

## Westwater Resources Reports 2019 Results & Energy Materials Business Update

**CENTENNIAL, Colo., February 18, 2020** – Westwater Resources, Inc. (Nasdaq: WWR), an energy materials development company, announced its results for fiscal year 2019, and provided an outlook on its battery graphite business development for 2020.

Christopher M. Jones, President and Chief Executive Officer, said, “We believe that 2019 was a great year for Westwater, as we continued to make real progress in our advanced graphite battery products business. Back in June of 2018, we published our Optimized Business Plan for the Coosa Graphite Project and since then we have made several important improvements to bring forward cash flow to 2022. In 2019, we put into place a long-term purchase agreement to procure high-purity, natural flake graphite concentrate that allows battery graphite production far earlier than originally contemplated. Also in 2019, we partnered with Dorfner Anzaplan for the design of our Pilot Plant, which will enable us to put larger samples of battery graphite into the hands of various large-scale battery manufacturers. And in 2019 we received a request for a one metric tonne sample from a major, well-known battery manufacturer. We believe that these activities with other parties in the advanced graphite market illustrates the value of our Coosa business plan and they advance real and positive changes to the business plan in terms of time and cost.

“We are certainly not satisfied with our share price today. I continue to believe that our best remedy is the execution of our Coosa business plan and in doing so to become a leading, American source of high-quality graphite battery materials. We have assembled a highly experienced team of tenured leaders in energy minerals development. We continue to manage our cash position prudently, monetizing non-core assets and securing financing sources with terms to keep our cost of capital low. We thank our shareholders for approving those financing terms last summer.

“Also, an important recent development in the US uranium industry has provided a real-time opportunity for Westwater. The President’s budget, announced February 10, 2020, provides for a mechanism to build a strategic stockpile of uranium to secure our nation’s defensive needs. \$150 million dollars has been requested for FY 2021 to create a uranium reserve for use in the event of a market disruption in the United States. The government’s plan includes the possibility for additional expenditures (each subject to Congressional approval) over the next nine years for a total of \$1.5 billion. This near-term budget request and long-term plan increases the value of Westwater’s two fully licensed production facilities in Texas and uranium properties in Texas and New Mexico. We stand ready to participate in the creation of the government’s new uranium reserve.

“With our business opportunistically positioned to take advantage of the low carbon future in both power generation and energy storage, we see great years ahead. I wish to thank our shareholders for their continued support,” concluded Mr. Jones.

## Highlights for Fiscal Year 2019 and Year to Date

- GRAPHITE BUSINESS DEVELOPMENT:

- On November 21, 2019, Westwater announced it has engaged the internationally recognized and highly regarded specialist in high-purity industrial and strategic metals businesses, Dorfner Anzaplan, to accelerate product development and design for our Graphite Pilot Program. Under the agreement, Dorfner will assist Westwater in defining (1) the method, equipment and operating parameters and requirements for graphite purification; (2) the operating parameters and equipment for processes required to manufacture Westwater's battery graphite products; and (3) the design of Westwater's pilot program.
- On September 19, 2019, the Company announced a long-term agreement to purchase high-purity, natural flake graphite for Coosa Project allowing the previously planned startup of the Coosa Graphite Processing Facility earlier than possible with internally mined graphite.
  - The purchase agreement with an internationally known company provides Westwater with a reliable and long-term source of high-quality natural flake graphite concentrate.
  - On October 15, 2019, Westwater announced that it had received its first shipment of graphite concentrate, 20 metric tonnes of material, to be fully utilized in development of planned pilot scale processes and to produce several metric tonnes of battery ready advanced graphite products. Once processed, various sizes of each of the Company's three planned products will be distributed to potential clients to advance the pre-qualification process.
- On August 6, 2019, Westwater announced that testing of its ULTRA-PMG™ (purified micronized graphite) product at a major battery manufacturer has resulted in a request for a bulk sample of one metric tonne for further testing.
  - ULTRA-PMG™ is a conductivity enhancer to primary lithium, alkaline and lead-acid batteries, and is designed to improve the performance of these types of batteries, providing manufacturers a competitive advantage.
- On April 19, 2019, the Company announced the long-term cycling data obtained by independent tests conducted on coated spherical purified natural crystalline graphite (ULTRA-CSPG™) from the Company's Coosa Graphite Deposit.
  - This testing was the first ever long-term cycling data on US sourced CSPG, which demonstrates superior performance compared to the leading CSPG originated from China.
  - On April 11, 2019, Westwater announced independent test results from long-term cycling data conducted on uncoated, spherical purified graphite (SPG) from the Company's Coosa Graphite Deposit. Purification, micronization, spheronization and sizing was performed on the natural flake graphite from our Coosa Graphite Deposit utilizing the Company's proprietary process. The purity level achieved was 99.95 wt%.

