —	$ 26	$ —	$ —	$ —	$ 26
Bama project	—	8	—	—	—	8
Work completed on continuing operations	$ —	$ 34	$ —	$ —	$ —	$ 34

INFRASTRUCTURE

The Company’s carrying value of property, plant and equipment at December 31, 2020 is as follows:

(thousands of dollars)	Net Property, Plant and Equipment at December 31, 2020: Alabama	Corporate	Total
Mineral rights and properties	$ 8,972	$ —	$ 8,972
Other property, plant and equipment	—	13	13
Total	$ 8,972	$ 13	$ 8,985

INSURANCE

Our properties are covered by various types of insurance including property and casualty, liability and umbrella coverage. We have not experienced any material uninsured or under insured losses related to our properties in the past and believe that sufficient insurance coverage is in place.

ITEM 3. LEGAL PROCEEDINGS

DISPUTE WITH FABRICE TAYLOR

On June 29, 2017, Alabama Graphite, two of its former officers and one former director were named as defendants in a lawsuit filed in the Superior Court of Justice in Ontario, Canada and styled *Fabrice Taylor v. Alabama Graphite Corp., et. al.,* CV-17-578049. The plaintiff in the lawsuit is the publisher of an investment newsletter and the complaint alleges that the defendants made certain postings on an internet website that were allegedly defamatory of the plaintiff and made certain oral statements to third parties that were allegedly slanderous of the plaintiff, and as a result the complaint seeks damages in the amount of CAD$3.0 million, unspecified punitive damages and permanent injunctive relief. On August 9, 2017, as amended on August 29, 2017, the defendants responded to the complaint, denied the allegations contained in the complaint, filed counter-claims alleging that plaintiff made certain statements on the internet that were defamatory of the defendants, and set forth general, specific, aggravated and punitive damages in the total amount of CAD $7.0 million as well as permanent injunctive relief. The lawsuit has not been prosecuted by the plaintiff and no schedule yet exists for its resolution or a trial on the merits.

ARBITRATION AGAINST TURKEY

On December 13, 2018, Westwater filed a Request for Arbitration against 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 Turkey's unlawful actions against the Company's investments at the Temrezli and Sefaatli uranium projects owned by Westwater's Turkish subsidiary Adur Madencilik Limited Sirketi ("Adur"). Specifically, in January 2018, Turkish governmental officials informed Adur's representatives that the government intended to cancel all of Adur's exploration and operating licenses and requested from Adur reasons why they should not do so. In March 2018, Adur's representatives provided Turkish governmental offices with reasons not to revoke the licenses. Notwithstanding the explanations provided, in June 2018, the Turkish government cancelled all of Adur's exploration and operating licenses with retroactive effect, rendering Westwater's investment in Adur effectively worthless. While the Turkish authorities had variously issued, renewed and overseen these licenses for more than a decade, they asserted for the first time in June 2018 that the 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 Turkish and international law. Westwater reached out on numerous occasions in 2018 to the Turkish government to resolve the dispute amicably and to remedy its 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 ICISD Panel for the arbitration was established – one of the members was selected by Westwater, another was selected by Turkey, and the third Panel member (serving as 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 D.C., and sets numerous dates for both parties to make various filings.

On January 27, 2020, Westwater filed its Memorial, which is a document that sets out Westwater's case. On March 11, 2020, Turkey filed a request to bifurcate the arbitration proceeding and on March 30, 2020, Westwater filed a response in opposition to Turkey's request for bifurcation. In Procedural Order #2 issued on April 28, 2020, the arbitral tribunal denied Turkey's bifurcation request. On May 13, 2020, Turkey filed with the arbitral tribunal a request, which Westwater elected not to oppose, to extend the date on which their Counter-Memorial must be filed (and to change dates for subsequent pleadings as well as document production and witness identification deadlines), which the arbitral tribunal approved on June 3, 2020. As a result of these decisions by the tribunal, Turkey filed its Counter-Memorial on September 14, 2020. The hearing on the substantive issues and damages is scheduled for September 13-17, 2021.

OTHER

The Company is subject to periodic inspection by certain regulatory agencies for the purpose of determining compliance by the Company with the conditions of its licenses. In the ordinary course of business, minor violations may occur; however, these are not expected to result in material expenditures or have any other material adverse effect on the Company.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

STOCK INFORMATION

Our common stock is traded on the Nasdaq Capital Market under the symbol "WWR." As of February 1, 2021, there were 277 holders of record of our common stock.

We have never paid any cash or other dividends on our common stock, and we do not anticipate paying dividends for the foreseeable future. We expect to retain our earnings, if any, for the growth and development of our business. Any future determination to declare dividends will be made at the discretion of our Board of Directors and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our Board of Directors may consider relevant.

ITEM 6. SELECTED FINANCIAL DATA

Smaller reporting companies are not required to provide the information required by this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements as of and for the two years ended December 31, 2020, and the related notes thereto appearing elsewhere in this Annual Report on Form 10-K, which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. 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 under the section heading "Item 1A. Risk Factors" above and elsewhere in this Annual Report on Form 10-K. See "Cautionary Note Regarding Forward-Looking Statements" above.

INTRODUCTION

Westwater Resources, Inc. is a 44-year-old public company focused on battery graphite development. Originally incorporated in 1977 as Uranium Resources, Inc. to mine uranium in Texas, our company has been reborn as an energy materials developer. Westwater now is focused on battery-ready graphite materials after its acquisition of Alabama Graphite Corp. ("Alabama Graphite") and its Coosa Graphite Project ("Coosa Project") in Alabama in April 2018. Westwater recently discovered significant vanadium concentrations at the Coosa Project and has developed an exploration plan to further investigate the size and extent of those concentrations.

RECENT DEVELOPMENTS

Definitive Feasibility Study on the Coosa Graphite Project

On February 4, 2021, Westwater entered into a Master Services Agreement (the "Master Services Agreement") with Samuel Engineering, Inc. ("Samuel") for various engineering support and consulting services in connection with the Company's Coosa Graphite Project definitive feasibility study (the "Feasibility Study").

Under the terms of the Master Services Agreement and as a part of the Feasibility Study, Samuel will, among other things, conduct studies that address the Coosa Project's location, raw materials, product quality, infrastructure and other preliminary assessments, which will provide cost estimates for Phases I and II of the Coosa Project, identify long-lead items and provide detailed specifications for these items to be ordered, as well as prepare designs and drawings for the detailed engineering phase prior to construction.

The DFS is scheduled to be completed by the end of the second quarter of FY2021. Westwater plans to utilize the Definitive Feasibility Study as a basis for engaging financial institutions and to start the construction of the plant, which is anticipated for the end of 2021. Completion of Phase I is planned for the end of 2022, with production anticipated in 2023.

Sale of Uranium Business

On December 31, 2020, Westwater Resources, Inc. ("Westwater"), its wholly owned subsidiary URI Neutron Holdings II, Inc. ("Neutron Holdings"), and enCore Energy Corp. ("enCore") entered into a securities purchase agreement (the "Purchase Agreement") pursuant to which Westwater and Neutron Holdings agreed to sell their subsidiaries engaged in the uranium business in Texas and New Mexico (the "Uranium Subsidiaries") to enCore on the terms and subject to the conditions in the Purchase Agreement (the "Transaction"). The Transaction closed December 31, 2020.

At the closing of the Transaction, enCore delivered $0.7 million in cash and issued $1.8 million worth of its common shares to Westwater, valued at the volume weighted average price of enCore's common shares for the ten trading days ending on and including December 30, 2020, and Westwater and Neutron Holdings transferred all of the equity interests in the Uranium Subsidiaries to enCore along with a copy of a database relating to the Grants Mineral Belt located in New Mexico. In addition, enCore delivered to Westwater a 2% net smelter return royalty on production from the uranium properties held by Uranco, Inc. in New Mexico at the time of the closing, and a 2.5% net profits interest on the profits from operations of Neutron Energy, Inc.'s Juan Tafoya and Cebolleta Projects. Pursuant to the terms of the Purchase Agreement, enCore has also agreed to replace the indemnification obligations of Westwater for certain reclamation surety bonds held in the name of URI, Inc., and Westwater will assign and transfer to enCore all rights to cash collateral held to secure such indemnity obligations.

Also, at the closing Westwater delivered $0.3 million in cash to enCore, which amount will be delivered in escrow to the lender under the loan made to URI, Inc. in May 2020 pursuant to the Small Business Administration Paycheck Protection Program (the "PPP Loan") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The escrowed amount will be released to Westwater upon, and subject to, forgiveness of the PPP Loan under the terms of the CARES Act. In the event that all or a portion of the PPP Loan is ineligible for forgiveness, the lender will retain the escrowed amount up to the amount of the unforgiven portion of the PPP Loan, plus interest. No assurance is provided that URI, Inc. will obtain forgiveness of the PPP Loan in whole or in part.

The Purchase Agreement contains customary representations, warranties, covenants and indemnification provisions. The closing of the Transaction was subject to various closing conditions, including, without limitation, the accuracy of the representations and warranties and certain customary and required governmental and stock exchange approvals.

Equity Financings

Significant Capital Raises in January and February 2021

During the month of January 2021, the Company sold 9.3 million shares of common stock for net proceeds of $47.3 million pursuant to the ATM Offering Agreement with Cantor Fitzgerald & Co. These shares were sold pursuant to a prospectus supplement filed on December 4, 2020 pursuant to Rule 424(b)(5) as a takedown off the Company's shelf registration statement which had been declared effective by the Securities and Exchange Commission on December 1, 2020.

Also, during the month of February 2021, the Company sold 0.9 million shares of common stock for net proceeds of $6.6 million pursuant to the December 2020 PA with Lincoln Park. These shares were sold pursuant to a Form S-3 registration statement filed pursuant to Rule 424(b)(3) and declared effective by the Securities and Exchange Commission on December 4, 2020.

The receipt of combined net proceeds in the amount of $53.9 million from these financing facilities has resulted in a cash balance of approximately $101 million at February 11, 2020. The significant treasury balance has mitigated the Company's capital risk through 2021 and 2022 as the Company's budgeted pilot program for processing battery-grade graphite and the remaining budgeted product development costs are now fully funded, and the Company will be able to make substantial initial investment in the commercial graphite plant in the latter half of 2021.

December 2020 Purchase Agreement with Lincoln Park Capital, LLC ("Lincoln Park")

On December 4, 2020, the Company entered into a Purchase Agreement with Lincoln Park ("the "December 2020 PA") to place up to $100.0 million in the aggregate of the Company's common stock on an ongoing basis when required by the Company over a term of 36 months. The Company controls the timing and amount of any sales to Lincoln Park, and Lincoln Park is obligated to make purchases in accordance with the December 2020 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 the Company at any time, in its sole discretion, without any additional cost or penalty.

