

Westwater Resources Reports First Quarter 2020 Results & Energy Materials Business Update

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Conference Call Today at 11am ET

[Westwater Resources Inc.](#) (Nasdaq: WWR), an energy materials development company, announced its results for the first quarter of 2020, and provided an update on its battery graphite business development.

Christopher M. Jones, President and Chief Executive Officer, said, "Our top priority remains our employees and we are pleased to report they are safe. In early May, our employees returned to field work in Texas, and protocols are in place in all of our workplaces to ensure we can continue to work safely going forward. Even with stay at home and safer at home orders in place here in the United States and Europe, during the quarter we continued to make significant progress in our battery graphite business. We remain on schedule to manufacture battery graphite in bulk quantities in the fourth quarter of 2020. After visiting with our German engineering partner Dorfner Anzaplan, as well as equipment manufacturers in January 2020, we began to test advanced graphite products and design our plan to operate a pilot plant later this year without interruption. We expect to announce our graphite test results in the coming weeks.

With much of the global supply chain in flux in the wake of COVID-19, the United States is taking important steps to mitigate future risks to certain critical minerals. The report from the Nuclear Fuel Working Group presents a comprehensive policy shift that aims to support American uranium producers and the nuclear industry, including a budget proposal by the Federal Government to provide funding for a competitive procurement of U.S. uranium production over a 10-year timeline. Westwater owns two licensed uranium processing facilities in Texas, along with 199,700 acres of uranium mineral rights in New Mexico and Texas. The Federal Government's support for domestic uranium production would enable Westwater to better compete in these markets. Westwater's diverse assets include graphite, lithium, uranium and vanadium mineral properties located throughout the U.S., and each is included in the Federal Government's Critical Minerals List.

Our top priority will continue to be protecting the health and safety of our employees, their families and the communities in which we operate. While no company is immune to issues in today's market environment, Westwater is relatively well positioned to take advantage of the low carbon future, both in power generation and energy storage. I wish to thank our shareholders for their continued support," concluded Mr. Jones.

BATTERY GRAPHITE BUSINESS UPDATE:

- Our battery graphite business continues on track toward operation of a pilot plant, which we anticipate will make battery graphite in bulk quantities in the fourth quarter of 2020.
- On November 21, 2019, Westwater announced it had engaged Dorfner Anzaplan, an internationally recognized and highly regarded specialist in high-purity industrial and strategic metals businesses to accelerate graphite product development and design for the Coosa Graphite Project. During the first quarter of 2020, Westwater and Dorfner worked together:
 - Defining the method, equipment and operating parameters and requirements for graphite purification;
 - Defining operating parameters and equipment for downstream processes required to manufacture Westwater's battery graphite products; and
 - Designing Westwater's pilot program.

ARBITRATION CASE DEVELOPMENTS & TURKEY'S REQUEST DENIED

- Westwater's Memorial filed on January 27, 2020 established reparations of \$36.5 million plus fees.
- 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.
- As a result of this decision, Turkey must file a Counter-Memorial on or before July 20, 2020, and a hearing on the substantive issues and damages is now scheduled for September 2021.

URANIUM BUSINESS DEVELOPMENTS:

- Uranium prices have risen from a low of \$24 per pound to \$33.40 per pound as of May 11, 2020, the highest it's been since February 2016. Demand for nuclear fuel is expected to continue driving the price higher in the near term.
- The President's Nuclear Fuel Working Group report seeks to mitigate the near-term risks of losing American uranium production capacity due to market factors, while considering actions that would support the entire front-end of the nuclear fuel cycle. The report includes a 10-year proposal by the Federal Government to provide funding beginning FY2021 for a competitive procurement of U.S. uranium production. This would provide assurance of availability of uranium in the event of a market disruption and support strategic U.S. fuel cycle capabilities.

Key Financial Highlights

Table 1: Financial Summary

(\$ in 000's, Except Per Share)

	Q1 2020	Q1 2019	Variance
Net Cash Used in Operations	\$(3,455)	\$(2,740)	26.1%
Mineral Property Expenses	\$(728)	\$(634)	14.8%
General and Administrative, including Non-cash Stock Comp	\$(1,779)	\$(1,705)	4.3%
Net Loss	\$(3,287)	\$(3,174)	3.6%
Net Loss Per Share	\$(0.82)	\$(2.15)	-61.9%
Avg. Weighted Shares Outstanding	4,004,948	1,478,233	170.9%

- Net cash used in operations. Net cash used in operating activities was \$3.5 million for the three months ended March 31, 2020, as compared with \$2.7 million for the same period in 2019. The \$0.8 million increase in cash used was primarily due to an increase in arbitration costs as well as land maintenance and holding costs for our Vasquez project in South Texas.
- Operating expenses. Mineral property expenses for the first quarter of 2020 increased by \$0.1 million from the corresponding period during 2019. The increase was primarily due to an increase in work related to the Coosa project as well as an increase in land maintenance and holding costs for our Vasquez project in South Texas as a result of a lease renewal that required a lease bonus payment. General and administrative charges were approximately \$0.1 million higher than the corresponding period in 2019. The increase was primarily due to executive search consulting cost for a sales and marketing executive for Westwater.
- Net loss. Our consolidated net loss for the three months ended March 31, 2020 was \$3.3 million, or \$0.82 per share, as compared with a consolidated net loss of \$3.1 million, or \$2.15 per share for the same period in 2019. The \$0.2 million increase in our consolidated net loss from the respective prior period was largely the result of an increase in legal expenses related to the arbitration against the Republic of Turkey as well as legal and other administrative costs associated with securing equity financing to fund operations.