- URANIUM PROGRESS: On March 7, 2019, Westwater announced that Uranium Royalty Corp. (URC) and its US subsidiary had together agreed to purchase, for \$2.75 million, four royalties owned by Westwater on future uranium production from mineral properties in South Dakota, Wyoming and New Mexico, as well as a promissory note and the related mortgage that the Company holds on the Church Rock and Crownpoint properties in New Mexico owned by Laramide Resources Ltd. On September 3, 2019, Westwater announced the completion of the sale with URC.
- RECLAMATION SUCCESS: On March 4, 2019, the Texas Commission on Environmental Quality (TCEQ) certified the third phase of site reclamation at the Vasquez Project in Duval County, Texas as complete and released a surety bond posted by the Company in excess of \$208,000. This milestone involved the complete reclamation and plugging of 844 production wells formerly used for production and water quality monitoring. This success follows a similar reclamation milestone achievement at our Rosita property, also in Texas. Final reclamation efforts, including surface work and the reclamation of a waste disposal well at Vasquez are expected to be complete later in FY2020. Once that work is certified as complete by the TCEQ, Westwater will follow up with a request for surety bond release on that phase.
- VANADIUM DISCOVERY: On February 19, 2019, Westwater announced that it had received independent lab results that demonstrated a wide-spread distribution of vanadium mineralization throughout the central portion of the Company's mineral holdings within the Coosa Project in Alabama. On April 9, 2019, the Company announced a new drilling and sampling exploration plan to explore for and define vanadium resources, and to further quantify the graphite deposit, on five target areas at its Coosa Project in Alabama. Execution of this exploration plan is subject to funding in 2020. The Company believes that this exploration plan could advance and enhance the evaluation of its existing graphite resource, including the possibility for an extension of that mineralization.
- LITHIUM PROGRESS: On April 12, 2019, Westwater announced that its application for the use of 1500 acre-feet of groundwater per year had been approved by the Department of Natural Resources of the State of Utah. This water is intended for the development of lithium mining operations at the Company's Sal Rica Project. The right to use water is very important in the arid American West, and this right is essential to the development of lithium brine resources at the Sal Rica Project. This is a major milestone for the Company, as water is perhaps the most crucial element used in the mining of lithium.
- PURCHASE AGREEMENT WITH LINCOLN PARK CAPITAL: On August 6, 2019, our shareholders approved the sale of additional shares under the \$10 million Purchase Agreement between Westwater Resources and Lincoln Park Capital. This financing source uses low price discounts and provides opportunistic timing options that can take advantage of market events that cannot be anticipated. Westwater believes this financing source will lower cost of capital for the Company verses conventional instruments used in the past.

## Key Financial Highlights

**Table 1: Financial Summary**

(\$ in 000's, Except Per Share)	<b><u>FY 2019</u></b>	<b><u>FY 2018</u></b>	<b><u>Variance</u></b>
Net Cash Used in Operations	\$ (10,049)	\$ (11,649)	-13.7%
Mineral Property Expenses	\$ (2,852)	\$ (3,538)	-19.4%
General and Administrative, including Non-cash Stock Comp	\$ (6,086)	\$ (7,009)	-13.2%
Net Loss	\$ (10,565)	\$ (35,684)	-70.4%
Net Loss Per Share	\$ (5.39)	\$ (38.47)	-86%
Avg. Weighted Shares Outstanding	1,961,086	927,687	111.4%

- **Net cash used in operations.** Net cash used in operating activities was \$10.0 million in fiscal year 2019, compared to \$11.6 million in fiscal year 2018. The \$1.6 million decrease in cash used was due to a decrease of \$0.7 million of mineral property expenses and a decrease of \$0.9 million in general and administrative expenses during 2019 compared with 2018.
- **Operating expenses.** Mineral property expenses decreased by approximately \$0.7 million as compared to the corresponding period in 2018. The decrease was primarily due to a reduction in reclamation activities at the Vasquez and Rosita Projects due to adverse weather conditions in the first half of 2019 and a reduction in operating activities at the Temrezli Project due to the revocation of the mining licenses by the government of Turkey in June 2018. General and administrative expenses decreased by \$0.9 million in 2019 due to reductions in stock compensation expense, payroll, and sales and marketing costs during the year.
- **Net loss.** Our consolidated net loss for the years ended December 31, 2019 and 2018 was \$10.6 million and \$35.7 million or \$5.39 and \$38.47 per share, respectively. The decrease in consolidated net loss was primarily due to the \$23.7 million impairment charge on our uranium properties in 2018, mostly consisting of a \$18.0 million impairment charge relating to the Temrezli and Sefaatli Projects located in Turkey. Additionally, \$0.3 million was spent in 2018 related to the acquisition of Alabama Graphite. No acquisition-related costs occurred during 2019.
- **Cash and working capital.** As of December 31, 2019, the Company's cash balances were \$1.9 million and a working capital deficit balance of \$1.3 million, compared with a cash balance of \$1.6 million and a working capital balance of \$1.0 million as of December 31, 2018. The \$2.3 million decrease in working capital year-over-year was due to a \$1.8 million decrease in current assets as a result of sale of the Laramide promissory note and a \$0.5 million increase in current liabilities due mostly to an increase in the current portion of operating lease liabilities and the asset retirement obligation.
- 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. Additionally, the Company is pursuing project financing in the way of possible joint venture partners to fund discretionary greenfield exploration activities for its lithium business.

- Shares outstanding. Total shares outstanding are 4,160,723 as of February 14, 2020.

### **Conference Call & Webcast**

The Company will hold a conference call to discuss its fiscal year 2019 results on Tuesday, February 18, 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 Mr. Dain 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](http://www.WestwaterResources.net). A replay of the call will be available on the Company's website for a limited time and also by phone using the details below.

Replay Numbers:       +1 (855) 669-9658 (U.S. and Canada)  
                              +1 (412) 317-0088 (International)  
Replay Access Code:   4162

### **About Westwater Resources**

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](http://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 Corporation'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 domestic operations; (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; (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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