The December 2020 PA specifically provides that the Company may not issue or sell any shares of its common stock under the agreement 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 December 2020 PA without shareholder approval.

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 December 2020 PA if it would result in Lincoln Park beneficially owning more than 9.99% of its common stock.

The Company did not sell any of its common stock to Lincoln Park under the December 2020 PA during 2020. From January 1, 2021 to February 11, 2021, the Company sold 0.9 million shares of common stock for gross proceeds of $6.6 million.

Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co. ("Cantor")

On April 14, 2017, the Company entered into a Controlled Equity Offering Sales Agreement (the "ATM Offering Agreement") with Cantor acting as sales agent. Under the ATM Offering Agreement, the Company may from time to time sell shares of its common stock in "at-the-market" offerings. 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 Agreement.

During 2020, the Company sold 11.0 million shares of common stock for net proceeds of $49.9 million and from January 1, 2021 to February 5, 2021, the Company sold 9.3 million shares of common stock for net proceeds of $47.3 million under the ATM Offering Agreement. As of February 5, 2021, the Company has no shares of common stock registered for sale under the ATM Offering Agreement.

Vanadium Target Identification

In late November 2018, Westwater announced the discovery of significant concentration of vanadium mineralization at several locations, hosted in the graphitic schists at the Company's Coosa, Alabama 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 Coosa graphite deposit, as defined in the 2015 Preliminary Economic Assessment for the Coosa Project. The second phase of this project is expected to begin during the first half of 2021. Scope for this effort includes drilling various targets to expand our knowledge of the geology, examining the core and/or cuttings for mineral constituents, and adding to our geologic model. In addition, vanadium mineralization is expected to be evaluated using extractive metallurgy techniques to ascertain any economic potential.

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

On January 27, 2020, Westwater filed a Claimant's Memorial (the "Memorial") in its arbitration proceeding against the Republic of Turkey ("Turkey"). The Memorial relates to Westwater's request for arbitration submitted to the International Centre for the Settlement of Investment Disputes ("ICSID") in December 2018 as a result of Turkey's unlawful actions against Westwater's investments at the Temrezli and Sefaatli uranium projects owned by Westwater's Turkish subsidiary Adur Madencilik Limited Sirketi.

The Memorial sets forth the basis for Westwater's claims under the treaty between the United States and Turkey concerning the reciprocal encouragement and protection of investments and international law generally, as well as the basis for the jurisdiction of the tribunal constituted on May 1, 2019 following ICSID's registration of Westwater's request for arbitration. The Memorial also establishes the reparations owed by Turkey for breach of its international obligations towards Westwater, consisting of no less than $36.5 million, plus costs and post-award interest, as compensation for Westwater's resulting loss of its investment. Accompanying the Memorial is an expert report regarding the reparations owed to Westwater. In determining the amount of Westwater's loss, the expert report considered (i) the projected future cash flows from the expropriated projects, discounted to present value by a risk-adjusted discount rate, (ii) valuations from transactions for similar projects, and (iii) in the case of the Sefaatli project, the amounts invested in the project.

On March 11, 2020, Turkey filed a request to bifurcate the arbitration proceeding, and on March 30, 2020, Westwater filed a response in opposition to Turkey's request for bifurcation. On April 28, 2020, the arbitral tribunal denied Turkey's bifurcation request. On May 13, 2020, Turkey filed with the arbitral tribunal a request, which Westwater elected not to oppose, to extend the date on which their Counter-Memorial must be filed (and to change dates for subsequent pleadings as well as document production and witness identification deadlines), which the tribunal approved on June 3, 2020. As a result of these decisions by the tribunal, Turkey filed its Counter-Memorial on September 14, 2020. The hearing on the substantive issues and damages is scheduled for September 13-17, 2021.

Additional information regarding the ICSID arbitration proceeding is presented in Part II, Item 1 above.

RESULTS OF OPERATIONS

Summary

Our consolidated net loss for the years ended December 31, 2020 and 2019 was $23.6 million and $10.6 million or $2.68 and $5.39 per share, respectively. The principal components of these year-over-year changes are as follows:

	For the year ended December 31,	
	2020	2019
	(thousands of dollars)	
Mineral property expenses	$ (2,640)	$ (2,736)
Product development expenses	(4,049)	(116)
General and administrative	(7,343)	(6,086)
Arbitration costs	(1,458)	(1,378)
Other operating expenses	(256)	(463)
Impairment of uranium properties	(5,200)	(143)
Non-operating income	(2,628)	357
Net Loss	$ (23,574)	$ (10,565)
Net Loss from discontinued operations	$ (9,662)	$ (4,561)
Net Loss from continuing operations	$ (13,912)	$ (6,004)

Mineral property expenses

Mineral property expenses for the year ended December 31, 2020 were $2.6 million, as compared with $2.7 million for the year ended December 31, 2019.

The following table details our mineral property expenses for the years ended December 31, 2020 and 2019.

	For the years ended December 31, 2020	2019
	(thousands of dollars)	
Restoration/Recovery expenses		
Kingsville Dome project	$ 4	$ —
Rosita project	(1)	(8)
Vasquez project	64	35
Total restoration/recovery expenses	67	27
Standby care and maintenance expenses		
Kingsville Dome project	744	559
Rosita project	410	377
Vasquez project	361	368
Total standby care and maintenance expenses	1,515	1,304
Exploration and evaluation costs		
Coosa project	—	52
Total exploration and evaluation costs	—	52
Land maintenance and holding costs	1,058	1,353
Total mineral property expenses	**$** 2,640	$ 2,736
(Less) mineral property expenses from discontinued operations	(2,606)	(2,416)
Mineral property expenses from continued operations	**$** 34	$ 320

For the year ended December 31, 2020, total mineral property expenses decreased by $0.1 million as compared with 2019. The majority of mineral property expenses for both years was attributable to the Company's discontinued operations, primarily the uranium business segment that was sold to enCore at the end of 2020.

Product development expenses

For the period ended December 31, 2020, $4.0 million was spent on product development. Of that, approximately $3.2 million was related to the design, construction and operation of our graphite processing pilot program with the remaining attributable to product testing and other lab work, shipping, travel, and other auxiliary costs associated with the Coosa Project.

General and administrative expenses

Significant expenditures for general and administrative expenses for the years ended December 31, 2020 and 2019 were:

	For the year ended December 31,	
	2020	2019
	(thousands of dollars)	
Stock compensation expense	$ 367	$ 98
Salaries and payroll burden	3,110	2,389
Legal, accounting, and public company expenses	2,182	2,225
Insurance and bank fees	658	730
Consulting and professional services	234	96
Office expenses	471	373
Sales and marketing	271	44
Other expenses	50	131
Total general and administrative expenses	$ 7,343	$ 6,086
(Less) General and administrative expenses from discontinued operations	(1,665)	(1,612)
General and administrative expenses for continued operations	$ 5,678	$ 4,474

General and administrative expenses increased by approximately $1.3 million as compared with 2019. The primary drivers of this increase were the following:

- $0.7 million increase in salaries and payroll burden
  - In July 2020, Westwater Resources appointed a new VP of Sales and Marketing. Costs from the initial candidate search and additional employee compensation and benefits since he began contributed to the increase in payroll costs in 2020 over 2019.
  - In the first quarter of 2020, the Company temporarily shut down its South Texas operations amid cash flow and financing uncertainties arising from COVID-19 and its effects on the capital market. As a result, reclamation projects fell behind schedule. To compensate, once facilities re-opened, several additional temporary employees were hired throughout the year leading to an increase in wages and hiring fees among other payroll expenses.
- $0.3 million increase in stock compensation expense
  - The Board of Directors approved a new long-term incentive awards for the management team in June 2020. No employee stock options or RSUs were granted during 2019.
- $0.2 million increase in Directors and Officers (D&O) insurance
  - Rates for D&O insurance nearly doubled in 2020 as compared with 2019.

Arbitration Costs

During 2020, Westwater incurred arbitration related legal and expert consulting costs of $1.5 million. This represents an increase of 6% or $0.1 million in costs associated with the Request for Arbitration against The Republic of Turkey filed with ICSID in December 2018. For further reference, see discussion above at Part I, Item 3 and in the Recent Developments section of this Part II, Item 7.

Impairment of uranium properties

During 2020 and 2019, the Company recorded impairments of $5.2 million and $0.1 million, respectively, to reduce the carrying value of certain uranium properties. The Company performs an impairment evaluation annually unless events or changes in circumstances indicate the related carrying value of long-lived assets may not be recoverable. On September 1, 2020, the Company signed a binding LOI to sell its U.S. uranium assets to enCore Energy Corp. At September 30, 2020 an interim impairment review was performed in anticipation of the sale of Westwater's uranium business to enCore. As a result, $5.2 million in impairment expense related to the Company's long-lived uranium assets in south Texas and New Mexico was recognized in the third quarter of 2020. Impairments in 2019 were made solely to plant and equipment at the Kingsville Dome facility in South Texas.

Non-operating income and expenses

The Company recorded a $2.7 million non-operating loss and $0.3 million in non-operating income for 2020 and 2019 respectively. Non-operating expense for 2020 includes a $2.7 million loss on the sale of uranium assets to enCore. Significant activity during 2019 included the $0.7 million gain on the sale of uranium assets to Uranium Royalty Corp. in August 2019, a $0.7 million loss recorded from sale of marketable securities and a decrease in interest income of $0.4 million due to a lower principal balance outstanding on the Laramide Resources Ltd. promissory note in 2019 ("Laramide").

FINANCIAL POSITION

Operating Activities

Net cash used in operating activities was $15.2 million for the year ended December 31, 2020, as compared with $10.0 million for the same period in 2019. The $5.2 million increase in cash used was primarily due to the following:

- $3.9 million increase in product development expenses; and
- $1.3 million increase in general and administrative expenses;

Investing Activities

Net cash used in investing activities was $4.1 million for the year ended December 31, 2020, as compared with $3.8 million of cash provided by investing activities for the year ended December 31, 2019. The cash used in 2020 was primarily related to the transaction with enCore, including $3.7 million in restricted cash transferred to enCore and $0.3 million transferred to enCore for establishment of an escrow account for settlement of the PPP Loan. In 2019, 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 the Laramide securities and $2.5 million in net proceeds from the sale of uranium assets to URC in August 2019.

Financing Activities

Net cash provided by financing activities was $63.9 million for the year ended December 31, 2020 as compared with $6.7 million in 2019. Cash inflow for both years was from the sales of common stock through the Company's Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co. ("Cantor"), and the Lincoln Park Securities Purchase Agreement.

