

Idaho Strategic Resources Sends Letter to the Board of Westwater Resources Regarding Its Value-Enhancing Business Combination Proposal

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Combination Would Create One of the First Companies with United States-Sourced Graphite, Key Rare Earth Elements and Established Growing Gold Production in a World-Class Mining Jurisdiction

Proposal Represents an Attractive Premium of Approximately 73% And Will Deliver Immediate Value to All Westwater Shareholders

WWR Shareholders Should Be Given the Choice - A Combined Company With a Best-In-Class Leadership Team or the Status Quo Led by a Westwater Team That Has Overseen Significant Share Dilution and More Than 95% Stock Decline in Five Years

WWR Has Zero Revenue, Zero Production and an Underfunded High CapEx/Low IRR Plan

Idaho Strategic Encourages the WWR Board to Conduct Due Diligence and Review the Benefits of a Combined Company

Idaho Strategic Resources (NYSE American: IDR) ("Idaho Strategic" or "we") today sent the following letter to the Board of Directors (the "Board") of [Westwater Resources Inc.](#) (NYSE American: WWR) ("WWR" or "Westwater") regarding its preliminary business combination proposal to acquire all outstanding shares of Westwater at approximately \$1.36 per share in IDR stock.

Terence J. Cryan
Executive Chairman
6950 S. Potomac Street, Suite 300
Centennial, Colorado 80112

January 25, 2023

Dear Terence and the other members of the WWR Board of Directors,

As you know, on December 15, 2022, we delivered a compelling proposal for Idaho Strategic to combine with WWR to create a unique critical minerals company within the U.S. mining industry. We have since reiterated that proposal in numerous private attempts at engagement - unfortunately, without any meaningful or constructive responses from you. Importantly, we do not believe that yet another of WWR's recent executive changes should interfere with the Board's further consideration of our offer or engagement with us.

We continue to believe the combined company would possess the operating team and diversified asset potential to appeal to larger entities and gain government funding. In our view, the significant upside potential of a combined company is incredibly clear - so we, and we believe your shareholders, are understandably disappointed by your quick dismissal of our proposal.

While we would prefer to have private discussions and have proposed reasonable terms under your non-disclosure agreement, we have been continuously rebuffed by you. We believe that you have a fiduciary duty to your shareholders - and a duty to all your stakeholders - to thoroughly consider our value-enhancing proposal and to engage with us. WWR shareholders deserve better, and we urge you to immediately open the lines of communication.

The Value to Westwater Shareholders is Clear: We Are Offering a 73% Premium to the Last Unaffected Trading Day, While WWR Stock is Down More Than 95% in Five Years¹

We believe our proposed offer to the Board to acquire all of the outstanding shares of common stock of Westwater at a ratio of 0.2353 Idaho Strategic shares for 1 WWR share is attractive and compelling. It values Westwater at approximately \$1.36 per share, representing a premium of approximately 73% to the last unaffected trading day for both companies prior to the business combination proposal announcement on December 22, 2022. We anticipate that Idaho Strategic's offer will deliver immediate and long-term value to all Westwater shareholders, in contrast to what Westwater has delivered on its own: long-term stock price decline of more than 95% over the past five years.

Additionally, as shareholders of Idaho Strategic, Westwater investors should benefit from being led by a senior team that maintains high stock ownership and financial exposure and possesses significant relevant mining and business experience. It is not surprising to us that WWR's management and Board together own less than 2% of the Company, considering their apparent track record of reverse splits and using shares to fund growth with little regard for shareholder dilution.

In our view, it should be a welcomed change for Westwater investors to have their investment in the hands of a team focused on expanding domestic sources of technology metals, battery metals and energy metals just as the markets are expected to be looking for new investment choices and domestic supply chain options. Again, compare this to the track record of Westwater's current and past management team, which has diluted shareholders from 1.5 million shares to 48 million shares in three years.²

A Combination With Westwater is a Rare Opportunity to Build a Domestic Critical Minerals Supply Chain

Idaho Strategic is not a lifestyle company, and our directors are not serial board members. Nor do we consider Idaho Strategic to be beholden to institutional holders or our shareholders captive to someone else's exit strategy or retirement plans. As our track record demonstrates, we very rarely look to the markets for M&A or larger financings.

We believe the potential combination with Westwater is a rare opportunity to build a domestic critical minerals company that has the potential to address 21 of the 50 critical minerals listed by the U.S. Government. With the expected addition of key personnel and financial assets from the proposed transaction, the likelihood of advancing multiple projects simultaneously could exist. We expect the combination will also consolidate, streamline and ultimately reduce much of the management and corporate costs being incurred. We anticipate this will create a company with a clean share structure, a low float, high insider ownership, a significant cash position and several tier 1 critical minerals projects within the United States.

Idaho Strategic's Plan Begins with Advancement of the Coosa Graphite Mine Toward Production

If we are successful in combining the two companies, our plan will begin with the advancement of the Coosa Graphite Mine toward production. We believe that the roughly \$81 million of net cash on-hand is sufficient to not only advance the Coosa Project toward production but also make further substantial discoveries and advancements on our rare earth elements projects, all while continuing to expand our gold operations as a reliable and profitable source of cash flow.