- Cash and working capital. On March 31, 2020 the Company's cash balance was \$0.9 million and the Company had a working capital deficit balance of \$2.2 million. The Company intends to pursue project financing to support execution of the graphite business plan, including discretionary capital expenditures associated with graphite battery-material product development, construction of pilot plant facilities and construction of commercial production facilities. The Company's current lithium business plan will be funded by working capital; however, the Company is pursuing project financing including possible joint venture partners to fund discretionary greenfield exploration activities.
- Shares outstanding. Total shares outstanding are 5,568,094 as of May 13, 2020.

Conference Call & Webcast

The Company will hold a conference call to discuss its first quarter 2020 results on Thursday, May 14, 2020 at 11:00 a.m. Eastern Time (9:00 a.m. Mountain Time).

Dial-in Numbers: +1 (800) 319-4610 (U.S. and Canada)

+1 (604) 638-5340 (International)

Conference ID: Westwater Resources Conference Call

Hosting the call will be Christopher M. Jones, President and Chief Executive Officer of Westwater Resources, who will be joined by Jeffrey L. Vigil, Vice President-Finance and Chief Financial Officer and Dain A. McCoig, Vice President of Operations. Mr. Jones will present an overview of the Company's business position and provide updates on its graphite, lithium and uranium businesses. Mr. Vigil will review the financial results. Mr. McCoig will be available for questions as part of the call.

The conference call and presentation will also be available via a live webcast through the Company's website, www.WestwaterResources.net. A replay of the call will be available on the Company's website for a limited time and by phone using the details below.

Replay Numbers: +1 (855) 669-9658 (U.S. and Canada)

+1 (412) 317-0088 (International)

Replay Access Code: 4547

About Westwater Resources

Westwater Resources (NASDAQ: WWR) is focused on developing energy-related materials. The Company's battery-materials projects include the Coosa Graphite Project, the most advanced natural flake graphite project in the contiguous United States; and the associated Coosa Graphite Mine located across 41,900 acres (~17,000 hectares) in east-central Alabama. In addition, the Company maintains lithium mineral properties in prospective lithium brine basins in Nevada and Utah. Westwater's uranium projects are located in Texas and New Mexico. In Texas, the Company has two licensed and currently idled uranium processing facilities and approximately 11,000 acres (~4,400 hectares) of prospective in-situ recovery uranium projects. In New Mexico, the Company controls mineral rights encompassing approximately 188,700 acres (~76,000 hectares) in the prolific Grants Mineral Belt, which is one of the largest concentrations of sandstone-hosted uranium deposits in the world. Incorporated in 1977 as Uranium Resources, Inc., Westwater also owns an extensive uranium information database of historic drill hole logs, assay certificates, maps, and technical reports for the western United States. For more information, visit www.westwaterresources.net.

Cautionary Statement

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to risks, uncertainties and assumptions and are identified by words such as "expects," "estimates," "projects," "anticipates," "believes," "could," and other similar words. All statements addressing events or developments that WWR expects or anticipates will occur in the future,

including but not limited to statements relating to developments and future production from the Coosa Project, the performance of and market for the Company's graphite products, potential funding for a uranium reserve in the United States, and the potential for partnering opportunities or project finance for the Company's projects, are forward-looking statements. Because they are forward-looking, they should be evaluated in light of important risk factors and uncertainties. These risk factors and uncertainties include, but are not limited to, (a) the Company's ability to successfully integrate [Alabama Graphite Corp.](#)'s business into its own, and the risk that additional analysis of the Coosa Graphite Project may result in revisions to the findings of WWR's initial optimization study; (b) the Company's ability to raise additional capital in the future; (c) spot price and long-term contract price of graphite, lithium, vanadium and uranium; (d) risks associated with our operations and the operations of our partners such as Dorfner Anzaplan, including the impact of COVID-19; (e) operating conditions at the Company's projects; (f) government and tribal regulation of the graphite industry, the lithium industry, the vanadium industry, the uranium industry, and the power industry, and government support for domestic uranium production and nuclear power; (g) world-wide graphite, lithium, vanadium and uranium supply and demand, including the supply and demand for lithium-based batteries; (h) maintaining sufficient financial assurance in the form of sufficiently collateralized surety instruments; (i) unanticipated geological, processing, regulatory and legal or other problems the Company may encounter in the jurisdictions where the Company operates or intends to operate, including in Alabama, Texas, New Mexico, Utah, and Nevada; (j) the ability of the Company to enter into and successfully close acquisitions or other material transactions; (k) the results of the Company's lithium brine exploration activities at the Columbus Basin and Sal Rica projects, and the possibility that future exploration results may be materially less promising than initial exploration result; (l) any graphite, lithium, vanadium or uranium discoveries not being in high-enough concentration to make it economic to extract the metals; (m) currently pending or new litigation or arbitration; and (n) other factors which are more fully described in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other filings with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize or should any of the Company's underlying assumptions prove incorrect, actual results may vary materially from those currently anticipated. In addition, undue reliance should not be placed on the Company's forward-looking statements. Except as required by law, the Company disclaims any obligation to update or publicly announce any revisions to any of the forward-looking statements contained in this news release.

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