Liquidity and Capital Resources

The Company last recorded revenues from operations in 2009. Since 2009, the Company has relied on equity financings, debt financings and asset sales to fund its operations. The Company expects to rely on debt and equity financing to fund its operations into the near future. The Company will also continue its cost reduction initiatives to identify ways to reduce its cash expenditures.

In 2016, the Company began to expand its business plan into acquisition and development of energy-related materials. Between 2016 and 2020 the Company obtained mineral leases in Nevada and Utah and evaluated a green-fields exploration program for lithium. In 2018, the Company acquired Alabama Graphite Corp. and its Coosa Graphite Project for the purpose of developing the only commercial sized graphite mineral deposit in the contiguous United States and production of advanced graphite products for use in batteries. In the third quarter of 2020, as further discussed below and as further discussed in Note 3 to the accompanying financial statements, the Company made the strategic decision to focus most of its resources on its graphite business, discontinuing its investment in its lithium mineral properties and selling its uranium business.

As of December 31, 2020, execution of the business plan for development of the Coosa Graphite Project was underway, with the commissioning of pilots for processing flake graphite into battery-grade graphite products. The start-up of operations for those pilots commenced in the 4th quarter of 2020 and the Company expects the pilot program phase to last into mid-2021. The Company will use the data generated from the pilot operations to inform the requirements and specifications for building a commercial sized graphite processing facility. Pursuant to the Company's Preliminary Economic Assessment of the Coosa Graphite Project as modified, financing required for the estimated capital expenditures to construct the commercial plant is approximately $120 million. Subject to financing, the Company expects the construction phase for the commercial plant to begin in the second half of 2021 and be completed in 2022. The Company expects to begin generating revenues from sales of advanced graphite products from the Coosa Graphite Project in 2023.

In furtherance of the Company's strategic shift to graphite battery materials, on December 31, 2020 the Company entered into a securities purchase agreement ("Purchase Agreement") to sell its U.S. uranium business, including its U.S. uranium exploration assets in New Mexico and idled production assets in Texas to enCore Energy Corp. ("enCore") (see Note 3 to the accompanying financial statements). The transaction closed on December 31, 2020. The sale included the elimination of a $9.3 million bonding liability, the elimination of $5.2 million in asset retirement obligations, and the elimination of more than $4.0 million in annual expenditures related to reclamation and compliance costs at the Company's Kingsville, Vasquez, and Rosita sites in South Texas and its New Mexico land holding costs. The Company received approximately US$1.8 million of enCore common stock and retained royalty interests on the New Mexico uranium properties as consideration for the sale. The Company retained its uranium interests in Turkey, which are subject to ongoing international arbitration proceeding. The Company's strategic shift to focus solely on its graphite business also resulted in its decision not to renew its lithium mineral leases in Nevada and Utah when the annual rentals of approximately $0.2 million came due in late August 2020.

At December 31, 2020 the Company's cash balances were $50.3 million. During the months of January and February 2021, the Company sold 9.3 million shares of common stock for net proceeds of $47.3 million pursuant to its Controlled Equity Offering℠ Sales Agreement with Cantor and 0.9 million shares of common stock for net proceeds of $6.6 million pursuant to the December 2020 PA with Lincoln Park (see Note 15 to the accompanying financial statements). The funding provided by this financing facility has resulted in a cash balance of approximately $101 million at February 11, 2021. Management believes the significant treasury balance has mitigated the Company's capital risk through 2021 as the Company's 2021 non-discretionary budget, budgeted graphite pilot program and the remaining budgeted product development initiatives are now fully funded. The Company is pursuing project financing to support primary funding of the capital expenditures for construction of the commercial plant set to occur in the second half of 2021.

Management believes the Company's current cash balance is sufficient to fund its planned non-discretionary expenditures through 2022. In addition to pursuing other project financing, the Company is evaluating the continued use of the Cantor and Lincoln Park financing facilities for use in funding any required contributions by the Company to support project financing for construction of the commercial graphite facility. 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. Stock price volatility and uncertain economic conditions caused by the COVID-19 pandemic could significantly impact the Company's ability to raise funds through equity financing. In the event funds are not available for project financing to complete construction of the commercial facility in 2022, the Company will be able to fund its non-discretionary expenditures, however, the Company may be required to change its planned business strategies.

Off- Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Policies

Our significant accounting policies are described in Note 1 to the consolidated financial statements in Item 8 of this Annual Report on Form 10-K. We believe our most critical accounting policies involve those requiring the use of significant estimates and assumptions in determining values or projecting future costs.

Property, Plant and Equipment

The Company reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows or upon an estimate of fair value that may be received in an exchange transaction. Future cash flows are estimated based on quantities of recoverable minerals, expected commodity prices, production levels and operating costs of production and capital, based upon the projected remaining future uranium or graphite production from each project. Existing proven and probable reserves and value beyond proven and probable reserves, including mineralization that is not part of the measured, indicated or inferred resource base, are included when determining the fair value of mine site reporting units at acquisition and, subsequently, in determining whether the assets are impaired. The term “recoverable minerals” refers to the estimated amount of uranium or graphite that will be obtained after taking into account losses during processing and treatment. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cashflows that are largely independent of future cash flows from other asset groups. The Company’s estimates of future cash flows are based on numerous assumptions and it is likely that actual future cash flows will be significantly different than the estimates, as actual future quantities of recoverable minerals, uranium and graphite prices, production levels and operating costs of production and availability and cost of capital are each subject to significant risks and uncertainties.

During 2020 and 2019, we recorded impairments of $5.2 million and $0.1 million, respectively, to reduce the carrying value of property, plant and mine equipment. Existing proven and probable reserves and value beyond proven and probable reserves, including mineralization that is not part of the measured, indicated or inferred resource base, are included when determining the fair value of uranium properties upon acquisition and, subsequently, in determining whether the assets are impaired. The term “recoverable minerals” refers to the estimated amount of uranium and graphite that will be obtained after taking into account losses during processing and treatment. In estimating future cash flows, assets are grouped at the lowest level for which there is identifiable cash flows that are largely independent of future cash flows from other asset groups.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Smaller reporting companies are not required to provide the information required by this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
Westwater Resources, Inc.

Opinion on the Financial Statements

We have audited the accompanying *consolidated* balance sheet*s* of Westwater Resources, Inc. (the "Company") as of *December 31, 2020 and 2019,* the related consolidated statements of operations, stockholders' equity and cash flows for the year*s* then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the (consolidated) financial position of the Company as of December 31, 2020 and 2019, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These *consolidated* financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's *consolidated* financial statements based on our audit*s*. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit*s* in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the *consolidated* financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the *consolidated* financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the *consolidated* financial statements. We believe that our audit*s* provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Loss on Sale and the fair value of consideration received from the sale of uranium properties

As described in Note 3 to the consolidated financial statements, the Company entered into a securities purchase agreement to sell its subsidiaries engaged in the uranium business in Texas and New Mexico to enCore Energy Corp. ("enCore"). During the third quarter, the Company signed a binding letter of intent with enCore and at that time management concluded that the assets and liabilities in the disposal group met the criteria to be classified as held for sale and the Company's uranium segment met the criteria as a discontinued operation. Management determined that the proposed terms of the transaction were an indicator of impairment of the long-lived uranium property, plant and equipment and recorded a $5.2

million impairment charge during the third quarter based on the estimated loss that would be recorded upon the close of the transaction. On December 31, 2020, the Company closed on the sale with enCore. At the closing of the transaction, enCore delivered $742,642 in cash and issued $1,795,000 worth of its common shares to the Company. In addition, enCore delivered to the Company a 2% net smelter return royalty ("NSR Royalty") and a 2.5% net profits interest ("NPI"). Lastly, the Company recorded $333,120 in contingent consideration for cash paid to enCore for the Paycheck Protection Program (PPP) Loan Escrow. As a result, the Company recorded an additional charge of $2.67 million as a loss on sale at the close of the transaction.

We identified the determination of the fair value of the consideration received and the related recognition of a loss on sale to be a critical audit matter. The consideration from the seller included contingent, non-cash and cash consideration. The contingent consideration included the following: (1) the PPP Loan Escrow which was valued based on internal assumptions about the probability of loan forgiveness and (2) the NSR Royalty and NPI which were valued based on internal assumptions about estimated future cash flows. The non-cash consideration consisted of common stock of enCore. The fair value was determined based on a quoted market price of the enCore stock less a discount for lack of marketability (DOLM) due to a lock-up provision. The DOLM was based on a Black-Scholes model using both internal and external data, including estimated volatility. The determination of the fair value of the contingent and non-cash consideration required significant management judgment. Given the significant judgment in the determination of fair value of the contingent and non-cash consideration, a high degree of auditor judgment and increased extent of effort was required, including the need to involve our valuation specialists, when performing audit procedures to evaluate whether the fair value of the contingent and non-cash consideration was appropriately valued.

The following are the primary procedures we performed to address this critical audit matter:

To evaluate the fair value of the contingent and non-cash consideration received:

- We tested the underlying documentation supporting management's assumptions about the probability of the likelihood of URI, Inc.'s PPP Loan forgiveness under terms of the Coronavirus Aid, Relief, and Economic Security Act. We also tested the underlying significant components, such as total payroll costs and headcount amounts included in the loan forgiveness calculations.

- We tested management's assumptions about the likelihood of receiving future cash flows from the NSR and NPI which was based on future mine development and uranium prices.

- We gained an understanding of the methodology used by management to calculate the DOLM and tested the key inputs into the Black-Scholes model, specifically the volatility. We compared the

  volatility to enCore's historical stock prices and to publicly available data for comparable companies. We involved a valuation professional with specialized skills and knowledge who assisted in evaluating of the valuation methodology and common stock fair value.

To evaluate the loss on sale:

- We compared the loss recorded in the fourth quarter of 2020 to the impairment recorded in the third quarter of 2020 and reconciled the change to supporting documentation to ensure recognition in the correct accounting period and appropriate classification of the loss on sale.

/s/ Moss Adams LLP

Denver, Colorado
February 12, 2021

We have served as the Company's auditor since 2017.