We have spent considerable time conducting due diligence of public sources along with discussions with professionals - and retained a respected senior geologist who was close to the project as an advisor. In addition to the Coosa Graphite Mine, we feel that our U.S.-based, production-focused goals in this regard are attainable and what our country is looking for. We would be happy to set a board meeting with Westwater's directors to discuss future plans for this asset and an overall vision that does not include

sourcing graphite from foreign countries or additional stock dilution.

Idaho Strategic Has Proven Financial Stewardship and Mining Experience and Remains Ready to Engage with Westwater on Next Steps

By design, Idaho Strategic maintains a modest cash balance and financial resources. This approach has allowed us to operate in a lean and capital efficient manner, while minimizing shareholder dilution. We advance our business segments and manage financial resources through project-specific capital raises that support our surface and underground mining/production and award-winning milling facility. We have a shareholder base that has long supported this capital raise strategy. We are producing gold and consolidated a historic gold district in a well-known and active mining area that we use as our growing base of cash flow. This approach has, in turn, already proven successful as we have not only expanded operations and milling capacity, but also drilled and advanced our rare earth projects.

We are hopeful that, following completion of your review of our business combination proposal, you will agree to engage in constructive conversations with Idaho Strategic and give the WWR shareholders the opportunity to receive the benefits of a combined company. Our preference would be to work toward a mutually acceptable agreement, and we are ready to devote all necessary resources on an expeditious basis to completing this combination.

We ask that the Board please take our business combination proposal seriously and we look forward to engaging with you to finalize the terms of our proposal.

Sincerely,

/s/ John Swallow
President and Chief Executive Officer

For a more in-depth look at the combined entities, please view the presentation here:
<https://idahostrategic.com/IDR+WWR.pdf>.

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, IDR maintains 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 or visit www.idahostrategic.com.

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. When a forward-looking statement expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, such statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by the forward-looking statements. Forward-looking statements often address our expected future business, potential business combinations, financial performance, and financial condition and often contain words such as "anticipate," "intend," "plan," "will," "could," "would," "may," "estimate," "should," "expect," "believe," "project," "target," "indicative," "preliminary," "potential," "represents" and similar expressions suggesting future outcomes, or other expectations, beliefs, assumptions, intentions, or statements about future events or performance. Forward-looking statements contained herein may include, without limitation, the following: (1) that the combination would create one of the first companies with United States-sourced graphite, key Rare Earth Elements and established growing gold production in a world-class mining jurisdiction; (2) that the proposal represents an attractive premium of approximately 73% and will deliver immediate value to all Westwater shareholders; (3) that the combined company would possess the operating team and diversified asset potential to appeal to larger entities and gain government funding; (4) that Idaho Strategic's offer will deliver immediate and long-term value to all Westwater shareholders; (5) that Westwater investors should benefit from being led by a senior team that maintains high stock ownership and financial exposure and possesses significant relevant mining and business experience; (6) that the likelihood to advance multiple projects simultaneously could exist; (7) that the combination will also consolidate, streamline, and ultimately reduce much of the management and corporate costs being incurred; (8) that the combination will create a company with a clean share structure, and a low float, high insider ownership, a significant cash position, and several tier 1 critical minerals projects within the United States; (9) that our plan will begin with the advancement of the Coosa Graphite Mine toward production; and (10) that the roughly \$81 million of net cash on-hand is sufficient to not only advance the Coosa Project toward production but also make further substantial discoveries and advancement on our rare earth elements projects, all while expanding our gold operations into a reliable and profitable source of cash flow. 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. Forward-looking information also includes the 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. 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. Idaho Strategic would also like to inform investors that the metrics used to determine Idaho Strategic's belief that it 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 IDR's belief that 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 independently verified. IDR would also like investors to note that while Idaho Strategic works with the University of Idaho, Idaho National Labs, the Center for Advanced Energy Studies and the Idaho Geological Survey as a part of the IGEM Program, this does not serve as an indication or obligation that IDR will be successful in obtaining any additional government-funded programs with the help of the aforementioned partners. The forward-looking statement information above, and those following are applicable to both this press release, the letter to Westwater as well as the links contained within the letter and 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, cash flow and results of the Company relating to the unknown duration and impact of the COVID-19 pandemic; 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 (including future commodity prices, and energy prices), 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 as a result of new information, future events or other such factors which affect this information, except as required by law. This release is not intended to and shall not constitute a solicitation of a proxy, consent, or authorization with respect to any securities or in respect of the proposed business combination. This release shall also not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any states or jurisdictions in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or an exemption therefrom. Continued reliance on "forward-looking statements" is at investors' own risk.

¹ Yahoo Finance; Stock price calculated from December 31, 2017 through December 21, 2022, the day before IDR's proposal for WWR was made public.

² WWR has conducted four stock splits: 1:4 (April 11, 2006); 1:10 (January 23, 2013); 1:12 on (March 8, 2016); and 1:50 (April 23, 2019).

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