

Idaho Strategic Resources' CEO Provides Business Combination Proposal to Westwater Resources' Stakeholders

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COEUR D'ALENE, December 22, 2022 - Idaho Strategic Resources (NYSE American:IDR) ("IDR" or the "Company") is announcing that on 12/15/22 it submitted a non-binding proposal to WWR management to acquire all of the outstanding shares of common stock of Westwater Resources (WWR) ("WWR" or "Westwater"). The non-binding proposal was accompanied by a short presentation outlining potential terms and the anticipated benefits of such a business combination. The proposal was declined via email by Westwater's Executive Chairman, on 12/19/22 as 'not being in the best interests of the Company at this time and they will not pursue the proposal further'.

As our track record demonstrates we very rarely look to the markets for M&A or larger financings, however as the largest Idaho Strategic shareholder I feel this opportunity is unique to our positioning and well worth considering. The following letter will provide a brief overview of Idaho Strategic, a look at the combined assets of the two companies, and ultimately outline what IDR believes to be a 1+1=3 scenario to build shareholder value.

At IDR we recognize the potential concern for the sincerity around an unsolicited proposal when a management team finds itself trapped in a similar situation…where the market drastically discounts your business plan with a market valuation at less than half of the cash on hand. Furthermore, while we do not share a similar philosophy, we can empathize with how this reality can influence personal decision making when faced with the loss of well-salaried positions, relatively short employment tenure and correspondingly small personal share positions in the company. It is with this in mind that we are respectfully asking WWR management to allow its shareholders to have input on our business proposal (or other negotiated structure) - fully knowing on our side that publicly discussing this endeavor may or may not bring in other potential suitors, welcome or otherwise.

Idaho Strategic proposed to WWR an offer of its common stock to acquire all of the issued and outstanding shares of [Westwater Resources Inc.](#) at a ratio of 0.2353 IDR shares for 1 WWR share. The effective value placed on Westwater shares of \$1.36 represents an attractive premium of approximately 73% when compared to the price of Westwater's stock at the close of business on December 21st. The proposed transaction would center around Idaho Strategic's ability to deploy capital in a prudent and value accretive manner and would allow for cost saving and managerial synergies moving forward. The combination would be able to consolidate, streamline, and ultimately reduce much of the management and corporate costs being incurred. In addition, the combined companies will have the benefit of both IDR's shareholder-focused approach and experience bringing mines into production (with a renewed focus on the Coosa Project and re-evaluation of the potential for share price destruction through the timing of construction and massive capex of a low IRR processing facility). And with the addition of key personnel and financial assets, the likelihood to advance multiple projects could simultaneously exist.

The proposal is indicative, non-binding and subject to several conditions including, but not limited to, the negotiation and settlement of one or more definitive agreements between IDR and Westwater setting forth in full the specific terms and conditions on which the Transaction would be consummated, satisfactory completion of due diligence, and any required approvals from the Boards and shareholders of IDR and Westwater.

The resulting entity, should we successfully complete the transaction as proposed will have:

- Approximately 23.4 million shares outstanding, \$82 million of cash on-hand (net of WWR's payables and IDR's equipment debt), and \$3.51 of cash per share
- 3 of the top 10 domestic Rare Earth Elements Projects in the U.S.
- The second largest Rare Earth Elements land package in the U.S.
- Second largest Graphite resource in the United States

- The largest Thorium resource in the United States
- Potential high value by-product minerals include Niobium, Vanadium, Yttrium, Manganese, Gold, Titanium, and others
- The potential to address 21 of the 50 critical minerals listed by the U.S. Government
- Producing gold mine in a friendly jurisdiction - Source of cash flow
- Management with proven ability to bring projects into production with 55 team members experienced in mining, milling, drilling, exploration, and project financing
- Existing relationships with Idaho National Laboratory, Center for Advanced Energy Studies, the University of Idaho, Idaho Geological Survey, and others
- For a more in-depth look at the combined entities, please view the presentation linked here: <https://idahostrategic.com/wp-content/uploads/2022/12/IDRWWR.pdf>

The proposed combination would create a 'new to the market' mining and critical minerals company focused on domestic sources of technology metals, battery metals, and energy metals just as the markets are looking for new investment choices. Additionally, the combined entity should appeal to the various government and agency programs for potential funding, creating unique opportunities for asset and mine development while delivering a new value proposition to Westwater's shareholders. The preliminary expectation is that the operations of the combined entities will be largely handled by Idaho Strategic Resources' current management team and board, which is subject to negotiation with members of WWR's management and board.

At Idaho Strategic, our combination of people, assets, and stakeholder support have helped us transform IDR from a small, OTC listed company that began with a partially owned gold mine on care and maintenance, into a NYSE listed and vertically integrated gold producer with 55 employees, three of the best rare earth elements properties and the number one thorium property in the United States. IDR has a seasoned geologic team and track record of discovery, surface and underground mine development, and mining and milling operations. Our team has a proven ability to advance projects while staying aware of shareholder dilution and maximizing value creation.

On a personal level, I purchased my share position and focused intently on the business, experience-based team building and a 'ride for the brand' culture. These things take time, and I am glad we started when we did. With a comfortable reliance on the careers of my fellow leaders and our combined industry and business success, IDR's advanced asset base is coming together just as the macro global realities are quickly building in its favor. Our management style and production-oriented approach was once more common yet seems absent in many of the mineral exploration, development, and production companies used for promotion today.

I firmly believe that the market is telling us something - and it is up to each shareholder and shareholder base to conduct their own due diligence and evaluate what is being said. I look forward to toasting a successful business combination and advancing our domestic sources of rare earth elements, graphite, thorium, and gold with the American ingenuity and a boots-on-the-ground approach that has historically proven to be successful within our industry.