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

	December 31, 2020	December 31, 2019
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 50,315	$ 1,870
Available-for-sale securities, current	1,520	—
Prepaid and other current assets	754	491
Total Current Assets	52,589	2,361
Property, plant and equipment, at cost:		
Property, plant and equipment	9,080	9,065
Less accumulated depreciation and depletion	(95)	(70)
Net property, plant and equipment	8,985	8,995
Operating lease right-of-use assets	353	470
Restricted cash	10	10
Assets held for sale, non-current	—	15,143
Total Assets	$ 61,937	$ 26,979
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 1,734	$ 852
Accrued liabilities	2,369	2,270
Operating lease liability - current	149	147
Current liabilities held for sale	—	900
Total Current Liabilities	4,252	4,169
Operating lease liability, net of current	214	332
Liabilities held for sale, non current	—	5,414
Total Liabilities	4,466	9,915
Commitments and Contingencies		
Stockholders' Equity:		
Common stock, 100,000,000 shares authorized, $.001 par value;		
Issued shares – 19,172,020 and 3,339,541 respectively		
Outstanding shares - 19,171,859 and 3,339,380 respectively	19	3
Paid-in capital	383,723	319,758
Accumulated other comprehensive loss	—	—
Accumulated deficit	(326,013)	(302,439)
Less: Treasury stock (161 and 161 shares, respectively), at cost	(258)	(258)
Total Stockholders' Equity	57,471	17,064
Total Liabilities and Stockholders' Equity	$ 61,937	$ 26,979

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

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

	For the Year Ended December 31, 2020	2019
Operating Expenses:		
Mineral property expenses	$ (34)	$ (320)
Product development expenses	(4,049)	(116)
General and administrative expenses	(5,678)	(4,474)
Arbitration costs	(1,458)	(1,378)
Depreciation and amortization	(17)	(6)
Total operating expenses	(11,236)	(6,294)
Non-Operating Income/(Expenses):		
Loss on sale of marketable securities	—	(720)
Interest income	—	291
Loss/Gain on disposal of uranium assets	(2,665)	729
Other income (expense)	(11)	(10)
Total other income (expense)	(2,676)	290
Net Loss from Continuing Operations	(13,912)	(6,004)
Net Loss from Discontinued Operations	(9,662)	(4,561)
Net Loss	$ (23,574)	$ (10,565)
Other Comprehensive Income		
Transfer to realized loss upon sale of available-for-sale securities	—	90
Comprehensive Loss	$ (23,574)	$ (10,475)
BASIC AND DILUTED LOSS PER SHARE	$ (2.68)	$ (5.39)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	8,799,190	1,961,086

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

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

	Common Stock		Paid-In	Accumulated Other Comprehensive	Accumulated	Treasury	
	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	—	—	—	—	(10,565)	—	(10,565)
Common stock issued, net of issuance costs	1,902,593	2	6,650	—	—	—	6,652
Stock compensation expense and related share issuances, net of shares withheld for payment of taxes	393	—	97	—	—	—	97
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, December 31, 2019	3,339,541	$ 3	$ 319,758	$ —	$ (302,439)	$ (258)	$ 17,064
Net loss	—	—	—	—	(23,574)	—	(23,574)
Common stock issued, net of issuance costs	15,681,968	16	62,673	—	—	—	62,689
Common stock issued for commitment fees	150,000	—	925	—	—	—	925
Stock compensation expense and related share issuances, net of shares withheld for payment of taxes	511	—	367	—	—	—	367
Balances, December 31, 2020	19,172,020	$ 19	$ 383,723	$ —	$ (326,013)	$ (258)	$ 57,471

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

WESTWATER RESOURCES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(expressed in thousands of dollars)

	For the Year Ended December 31, 2020	2019
Operating Activities:		
Net loss	$ (23,574)	$ (10,565)
Reconciliation of net loss to cash used in operations:		
Non-cash lease expense	2	9
Accretion of asset retirement obligations	201	390
Costs incurred for restoration and reclamation activities	(1,262)	(293)
Amortization of note receivable discount	—	(299)
Depreciation and amortization	(55)	73
Stock compensation expense	367	98
Impairment of uranium properties	5,200	143
Gain/loss on disposal of uranium properties	2,665	(729)
Gain on disposal of fixed assets	(21)	—
Loss on sale of marketable securities	—	720
Effect of changes in operating working capital items:		
Decrease in prepaids and other assets	8	246
Increase in payables and accrued liabilities	1,286	158
Net Cash Used In Operating Activities	(15,183)	(10,049)
Cash Flows From Investing Activities		
Cash transferred for disposal of uranium assets, net	(4,023)	2,470
Proceeds from the sale of securities, net	—	536
Proceeds from note receivable	—	750
Capital expenditures	(81)	—
Net Cash (Used In)/Provided By Investing Activities	(4,104)	3,756
Cash Flows From Financing Activities:		
Proceeds from note payable	331	—
Issuance of common stock, net	63,614	6,652
Payment of minimum withholding taxes on net share settlements of equity awards	—	(1)
Net Cash Provided By Financing Activities	63,945	6,651
Net increase in cash, cash equivalents and restricted cash	44,658	358
Cash, Cash Equivalents and Restricted Cash, Beginning of Period	5,667	5,309
Cash, Cash Equivalents and Restricted Cash, End of Period	$ 50,325	$ 5,667
Cash Paid During the Period for:		
Interest	$ 7	$ 6
Supplemental Non-Cash Information with Respect to Investing and Financing Activities:		
Securities received for payment of notes receivable – Laramide	—	750
Securities received from sale of uranium assets - enCore	1,520	—
Total Non-Cash Investing and Financing Activities for the Period	$ 1,520	$ 750

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S.") and include the accounts of WWR and its wholly-owned subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the U.S. ("US GAAP") requires management to make certain estimates and assumptions. Such estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates included in the preparation of the financial statements are related to asset retirement obligations; stock-based compensation and asset impairment, including estimates used to derive future cash flows or market value associated with those assets.

Cash and Cash Equivalents

Management considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company maintains cash deposits in excess of federally insured limits. Management monitors the soundness of the financial institution and believe the risk is negligible.

Available-for-Sale Securities

Management determines the appropriate classification of the Company's investments at the time of purchase and re-evaluates such determinations each reporting date. Marketable equity securities are categorized as available-for-sale and carried at fair market value on the Balance Sheet.

Unrealized gains and losses are included as a component of accumulated other comprehensive loss, unless an other-than-temporary impairment in value has occurred in which case the unrealized loss would be charged to current period loss as an impairment charge. Unrealized gains and losses originally included in accumulated other comprehensive income are reclassified to current period net loss when the sale of securities occurs or when a security is impaired.

Property, Plant and Equipment

Facilities and Equipment

Expenditures for new facilities or equipment and expenditures that extend the useful lives of existing facilities or equipment are capitalized and recorded at cost. The facilities and equipment are amortized using the units of production method. During the periods that the Company's facilities are not in production, depreciation of its facilities and equipment is suspended as the assets are not in service.

Mineral Properties

Mineral rights acquisition costs are capitalized when incurred, and exploration costs are expensed as incurred. When management determines that a mineral right can be economically developed in accordance with U.S. GAAP, the costs then incurred to develop such property will be capitalized. During the periods that the Company's facilities are not in production, depletion of its mineral interests, permits, licenses and development properties is suspended as the assets are not in service. If mineral properties are subsequently abandoned or impaired, any non-depleted costs will be charged to loss in that period.

Other Property, Plant and Equipment

Other property, plant and equipment consisted of corporate office equipment, furniture and fixtures and transportation equipment. Depreciation on other property is computed based upon the estimated useful lives of the assets. Repairs and maintenance costs are expensed as incurred. Gain or loss on disposal of such assets is recorded as other income or expense as such assets are disposed.

Asset Impairment

The Company reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows or upon an estimate of fair value that may be received in an exchange transaction. Future cash flows are estimated based on quantities of recoverable minerals, expected commodity prices, production levels and operating costs of production and capital, based upon the projected remaining future mineral production from each project. Existing proven and probable reserves and value beyond proven and probable reserves, including mineralization that is not part of the measured, indicated or inferred resource base, are included when determining the fair value of mine site reporting units at acquisition and, subsequently, in determining whether the assets are impaired. The term "recoverable minerals" refers to the estimated amount of mineral that will be obtained after taking into account losses during processing and treatment. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of future cash flows from other asset groups. The Company's estimates of future cash flows are based on numerous assumptions and it is likely that actual future cash flows will be significantly different than the estimates, as actual future quantities of recoverable minerals, mineral prices, production levels and operating costs of production and availability and cost of capital are each subject to significant risks and uncertainties.

Assets held for sale

The Company considers assets to be held for sale when management approves and commits to a formal plan to actively market the assets for sale at a price reasonable in relation to fair value, the asset is available for immediate sale in its present condition, an active program to locate a buyer and other actions required to complete the sale have been initiated, the sale of the asset is expected to be completed within one year and it is unlikely that significant changes will be made to the plan. Upon designation as held for sale, the Company records the carrying value of the assets at the lower of its carrying value or its estimated fair value, less costs to sell.

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.

	As of December 31,	
(thousands of dollars)	**2020**	**2019**
Cash and cash equivalents	$ 50,315	$ 1,870
Restricted cash included in assets held for sale		3,787
Restricted cash not included in assets held for sale	10	10
Cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 50,325	$ 5,667

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 cash held in escrow by escrow agents.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash equivalents and restricted cash and short-term investments. U.S. GAAP defines "fair value" as the price that would be received to sell an asset or be 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 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 — Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data by correlation or other means.
- Level 3 — Prices or valuation techniques requiring inputs that are both significant to the fair-value measurement and unobservable.

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. Periodically throughout the year, the Company has maintained balances in various U.S. operating accounts in excess of U.S. federally insured limits.

The following table presents information about financial instruments recognized at fair value on a recurring basis as of December 31, 2020 and 2019, and indicates the fair value hierarchy:

	December 31, 2020			
(thousands of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**
Current Assets				
Available-for-sale securities, current	$ —	$ —	$ 1,520	$ 1,520
Total current assets recorded at fair value	$ —	$ —	$ 1,520	$ 1,520
Non-current Assets				
Restricted cash not included in assets held for sale	$ 10	$ —	$ —	$ 10
Total non-current assets recorded at fair value	$ 10	$ —	$ —	$ 10

	December 31, 2019			
(thousands of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current Assets				
Restricted cash included in assets held for sale	$ 3,787	$ —	$ —	$ 3,787
Restricted cash not included in assets held for sale	10	—	—	10
Total non-current assets recorded at fair value	$ 3,797	$ —	$ —	$ 3,797

The Company determined the fair value of the available-for-sale securities (enCore shares) at December 31, 2020 using the Black-Scholes valuation methodology. As discussed in Note 3, this resulted in a discount for lack of marketability of $375,000 due to the 4-month holding period before shares could be sold. Key inputs included a risk-free rate of 0.09% based on 3-month US Treasury Bond yields and a volatility factor of 89.1.

Loss Per Share

Basic loss per share is computed using the weighted-average number of shares outstanding during the period. Diluted loss per share is not presented as the effect on the basic loss per share would be anti-dilutive. At December 31, 2020 and 2019, the Company had 421,457 and 235,407 respectively, in potentially dilutive securities.

Foreign Currency

The functional currency for all foreign subsidiaries of the Company was determined to be the U.S. dollar since its recently acquired foreign subsidiaries are direct and integral components of WWR and are dependent upon the economic environment of WWR's functional currency. Accordingly, the Company has translated its monetary assets and liabilities at the period-end exchange rate and the non-monetary assets and liabilities at historical rates, with income and expenses translated at the average exchange rate for the current period. All translation gains and losses have been included in the current period loss.

Notes Receivable

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets with lives beyond one year are carried at amortized cost using the effective interest method less any provision for impairment. Assets with lives under a year are undiscounted and carried at full cost. 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.

Recently Adopted Accounting Pronouncements

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. The Company adopted this pronouncement effective January 1, 2020. The adoption of ASU 2018-13 has not had a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, "Income Taxes - Simplifying the Accounting for Income Taxes (Topic 740)" which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. ASU 2019-12 will be effective for interim and annual periods beginning after December 15, 2020.

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.

2. LIQUIDITY

The Company last recorded revenues from operations in 2009. Since 2009, the Company has relied on equity financings, debt financings and asset sales to fund its operations. The Company expects to rely on debt and equity financing to fund its operations. The Company will also continue its cost reduction initiatives to identify ways to reduce its cash expenditures.

In 2016, the Company began to expand its business plan into acquisition and development of energy-related materials. Between 2016 and 2020 the Company obtained mineral leases in Nevada and Utah and evaluated a green-fields exploration program for lithium. In 2018, the Company acquired Alabama Graphite Corp. and its Coosa Graphite Project for the purpose of developing the only commercial sized graphite mineral deposit in the contiguous United States and production of advanced graphite products for use in batteries. In the third quarter of 2020, as further discussed below and as further discussed in Note 3, the Company made the strategic decision to focus most of its resources on its graphite business, discontinuing its investment in its lithium mineral properties and selling its uranium business.

As of December 31, 2020, execution of the business plan for development of the Coosa Graphite Project was underway, with the commissioning of pilot programs for processing flake graphite into battery-grade graphite products. The start-up of operations for those pilots commenced in the 4th quarter of 2020 and the Company expects the pilot program phase to last into mid-2021. The Company will use the data generated from the pilot operations to inform the requirements and specifications for building a commercial sized graphite processing facility. Pursuant to the Company's Preliminary Economic Assessment of the Coosa Graphite Project as modified, financing required for the estimated capital expenditures to construct the commercial plant is approximately $120 million. Subject to financing, the Company expects the construction phase for the commercial plant to begin in the second half of 2021 and be completed in 2022. The Company expects to begin generating revenues from sales of advanced graphite products from the Coosa Graphite Project in 2023.

In furtherance of the Company's strategic shift to graphite battery materials, on December 31, 2020 the Company entered into a securities purchase agreement ("Purchase Agreement") to sell its U.S. uranium business, including its U.S. uranium exploration assets in New Mexico and idled production assets in Texas to enCore Energy Corp. ("enCore") (see Note 3). The transaction closed on December 31, 2020. The sale included the elimination of a $9.3 million bonding liability, the elimination of $5.2 million in asset retirement obligations, and the elimination of more than $4.0 million in annual expenditures related to reclamation and compliance costs at the Company's Kingsville, Vasquez, and Rosita sites in South Texas and its New Mexico land holding costs. The Company received approximately US$1.8 million of enCore common stock and retained royalty interests on the New Mexico uranium properties as consideration for the sale. The Company retained its uranium interests in Turkey, which are subject to ongoing international arbitration proceeding. The Company's strategic shift to focus solely on its graphite business also resulted in its decision not to renew its lithium mineral leases in Nevada and Utah when the annual rentals of approximately $0.2 million came due in late August 2020.

At December 31, 2020 the Company's cash balances were $50.3 million. During the month of January 2021, the Company sold 9.3 million shares of common stock for net proceeds of $47.3 million pursuant to its Controlled Equity Offering℠ Sales Agreement with Cantor Fitzgerald & Co. ("Cantor") and 0.9 million shares of common stock for net proceeds of $6.6 million pursuant to the December 2020 PA with Lincoln Park (see Note 15). The funding provided by this financing facility has resulted in a cash balance of approximately $101 million at February 11, 2021. The Company is pursuing project financing to support primary funding of the capital expenditures for construction of the commercial plant set to occur in the second half of 2021.

Management believes the Company's current cash balance is sufficient to fund its planned non-discretionary expenditures through 2022. In addition to pursuing other project financing, the Company is evaluating the continued use of the Cantor and Lincoln Park financing facilities for use in funding any required contributions by the Company to support project financing for construction of the commercial graphite facility. 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. Stock price volatility and uncertain economic conditions caused by the COVID-19 pandemic could significantly impact the Company's ability to raise funds through equity financing. In the event funds are not available for project financing to complete construction of the commercial facility in 2022, the Company will be able to fund its non-discretionary expenditures, however, the Company may be required to change its planned business strategies.

3. ACQUISITIONS AND DISPOSALS

Sale of Uranium Business to enCore Energy

On December 31, 2020, Westwater, its wholly owned subsidiary URI Neutron Holdings II, Inc. ("Neutron Holdings"), and enCore Energy Corp. ("enCore") entered into a securities purchase agreement (the "Purchase Agreement") to sell their subsidiaries engaged in the uranium business in Texas and New Mexico (the "Uranium Subsidiaries") to enCore. The transaction closed December 31, 2020.

At the closing of the transaction, enCore delivered $742,642 in cash and issued $1,795,000 worth of its common shares to Westwater and Westwater and Neutron Holdings transferred all of the equity interests in the Uranium Subsidiaries to enCore along with a copy of a database relating to the Grants Mineral Belt located in New Mexico. In addition, enCore delivered to Westwater a 2% net smelter return royalty ("NSR Royalty") on production from the uranium properties held by Uranco, Inc. in New Mexico, and a 2.5% net profits interest ("NPI") on the profits from operations of Neutron Energy, Inc.'s Juan Tafoya and Cebolleta Projects. Pursuant to the terms of the Purchase Agreement, enCore has also agreed to replace the indemnification obligations of Westwater for certain reclamation surety bonds held in the name of URI, Inc., and Westwater transferred to enCore all rights to $3,796,788 in cash collateral held to secure such indemnity obligations.

Also, at closing, in accordance with the terms of the Side Letter executed by the parties, Westwater delivered $333,120 in cash to enCore, which amount is to be delivered in escrow upon the request of the lender, Celtic Bank, under the loan made to URI, Inc. in May 2020 pursuant to the Small Business Administration ("SBA") Paycheck Protection Program (the "PPP Loan"). The escrowed amount will be released to Westwater upon, and subject to, forgiveness of the PPP Loan under the terms of the CARES Act. In the event that all or a portion of the PPP Loan is ineligible for forgiveness, Celtic Bank will retain the escrowed amount up to the amount of the unforgiven portion of the PPP Loan, plus interest. The PPP Loan forgiveness application was filed on January 25, 2021. Celtic Bank has 60 days from receipt of the PPP loan forgiveness application to issue a decision recommendation to the SBA. The SBA has 90 days from receipt of that application to confirm the forgiveness amount.

The divestiture of the uranium business was accounted for as an asset disposal and the non-cash consideration received from enCore was recorded at fair value. In accordance with the terms of the purchase agreement, non-cash consideration included the receipt of shares of enCore common stock in the amount of $1,795,000. The number of shares issued at closing was 2,571,598. The number of shares was determined by a pricing formula based on the volume weighted average price ("VWAP") of enCore's common shares for the ten trading days ending on and including December 30, 2020. The VWAP formula resulted in a price of $0.698.

For purposes of determining the fair value of the enCore shares, the Company used the closing price for enCore shares on December 31, 2020 which was $0.736, resulting in a value of approximately $1,895,000. The Company then determined that a discount for lack of marketability should be considered because (1) the shares were not be eligible for sale by Westwater until May 1, 2021, and (2) after May 1, 2021, the terms of the purchase agreement require WWR to offer enCore a first right to buy the shares if the amount to be sold in a single transaction is greater than 250,000 shares. Utilizing a precedent comparable transaction and Black-Scholes valuation methodology for fair value evaluation, the Company determined that a discount of 21%, or $375,000, should be applied to the shares. Accordingly, the carrying value of the shares has been adjusted to reflect a fair value of $1,520,000, and the discount was charged to loss on sale of uranium assets on the Consolidated Statement of Operations.

The cash paid to enCore for the PPP Loan escrow is considered contingent consideration for accounting purposes in accordance with ***ASC 810 – Consolidation*** and ***ASC 805 – Business Combinations***. URI, Inc. used 100% of the loan proceeds for eligible payroll and payroll related expenses and provided all supporting documentation required to support the request for forgiveness. Although no assurance can be provided, the Company believes it is "probable" that the loan will be 100% forgiven. Accordingly, the fair value of contingent consideration is deemed to be the carrying value of the $333,120 paid into escrow, and is classified as an account receivable at December 31, 2020.

Finally, due to the high degree of uncertainties surrounding future mine development and uranium prices, as well as limited marketability, the Company determined the fair value of the NSR Royalty and NPI to be nil.

The following fair value amounts have been recorded as purchase consideration:

(thousands of dollars)		
Cash	$	743
Transaction costs		(558)
Contingent consideration for PPP Loan escrow		333
enCore common stock		1,520
Total Consideration Received	$	2,038

The Company recorded the following loss on disposal of uranium properties within its Consolidated Statement of Operations:

(thousands of dollars)		
Total Consideration Received	$	2,038
Carrying value of uranium property, plant and equipment		(6,204)
Restricted Cash		(3,797)
Other assets		(579)
Asset retirement obligation		5,239
Note Payable (PPP loan)		333
Other liabilities		305
Loss on disposal of Uranium Entities	$	(2,665)

The loss was primarily related to resolution of transaction issues and final negotiations in the fourth quarter leading up to the transaction closing on December 31, 2020.

Disposal 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 below, for $2.75 million, including $0.5 million paid at signing. On June 28, 2019, Westwater and URC entered into an Amendment to the Asset Purchase 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

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 3). 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 year ending December 31, 2019.

On March 25, 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.