I wish you all a Merry Christmas and Happy Holidays.

John Swallow
President and CEO, [Idaho Strategic Resources Inc.](#)

About Idaho [Strategic Resources Inc.](#)

Domiciled in Idaho and headquartered in the Panhandle of northern Idaho, Idaho Strategic Resources (IDR) is one of the few resource-based companies (public or private) possessing the combination of officially recognized U.S. domestic rare earth element properties (in Idaho), the largest known concentration of thorium resources in the U.S., and Idaho-based gold production located in an established mining community.

Idaho Strategic Resources maintains an important strategic presence in the U.S. Critical Minerals sector, specifically focused on the more "at-risk" Rare Earth Elements (REE's) and Thorium. With over 11,000 acres of Rare Earth Element landholdings, the Company is the second largest REE landholder in the U.S. The

Company's Diamond Creek and Roberts REE properties are included the U.S. national REE inventory as listed in USGS, IGS and DOE publications. IDR's Lemhi Pass Thorium-REE Project is recognized by the USGS and IGS as containing the largest concentration of thorium resources in the country. All three projects are located in central Idaho and are participating in the IGEM Program and the USGS Earth MRI program.

The Company produces gold at the Golden Chest Mine located in the Murray Gold Belt (MGB) area of the world-class Coeur d'Alene Mining District, north of the prolific Silver Valley. With over 7,000 acres of patented and unpatented land, the Company has the largest private land position in the area following its consolidation of the Murray Gold Belt for the first time in over 100-years.

With an impressive mix of mining and business experience, the folks at IDR maintain a long-standing "We Live Here" approach to corporate culture, land management, and historic preservation. Furthermore, it is our belief that successful operations begin with the heightened responsibility that only local oversight and a community mindset can provide. Its "everyone goes home at night" policy would not be possible without the multi-generational base of local exploration, drilling, mining, milling, and business professionals that reside in and near the communities of the Silver Valley and North Idaho.

For more information on Idaho Strategic Resources click here for our corporate presentation, go to www.idahostrategic.com or call:

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Forward Looking Statements

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended that are intended to be covered by the safe harbor created by such sections. Often, but not always, forward-looking information can be identified by forward-looking words such as "intends", "potential", "believe", "plans", "expects", "may", "goal", "assume", "estimate", "anticipate", and "will" or similar words suggesting future outcomes, or other expectations, beliefs, assumptions, intentions, or statements about future events or performance. Forward-looking information includes, but are not limited to, risks and uncertainties regarding the proposed acquisition of Westwater and the expected benefits and synergies from the proposed acquisition, results from due diligence and evaluation of Westwater assets, business plans, projects and current and ongoing required capex, including but not limited to any current or future plans or contractual obligations, the viability of the Coosa Graphite Project and its ability to be developed into a mine. There is no certainty that any transaction with Westwater will ultimately be agreed to or as to the terms on which such a transaction, if any, might occur. Additionally, Idaho Strategic's plans to issue and/or exchange shares for any such transaction may change based on credit markets, requisite board and/or shareholder approvals and other factors, if any. Idaho Strategic would also like to inform investors that the metrics used to determine Idaho Strategic is the second largest rare earth elements property holder come from reviewing the readily available publicly announced landholding of MP Materials, US Rare Earths, UCore, Rare Element Resources, and Western Rare Earths. Similarly, the metric used to determine that WWR's Coosa Graphite Project is the second largest in the U.S. and IDR's Lemhi Pass Thorium Project is the largest in the US comes from reviewing readily available public information reported by the USGS and has not been verified by IDR. IDR has conducted its review of WWR based on readily available public information which further due diligence could reveal to be different than expected with regard to WWR's cash on-hand, WWR's debt level, WWR's shares outstanding, WWR's 50 day moving average, WWR's market capitalization, and other important financial factors. Further information on potential factors that could affect the financial results of Idaho Strategic are included in Idaho Strategic's Form 10-K and subsequent Forms 10-Q, which are on file with the U.S. Securities and Exchange Commission. Forward-looking information is based on the opinions and estimates of Idaho Strategic Resources as of the date such information is provided and is subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, level of activity, performance, or achievements of IDR to be materially different from those expressed or implied by such forward-looking information. The forward-looking statement information above, and those following are applicable to both this press release, as well as the links contained within this press release. With respect to the business of Idaho Strategic Resources, these risks and uncertainties include risks relating to widespread epidemics or pandemic outbreaks, if they occur, including our ability to access goods and supplies, the ability to transport our products and impacts on employee productivity, the risks in connection with the operations; interpretations or reinterpretations of geologic information; the accuracy of historic estimates; unfavorable

exploration results; inability to obtain permits required for future exploration, development or production; general economic conditions and conditions affecting the industries in which the Company operates; the uncertainty of regulatory requirements and approvals; fluctuating mineral and commodity prices; the ability to obtain necessary future financing on acceptable terms; the ability to operate the Company's projects; and risks associated with the mining industry such as economic factors, ground conditions, failure of plant, equipment, processes and transportation services to operate as anticipated, environmental risks, government regulation, actual results of current exploration and production activities, possible variations in ore grade or recovery rates, permitting timelines, capital and construction expenditures, reclamation activities. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. Readers are cautioned not to place undue reliance on such information. Additional information regarding the factors that may cause actual results to differ materially from this forward-looking information is available in Idaho Strategic Resources filings with the SEC on EDGAR. IDR does not undertake any obligation to update publicly or otherwise revise any forward-looking information whether a result of new information, future events or other such factors which affect this information, except as required by law.

SOURCE: [Idaho Strategic Resources Inc.](#)

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