5. PROPERTY, PLANT AND EQUIPMENT

	Net Book Value of Property, Plant and Equipment at December 31, 2020		
(thousands of dollars)	**Alabama**	**Corporate**	**Total**
Mineral rights and properties	$ 8,972	$ —	$ 8,972
Other property, plant and equipment	—	13	13
Total Property, Plant and Equipment	$ 8,972	$ 13	$ 8,985

	Net Book Value of Property, Plant and Equipment at December 31, 2019				
(thousands of dollars)	**Texas**	**Alabama**	**New Mexico**	**Corporate**	**Total**
Uranium plant	$ 3,112	$ —	$ —	$ —	$ 3,112
Mineral rights and properties	—	8,972	7,806	—	16,778
Other property, plant and equipment	424	—	—	23	447
Total Property, Plant and Equipment	$ 3,536	$ 8,972	$ 7,806	$ 23	$ 20,337
(Less) property, plant and equipment included in assets held for sale	(3,536)		(7,806)		(11,342)
Net Property, Plant and Equipment	$ —	$ 8,972	$ 0	$ 23	$ 8,995

Graphite Properties

(Note: Acreage amounts are unaudited.)

Coosa Project

The Coosa graphite project is situated in east-central Alabama, near the western end of Coosa County. The project is located near the southwestern-most extent of the Alabama graphite belt. The Coosa project is comprised of a lease and option of privately-owned mineral rights from a single land owner covering an overall area of approximately 45,000 acres (approximately 70.31 square miles). The various property parcels that comprise the lease are contiguous with each other, except for a few small and isolated parcels which are situated in the far south part of the project area. The lease has a series of five-year terms (commencing August 1, 2012) that are not to exceed 70 years in total. Under the terms of the lease the Company is required to make annual payments of $10,000 for the original lease and $16,179.10 for the optioned lands (the option has been exercised) in order to maintain the Company's property rights. The Company is obligated to pay the owner of the mineral estate a net smelter returns royalty of 2.00% for any production and sale of graphite, vanadium and other minerals derived from the leased lands. There is a further obligation to pay a 0.50% net smelter return royalty, not to exceed $150,000, and make payments of $100,000 at the time of completion of a "bankable feasibility study" and an additional $150,000 upon completion of "full permitting" of the leased property. These payments are payable to an unaffiliated third-party. The Company does not hold any surface rights in the project area.

Impairment of Property, Plant and Equipment

The Company recorded the following impairment charges for 2020 and 2019 related to its uranium projects and processing facilities:

	For the years ended December 31,	
	2020	2019
	(thousands of dollars)	
Kingsville Dome project	$ 101	$ 143
Rosita project	1,161	—
Cebolleta/Juan Tafoya project	3,938	—
Total Impairment	**$ 5,200**	**$ 143**

Estimates and assumptions used to assess recoverability of the Company's long-lived assets and measure fair value of its mineral properties are subject to risk uncertainty. Changes in these estimates and assumptions could result in the impairment of the Company's long-lived assets. Events that could result in the impairment of the Company's long-lived assets include, but are not limited to, decreases in the future mineral prices, decreases in the estimated recoverable minerals and any event that might otherwise have a material adverse effect on its costs.

Existing proven and probable reserves and value beyond proven and probable reserves, including mineralization that is not part of the measured, indicated or inferred resource base, are included when determining the fair value of uranium properties upon acquisition and, subsequently, in determining whether the assets are impaired. The term "recoverable minerals" refers to the estimated amount of minerals that will be obtained after taking into account losses during processing and treatment. In estimating future cash flows, assets are grouped at the lowest level for which there is identifiable cash flows that are largely independent of future cash flows from other asset groups.

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. On September 1, 2020, the Company signed a binding LOI to sell its U.S. uranium assets to enCore Energy Corp. At September 30, 2020 an interim impairment review was performed in anticipation of the sale of Westwater's uranium business to enCore. As a result, $5.2 million in impairment expense related to the Company's long-lived uranium assets in south Texas and New Mexico was recognized in the third quarter of 2020.

Mineral Property Expenses

During the years ending December 31, 2020 and 2019, the Company's total mineral property expense was $2.6 and $2.7 million, respectively. Included within mineral property costs are standby, land maintenance and holding, exploration and evaluation costs for all properties. The Company spent the following amounts for each of its material properties:

	For the year ended December 31,	
	2020	2019
	(thousands of dollars)	
Kingsville Dome project, Texas	$ 907	$ 716
Rosita project, Texas	464	530
Vasquez project, Texas	600	495
Other projects	20	(4)
Total Texas projects	1,991	1,737
Cebolleta project, New Mexico	390	440
Juan Tafoya project, New Mexico	224	223
West Largo	—	13
Total New Mexico projects	614	676
Columbus Basin project, Nevada	—	126
Total Nevada projects	—	126
Sal Rica project, Utah	1	111
Total Utah projects	1	111
Coosa project, Alabama	34	86
Total Alabama projects	34	86
Total mineral property expenses for the period	**$ 2,640**	**$ 2,736**
(Less) Mineral Property expenses from discontinued operations	(2,606)	(2,416)
Mineral property expenses for continued operations	**$ 34**	**$ 320**

6. ASSET RETIREMENT OBLIGATION

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

(thousands of dollars)	December 31, 2020	December 31, 2019
Balance, beginning of period	$ 6,300	$ 6,203
Liabilities settled	(1,262)	(293)
Accretion expense	201	390
Balance, end of period	5,239	6,300
Less: Obligation transferred to enCore	(5,239)	
Less: ARO included in current liabilities held for sale	—	(894)
ARO included in liabilities held for sale, non-current	$ —	$ 5,406

ARO is primarily comprised of estimated reclamation costs related to ISR projects in South Texas. On December 31, 2020, the Company closed the sale of its US uranium assets to enCore Energy. With the sale, enCore assumed all liabilities for the purchased subsidiaries, including the $6 million in asset retirement obligations for the south Texas uranium projects. At December 31, 2020, there is no ARO recorded for the Coosa Graphite Deposit as there has been only minimal environmental disturbance due to exploration which has since been reclaimed.

7. ACCRUED LIABILITIES

Accrued liabilities on the balance sheet consisted of:

	December 31,	
	2020	2019
	(thousands of dollars)	
Royalties payable (1)	1,151	1,166
Other Accrued Liabilities	1,218	1,104
Accrued Liabilities	$ 2,369	$ 2,270

(1) Royalties payable were derived during prior years of production. Liabilities do not accrue interest or have a stated maturity date.

8. STOCKHOLDER'S EQUITY

Common Stock Issued, Net of Issuance Costs

December 2020 Purchase Agreement with Lincoln Park Capital, LLC ("Lincoln Park")

On December 4, 2020, the Company entered into a Purchase Agreement with Lincoln Park ("the "December 2020 PA") to place up to $100.0 million in the aggregate of the Company's common stock on an ongoing basis when required by the Company over a term of 36 months. The Company controls the timing and amount of any sales to Lincoln Park, and Lincoln Park is obligated to make purchases in accordance with the December 2020 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 the Company at any time, in its sole discretion, without any additional cost or penalty.

The December 2020 PA specifically provides that the Company may not issue or sell any shares of its common stock under the agreement 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 December 2020 PA without shareholder approval.

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 December 2020 PA if it would result in Lincoln Park beneficially owning more than 9.99% of its common stock.

The Company did not sell any of its common stock to Lincoln Park under the December 2020 PA during 2020. From January 1, 2021 to February 11, 2021, the Company sold 0.9 million shares of common stock for gross proceeds of $6.6 million.

May 2020 Purchase Agreement with Lincoln Park

On May 21, 2020, the Company entered into a Purchase Agreement with Lincoln Park, as amended on May 29, 2020 (the "May 2020 PA"), to place up to $12.0 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, which agreement was authorized by the Company's shareholders at its 2020 annual meeting. As an initial purchase on May 21, 2020, Lincoln Park bought $250,000 worth of the Company's common stock at a price of $1.2989 per share. The Company issued 156,250 shares of common stock to Lincoln Park as consideration for its commitment to purchase shares of common stock under the May 2020 PA.

On May 21, 2020, the Company entered into a registration rights agreement with Lincoln Park pursuant to which the Company filed a registration statement on Form S-1 with the Securities and Exchange Commission, which was declared effective on June 26, 2020 relating to the resale of an initial tranche of 1.97 million shares subject to the May 2020 PA. As of September 30, 2020, the Company had sold 1.8 shares of common stock for gross proceeds of $3.8 million, of which 1.6 million shares of common stock and gross proceeds of $3.5 million was sold in the three months ended September 30, 2020. The Company filed a second registration statement on Form S-1 relating to the resale of 3.2 million shares which was declared effective on October 2, 2020, and sold 1.1 million shares for gross proceeds of $8.2 million in October 2020. With the October 2020 sales, the $12.0 million sales capacity of the 2020 Purchase Agreement was reached and the agreement terminated.

2019 Purchase Agreement ("2019 Purchase Agreement") with Lincoln Park

On June 6, 2019, the Company entered into the 2019 Purchase Agreement 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. On August 6, 2019 the Company's shareholders approved the sale of up to 3.2 million shares of common stock under the 2019 Purchase Agreement. Following effectiveness of a registration statement on Form S-1 relating to the resale of the shares subject to the 2019 Purchase Agreement on June 18, 2019, the Company began selling shares of its common stock to Lincoln Park under the terms of the 2019 Purchase Agreement. On September 11, 2019, October 28, 2019 and February 28, 2020 the Company filed subsequent registration statements on Form S-1, which were declared effective on September 20, 2019, November 7, 2019 and March 6, 2020, respectively, registering for resale additional shares under the 2019 Purchase Agreement. During 2019, the Company sold 1.7 million shares of common stock for gross proceeds of $5.8 million. During 2020, the Company sold 1.5 million shares for gross proceeds of $1.9 million. The 2019 Purchase Agreement was terminated in May 2020 with historical sales of 3.2 million shares of common stock for gross proceeds of $7.7 million.

Securities Purchase Agreement with 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, 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. 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 became exercisable on November 30, 2019 and were exercised on October 6, 2020.

Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co. ("Cantor")

On April 14, 2017, the Company entered into a Controlled Equity Offering Sales Agreement (the "ATM Offering Agreement") with Cantor acting as sales agent. Under the ATM Offering Agreement, the Company may from time to time sell shares of its common stock in "at-the-market" offerings. 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 Agreement.

During 2019, the Company sold 0.1 million shares of common stock for net proceeds of $0.4 million under the ATM Offering Agreement. During 2020, the Company sold 11.0 million shares of common stock for net proceeds of $49.9 million and from January 1, 2021 to February 5, 2021, the Company sold 9.3 million shares of common stock for net proceeds of $47.3 million under the ATM Offering Agreement. As of February 5, 2021, the Company has no shares of common stock registered for sale under the ATM Offering Agreement.

Warrants

The following table summarizes warrants outstanding and changes during the years ended December 31, 2020 and 2019:

	December 31, 2020	December 31, 2019
	Number of Warrants	Number of Warrants
Warrants outstanding at beginning of period	197,622	15,107
Issued	—	182,515
Expired	(15,107)	—
Exercised	(182,515)	—
Warrants outstanding at end of period	—	197,622

On October 6, 2020, a warrant holder of 182,515 warrants provided notice of exercise. The warrant holder elected the cashless exercise method to convert the warrants to shares of common stock. Based on the cashless exercise formula, the Company issued the warrant holder 118,799 shares of common stock.

9. 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, April 18, 2019 and April 28, 2020, 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, 66,000 shares and 350,000 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 416,278 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 December 31, 2020, 58,585 shares were available for future issuances under the 2013 Plan. For the years ending December 31, 2020 and 2019, the Company recorded stock-based compensation expense of $0.4 million and $0.1 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 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 December 31, 2020, there were 2,000 replacement options and no replacement warrants outstanding.

Stock Options

Stock options are valued using the Black-Scholes option pricing model on the date of grant. The Company estimates forfeitures based on historical trends.

The following table summarizes stock options outstanding and changes during the years ended December 31, 2020 and 2019:

	December 31, 2020		December 31, 2019	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Stock options outstanding at beginning of period	37,786	$ 37.42	19,170	$ 80.00
Granted	149,801	1.67	20,942	19.25
Expired	(2,533)	93.80	(1,777)	78.00
Canceled or forfeited	—	—	(549)	19.25
Stock options outstanding at end of period	185,054	$ 7.70	37,786	$ 37.42
Stock options exercisable at end of period	35,253	$ 33.37	37,786	$ 37.42

The following table summarizes stock options outstanding and exercisable by stock option plan at December 31, 2020:

	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	92	$ 1,638.00	92	$ 1,638.00
2004 Directors' Plan	3	10,380.00	3	10,380.00
2013 Plan	158,962	6.57	33,158	25.47
2020 Inducement Grant	23,997	2.08	—	—
Replacement Options-Alabama Graphite	2,000	75.08	2,000	—
	185,054	$ 7.70	35,253	$ 33.37

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 Committee 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 years ending December 31, 2020 and 2019:

	December 31, 2020		December 31, 2019	
	Number of RSUs	Weighted-Average Grant Date Fair Value	Number of RSUs	Weighted-Average Grant Date Fair Value
Unvested RSUs at beginning of period	511	$ 70.00	2,260	$ 70.00
Granted	236,403	2.10	—	—
Forfeited	—	—	(1,749)	70.00
Vested	(511)	70.00	—	—
Unvested RSUs at end of period	236,403	$ 2.10	511	$ 70.00

10. FEDERAL INCOME TAXES

'The Company recognizes future tax assets and liabilities for each tax jurisdiction based on the difference between the financial reporting and tax bases of assets and liabilities using the enacted tax rates expected to be in effect when the taxes are paid or recovered. A valuation allowance is provided against net future tax assets for which the Company does not consider the realization of such assets to meet the required "more likely than not" standard.

The Company's future tax assets and liabilities at December 31, 2020 and 2019 include the following components:

	December 31,	
	2020	2019
	(thousands of dollars)	
Deferred tax assets:		
Non-Current:		
Net operating loss carryforwards	$ 16,009	$ 13,795
Mineral properties	3,177	11,682
Accrued vacation	18	22
Capital loss carryforwards	22,176	393
Restoration reserves	—	1,565
Capitalized transaction costs	1,138	1,162
Other	3,686	4,243
Deferred tax assets	46,204	32,862
Valuation allowance	(46,204)	(32,862)
Net deferred tax assets	—	—
Deferred tax liabilities	—	—
Net deferred tax asset (liability)	$ —	$ —

The composition of the valuation allowance by tax jurisdiction is summarized as follows:

	December 31,	
	2020	2019
	(thousands of dollars)	
United States	$ 34,190	$ 20,783
Australia	5,380	5,203
Turkey	6,634	6,876
Total valuation allowance	$ 46,204	$ 32,862

The valuation allowance increased $13.3 million from the year ended December 31, 2019 to the year ended December 31, 2020. There was an increase in the net deferred tax assets, net operating loss carryforwards ("NOLs"), equity-based compensation and exploration spending on mineral properties. Additionally, the merger with Alabama Graphite Corporation increased the net deferred tax assets. The decrease in net deferred tax assets resulted primarily from expiring US net operating loss carryforwards and US section 382 limitations.

In December 2017, the United States enacted comprehensive tax reform legislation known as the "Tax Cuts and Jobs Act' that, among other things, reduces the U.S. Federal corporate income tax rate from 35% to 21% and implements a territorial tax system, but imposes an alternative 'base erosion and anti-abuse tax' ('BEAT'), and incremental tax on global intangible low tax foreign income ('GILTI') effective January 1, 2018. The Company has selected an accounting policy with respect to both the new BEAT and GILTI rules to compute the related taxes in the period the Company become subject to these rules. There were no inclusions of either taxes during the year ended December 31, 2020.

Because the Company does not believe it is more likely than not that the net deferred tax assets will be realized, the Company continues to record a 100% valuation against the net deferred tax assets.

At December 31, 2020, the Company had U.S. net operating loss carryforwards of approximately $119 million which expire from 2021 to indefinite availability. As a result of the Tax Cuts and Jobs Act of 2017, U.S. net operating losses generated in years ending after 2017 have an indefinite carryforward rather than the previous 20-year carryforward. This does not impact losses incurred in years ended in 2017 or earlier. The U.S. net operating loss carryforward included approximately $1.6 million associated with the Alabama Graphite merger. At December 31, 2020, the Company had U.S.

capital loss carryforwards of approximately $104.4 million, which expire from 2022 to 2025. In addition, at December 31, 2019, the Company had Australian net operating loss carryforwards of $17.1 million, including approximately $13.3 million associated with the Anatolia Transaction which are available indefinitely, subject to continuing to meet relevant statutory tests. In Turkey, the Company had net operating loss carryforwards of approximately $3.8 million, which expire from 2021 to 2024.

Section 382 of the Internal Revenue Code could apply and limit the Company's ability to utilize a portion of the U.S. net operating loss carryforwards. Following the issuance of the Company's Common Stock in 2001, the Neutron merger in 2012, the Anatolia Transaction in 2015 and the Alabama Graphite acquisition in 2018, the ability to utilize the net operating loss carryforwards will be severely limited on an annual and aggregate basis. A formal Section 382 study would be required to determine the actual allowable usage of US net operating loss carryforwards. However, based on information currently available, the Company currently estimates that $80 million of the US net operating losses will not be able to be utilized and have reduced the Company's deferred tax asset accordingly. This resulted in a decrease in the valuation allowance.

For financial reporting purposes, loss from operations before income taxes consists of the following components:

	For the calendar year ended December 31, 2020	2019
	(thousands of dollars)	
United States	$ (13,882)	$ (5,869)
Australia	8	(6)
Turkey	(39)	(129)
	$ (13,913)	$ (6,004)

A reconciliation of expected income tax on net income at statutory rates is as follows:

	Year ended December 31, 2020	2019
	(thousands of dollars)	
Net loss	$ (13,913)	$ (6,004)
Statutory tax rate	21 %	21 %
Tax recovery at statutory rate	(2,922)	(1,261)
State tax rate	938	(238)
Foreign tax rate	1	(5)
Change in US tax rates	309	(1,855)
Other adjustments	(9)	(101)
Capital loss carryforward adjustment	(21)	388
Operating loss carryforward adjustment	(218)	(964)
Operating loss Section 382 adjustment	978	—
Anatolia Energy Ltd Share issue Cost adjustment	270	—
Alabama Graphite Corporation conversion to US entity	—	1,999
Derivative tax adjustment	—	(590)
Nondeductible write-offs	7	(55)
Sale of Uranium Entities	(10,553)	
Change in valuation allowance	11,220	2,682
Income tax expense (recovery)	$ —	$ —

The Company does not have any uncertain tax positions. Should the Company incur interest and penalties relating to tax uncertainties, such amounts would be classified as a component of the interest expense and operating expense, respectively.

Westwater Resources, Inc., and its wholly owned subsidiaries, files in the U.S. federal jurisdiction and various state jurisdictions. Anatolia Energy Limited and Anatolia Uranium Pty Ltd file in the Australian jurisdiction and Adur Madencilik files in the Turkish jurisdiction. Alabama Graphite Corporation files in U.S. federal and state jurisdictions.

11. COMMITMENTS AND CONTINGENCIES

Legal Settlements

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. The Company does not expect that such settlements will, individually or in the aggregate, have a material effect on its financial position, results of operations or cash flows.

12. 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 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)	**Year ended December 31, 2020**
Operating Lease Cost	
Continuing Operations	$ 155
Discontinued Operations	6
	$ 161

Supplemental cash flow information related to leases was as follows:

(thousands of dollars)		Year ended December 31, 2020
Cash flows from operating leases	$	153
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$	353

Supplemental balance sheet information related to leases was as follows:

(thousands of dollars, except lease term and discount rate)		December 31, 2020
Operating Leases		
Operating lease right-of-use assets	$	353
Current portion of lease liabilities	$	149
Operating lease liabilities – long term portion		214
Total operating lease liabilities	$	363

	December 31, 2020
Weighted Average Remaining Lease Term (in years)	3.0
Discount Rate	9.5 %

Maturities of lease liabilities are as follows:

Lease payments by year (in thousands)		December 31, 2020
2021	$	156
2022		158
2023		92
Total lease payments		406
(Less) imputed interest		(43)
Total	$	363

As of December 31, 2020, the company has $0.4 million in right-of-use assets and $0.4 million in related lease liabilities ($0.1 million of which is current). The most significant operating lease is for its corporate office in Centennial, Colorado, with $0.4 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 $0.4 million.

13. GEOGRAPHIC AND SEGMENT INFORMATION

In addition to its corporate operations, the Company currently operates a graphite battery-materials reportable segment. During 2020, the Company made the strategic decision to sell its uranium business and discontinue its lithium business, both of which conducted exploration, standby operations and restoration and reclamation activities. As a result, the Company re-classed all uranium and lithium business activities as discontinued operations.

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 tables below provide a breakdown of the long-term assets by reportable segments as of December 31, 2020 and 2019:

	December 31, 2020		
(thousands of dollars)	Corporate	Graphite	Total
Net property, plant and equipment	$ 13	$ 8,972	$ 8,985
Restricted cash	—	10	10
Operating Lease Right of Use Assets	353	—	353
Total long-term assets	$ 366	$ 8,982	$ 9,348

	December 31, 2019		
(thousands of dollars)	Corporate	Graphite	Total
Net property, plant and equipment	$ 23	$ 8,972	$ 8,995
Restricted cash	—	10	10
Operating Lease Right of Use Assets	470	—	470
Total long-term assets	$ 493	$ 8,982	$ 9,475

The tables below provide a breakdown of the reportable segments for the years ended December 31, 2020 and 2019. Non-mining activities and other administrative operations are reported in the Corporate column.

	Year Ended December 31, 2020		
(thousands of dollars)	Corporate	Graphite	Total
Statement of Operations			
Mineral property expenses	$ —	$ 34	$ 34
Product development expenses	—	4,049	4,049
General and administrative	5,204	474	5,678
Arbitration expenses	1,458	—	1,458
Depreciation and amortization	17	—	17
Total	6,679	4,557	11,236
Loss from continuing operations	(6,679)	(4,557)	(11,236)
Other expense	(2,676)	—	(2,676)
Loss before taxes	$ (9,355)	$ (4,557)	$ (13,912)

	Year Ended December 31, 2019		
(thousands of dollars)	Corporate	Graphite	Total
Statement of Operations			
Mineral property expenses	$ —	$ 320	$ 320
Product development expenses	—	116	116
General and administrative	4,131	343	4,474
Arbitration expenses	1,378	—	1,378
Depreciation and amortization	6	—	6
Total	5,515	779	6,294
Loss from continuing operations	(5,515)	(779)	(6,294)
Other (expense)	290	—	290
Loss before taxes	$ (5,225)	$ (779)	$ (6,004)

14. DISCONTINUED OPERATIONS

In the third quarter of 2020, the Company made the strategic decision to focus its resources on its graphite business, as further discussed below, and discontinue its investment in its lithium business. On December 31, 2020 the Company entered into a securities purchase agreement pursuant to which it agreed to sell its subsidiaries engaged in the uranium business in Texas and New Mexico to enCore Energy. The transaction closed on December 31, 2020. The Company's lithium business included mineral leases and water rights in Nevada and Utah. The Company elected not to renew the annual lease rentals on the mineral properties, which also voids the water rights.

In accordance with ***ASC 205-20 – "Discontinued Operations,"*** the enCore transaction represents a major strategic shift for Westwater and indicates the need to re-classify the Company's uranium activities as discontinued operations and disclose the associated profit/loss of the Company's uranium business as a separate line-item on the Company's statement of operations for all periods presented. Accordingly, the Company's uranium segment has been classified as a discontinued operation and is reported separate from continuing operations on the Consolidated Statement of Operations for all periods presented.

The Company considers assets to be held for sale when management approves and commits to a formal plan to actively market the assets for sale at a price reasonable in relation to fair value, the asset is available for immediate sale in its present condition, an active program to locate a buyer and other actions required to complete the sale have been initiated, the sale of the asset is expected to be completed within one year and it is unlikely that significant changes will be made to the plan. As a result, the assets and liabilities in the disposal group are classified as held for sale for all periods presented on the Condensed Consolidated Balance Sheet.

The carrying amounts of the major classes of assets and liabilities related to the Company's discontinued uranium and lithium operations and classified as held for sale as of December 31, 2020 and 2019 were as follows:

(thousands of dollars)	**December 31, 2020**	**December 31, 2019**
Net property, plant and equipment	$ —	$ 11,342
Operating lease right-of-use assets	—	14
Restricted cash	—	3,787
Assets Held for Sale, non-current	—	15,143
Total Assets Held for Sale	$ —	$ 15,143
Asset retirement obligations - current	$ —	$ 894
Operating lease liability - current	—	6
Current Liabilities Held for Sale	—	900
Asset retirement obligations, net of current	—	5,406
Operating lease liability, net of current	—	8
Liabilities Held for Sale, non-current	—	5,414
Total Liabilities Held for Sale	$ —	$ 6,314

The results of the Company's uranium and lithium business segments included in discontinued operations for the years ended December 31, 2020 and 2019 were as follows:

	For the Year Ended December 31,			
(thousands of dollars)		**2020**		**2019**
Mineral property expenses	$	(2,606)	$	(2,416)
Product development expenses		—		—
General and administrative expenses		(1,665)		(1,612)
Arbitration costs		—		—
Accretion of asset retirement obligations		(201)		(390)
Depreciation and amortization		(38)		(67)
Impairment of uranium properties		(5,200)		(143)
Loss on sale of marketable securities				
Interest income		10		65
Gain on sale of fixed assets		21		2
Other income (expense)		17		—
Net Loss from Discontinued Operations	$	(9,662)	$	(4,561)
LOSS PER SHARE FROM DISCONTINUED OPERATIONS	$	(1.10)	$	(2.33)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		8,799,190		1,961,086

Our cash flow information for 2020 and 2019 included the following activities related to discontinued operations:

	For the Year Ended December 31,			
(thousands of dollars)		**2020**		**2019**
Depreciation and amortization	$	38	$	67
Capital Expenditures		81		-
Accretion of asset retirement obligations		201		390
Impairment of uranium properties		5,200		143

15. SUBSEQUENT EVENT

During the month of January 2021, the Company sold 9.3 million shares of common stock for net proceeds of $47.3 million pursuant to the ATM Offering Agreement with Cantor Fitzgerald & Co. These shares were sold pursuant to a prospectus supplement filed on December 4, 2020 pursuant to Rule 424(b)(5) as a takedown off the Company's shelf registration statement which had been declared effective by the Securities and Exchange Commission on December 1, 2020.

Also, during the month of February 2021, the Company sold 0.9 million shares of common stock for net proceeds of $6.6 million pursuant to the December 2020 PA with Lincoln Park. These shares were sold pursuant to a Form S-3 registration statement filed pursuant to Rule 424(b)(3) and declared effective by the Securities and Exchange Commission on December 4, 2020.

The receipt of combined net proceeds in the amount of $53.9 million from these financing facilities has resulted in a cash balance of approximately $101 million at February 11, 2020.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. 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 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 its 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 its 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 (the "Exchange Act")). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2020.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed, under the supervision of the Company's Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2020. This evaluation was based on the framework in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO in 1992. The Company is in the process of adopting the COSO 2013 framework, and management expects to complete the transition from the COSO 1992 framework to the 2013 framework in 2021. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

Based on management's evaluation under the framework in Internal Control—Integrated Framework (1992), management concluded that internal control over financial reporting was effective as of December 31, 2020.

This annual report does not include an attestation report of the Company's independent public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent public accounting firm pursuant to rules of the SEC that permit the Company to provide only management's report in this annual report.

Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit Number	Description
1.1	Controlled Equity Offering^{SM} Sales Agreement, dated April 14, 2017, between the Company and Cantor Fitzgerald & Co. (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed on April 17, 2017).
2.1	Securities Purchase Agreement, dated December 31, 2020, by and among enCore Energy Corp., the Company and URI Neutron Holdings II, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on December 31,2020).
3.1	Restated Certificate of Incorporation of the Company, as amended through April 22, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019).
3.2	Amended and Restated Bylaws of the Company, as amended August 21, 2017 (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017).
4.1	Description of Securities
10.1*	Westwater Resources, Inc. 2004 Stock Incentive Plan (incorporated by reference to Exhibit 10.35 to the Company's Quarterly Report on Form 10-QSB/A for the quarterly period ended September 30, 2005).[4]
10.2*	Amended and Restated 2004 Directors' Stock Option Plan dated April 10, 2007 (incorporated by reference to Exhibit 10.43 to the Company's Post- Effective Amendment No. 1 to Registration Statement on Form S-3 filed April 11, 2007, SEC File No. 333-133960)
10.3*	Amended and Restated 2004 Directors' Stock Option and Restricted Stock Plan dated April 1, 2010 (incorporated by reference to Exhibit 10.43.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010).
10.4*	Westwater Resources, Inc. 2013 Omnibus Incentive Plan, as amended (incorporated by reference to Appendix C to the Company's Definitive Proxy Statement on Schedule 14A filed on February 25, 2019).
10.5*	Form of Restricted Stock Agreement under the Company's 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 7, 2013).
10.6*	Form of Non-Qualified Stock Option Agreement under the Company's 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on June 7, 2013).
10.7*	Form of Restricted Stock Unit Agreement under the Company's 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on June 7, 2013).
10.8*	Form of Deferred Stock Unit Agreement For Non-Employee Directors under the Company's 2013 Omnibus0 Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017).

10.9*	Form of Inducement Grant Restricted Stock Unit Agreement under the Company's 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 filed on November 23, 2020, SEC File No. 333-250866).
10.10*	Form of Inducement Grant Stock Option Agreement under the Company's 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.2 to the Company's Registration Statement on Form S-8 filed on November 23, 2020, SEC File No. 333-250866).
10.11*	Employment Agreement, dated March 12, 2013, between the Company and Christopher M. Jones (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013).
10.12*	Employment Agreement, effective June 14, 2013, between the Company and Jeffrey L. Vigil (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013).
10.13*	First Amendment to Employment Agreement, effective May 22, 2017, between the Company and Jeffrey L. Vigil (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017).
10.14	Purchase Agreement, dated December 4, 2020, between the Company and Lincoln Park Capital Fund, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 4, 2020).
10.15	Registration Rights Agreement, dated December 4, 2020, between the Company and Lincoln Park Capital Fund, LLC (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 4, 2020).
10.16	Master Service Agreement, dated February 4, 2021, between the Company and Samuel Engineering, Inc.
21.1	Subsidiaries of Registrant.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certifications of Chief Executive Officer Pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended
31.2	Certifications of Chief Financial Officer Pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended
32.1	Certifications of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350
32.2	Certifications of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document

101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Indicates management contract or compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: February 12, 2021

WESTWATER RESOURCES, INC.

By: /s/ Christopher M. Jones
Christopher M. Jones,
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Date
/s/ Christopher M. Jones Christopher M. Jones, *President, Chief Executive Officer*	February 12, 2021
/s/ Jeffrey L. Vigil Jeffrey L. Vigil, *Vice President—Finance and Chief Financial Officer* *(Principal Financial and Accounting Officer)*	February 12, 2021
/s/ Terence J. Cryan Terence J. Cryan, *Chairman*	February 12, 2021
/s/ Tracy D. Pagliara Tracy D. Pagliara, *Director*	February 12, 2021
/s/ Karli S. Anderson Karli S. Anderson, *Director*	February 12, 2021
/s/ Deborah A. Peacock Deborah A. Peacock, *Director*	February 12, 2021