



ENERGY MATERIALS FOR THE 21<sup>ST</sup> CENTURY

**FY 2019 RESULTS & ENERGY MINERALS BUSINESS UPDATE CONFERENCE CALL**

**TUESDAY, FEBRUARY 18, 2020 9:00 A.M. MT**

**Christopher M. Jones**

*President &  
Chief Executive Officer*

**Jeffrey L. Vigil**

*Vice President Finance &  
Chief Financial Officer*

*Dain A. McCoig*

*Vice President – Operations*

# CAUTIONARY STATEMENT

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements convey our current expectations or forecasts of future events. Forward-looking statements are subject to risks, uncertainties and assumptions and are identified by 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. All statements addressing operating performance, events or developments that Westwater expects will occur in the future, including but not limited to statements relating to (i) the expected future growth in the demand for graphite, graphite products, uranium and vanadium; (ii) the timing or occurrence of the construction and operation of a pilot plant or commercial scale processing facility for battery-graphite manufacturing business; (iii) potential benefits from vanadium by-product sales on the Coosa Project; (iv) the timing or occurrence of any future drilling or production from the Company’s properties or projects, and the anticipated economics and rate of return from the Company’s projects; (v) the adequacy of funding, the Company’s liquidity, the Company’s anticipated cash burn rate and capital requirements; and (vi) future governmental action to promote the production or price of domestically produced graphite or uranium, are forward-looking statements.

Because they are forward-looking, they should be evaluated in light of important risk factors and uncertainties. Factors that could cause actual results to differ materially from these forward-looking statements include, among others: (i) the availability of capital to the Company; (ii) the spot prices and long-term contract prices of graphite, vanadium, lithium and uranium; (iii) competition from other suppliers of graphite and vanadium; (iv) the ability of Westwater to enter into and successfully close acquisitions, dispositions or other material transactions; (v) government regulation of the mining industry and the nuclear power industry in the United States; (vi) operating conditions at our mining projects; (vii) the world-wide supply and demand of graphite, vanadium, lithium and uranium; (viii) weather conditions; (ix) unanticipated geological, processing, regulatory and legal or other problems we may encounter; (x) the results of our exploration activities, and the possibility that future exploration results may be materially less promising than initial exploration result; (xi) any graphite, vanadium, lithium or uranium discoveries not being in high enough concentration to make it economic to extract the metals; (xii) currently pending or new litigation or arbitration; (xiii) Westwater’s ability to maintain and timely receive mining and other permits from regulatory agencies; and (xiv) other factors which are more fully described in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other filings with the SEC.

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. You are cautioned not to place undue reliance on forward-looking statements. 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. Actual results may differ materially from those expressed or implied by these forward-looking statements because of, among other reasons, the factors described above and in the periodic reports that we file with the SEC from time to time, including Forms 10-K, 10-Q and 8-K and any amendments thereto. 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.

## WESTWATER — A GREEN-ENERGY MATERIAL DEVELOPER

A publicly-listed green-energy material developer, focusing on developing a portfolio of strategic assets that sustainably power the low carbon future.

- *Developing* a battery grade graphite business in Alabama – scheduled for production in 2022. Now with a vanadium discovery.
  - Battery manufacturer customer – large sample requested.
  - Long-term graphite composite feedstock supply secured.
  - Dorfner Anzaplan - pilot plan design.
  - Rechargeable battery markets are expected to grow at 26% per year for the next 8 years – and graphite is a critical material in these energy storage devices!\*
- *Exploring* for lithium in Nevada and Utah on two highly prospective properties.
- *Leverage* to uranium sector's increased interest with the President's 2021 budget request for \$150 Million to build national reserve.

## STOCK & FINANCIAL SNAPSHOT

Shares outstanding <sup>1</sup>	4.2 million	Share Price (2/14/2020)	\$2.57
Options/Warrants <sup>1</sup>	235,408	Market Capitalization (2/14/2020)	\$10.8 million
Cash and Equivalents (2/12/2020) <sup>2</sup>	\$1.6 million	Debt	NONE
Liquidity (3 Mo. Avg.)	203,000 shs/day	52 Wk Hi-Low	\$9.88 - \$1.96

<sup>1</sup> Shares and Options/Warrants Outstanding are as of December 31, 2019.

<sup>2</sup> Does not include \$3.8 million in restricted cash for collateralization of reclamation bonds

# FINANCIAL SUMMARY

(\$ in 000, Except Per Share)	FY 2019	FY 2018	Variance
<b>Net Cash Used in Operations</b>	\$(10,049)	\$(11,649)	-13.7%
<b>Mineral Property Expenses</b>	\$(2,852)	\$(3,538)	-19.4%
<b>General and Administrative, including Non-cash Stock Compensation</b>	\$(6,086)	\$(7,009)	-13.2%
<b>Net Income (Loss)</b>	\$(10,565)	\$(35,684)	-70.4%
<b>Net Income (Loss) Per Share</b>	\$(5.39)	\$(38.47)	86.0%
<b>Avg. Weighted Shares Outstanding</b>	1,961,086	927,687	111.4%

## GREEN-ENERGY ASSET PORTFOLIO

- Coosa Graphite Project
  - Battery Graphite production anticipated in 2022
  - Processing uses purchased feedstock until the mine is developed, anticipated in 2028
  - Processing Pilot Plant design underway
- Lithium Projects
  - Columbus Basin (Nevada) – 14,200 acres plus water rights
  - Sal Rica (Utah) – 13,300 acres plus water rights
- Uranium
  - Two licensed processing facilities
  - President's FY 2021 Budget allocates \$150 million for a uranium reserve
  - Development properties in New Mexico and Texas
- Vanadium
  - Independent lab results demonstrated a wide-spread distribution of vanadium mineralization throughout the central portion of the Coosa project
  - Exploration is planned

## THE COOSA GRAPHITE PROJECT PROVIDES KEY ADVANTAGES

The Coosa Graphite Project is the only near-term source of domestic U.S. natural graphite

- Pilot plant design work underway at Dorfner Anzaplan – expected to process 20 tonnes by end of 2020.
- Customer qualification is underway – a recent one-tonne bulk sample order announced!
- Westwater’s graphite will be produced using environmentally sustainable processes in the United States
- Westwater’s vanadium discovery at Coosa can be an enhancement to the project’s already great economics



## LONG-TERM PURCHASE AGREEMENT FOR NATURAL FLAKE GRAPHITE

- Graphite purchase agreement allows planned startup of processing plant years earlier than possible
  - After rigorous testing, externally sourced graphite is of superior quality that closely resembles Westwater's own graphite available from the Coosa graphite deposit
  - Our supplier utilizes environmentally sound mining practices
  - Reliable and long-term source of high-quality natural flake graphite concentrate
- Westwater has taken delivery of 20 metric tons of graphite concentrate feedstock at Westwater's Sylacauga warehouse in Alabama
- Until our mine is operational, Westwater will utilize our graphite purchase agreement as a source of graphite concentrate for its Coosa Graphite Processing Facility.

## LONG-TERM PURCHASE AGREEMENT FOR NATURAL FLAKE GRAPHITE (CONT)

- Coosa Graphite Processing Facility is scheduled to achieve initial production in 2022
  - Westwater has the option to transition to material from its Coosa Graphite Mine
  - We will retain the option to expand our purchase agreement to accommodate planned processing capacity expansion and potential customer demands
  - This flexibility allows Westwater to tailor its products and their availability to the specific needs of its customers
- Production of graphite feedstock from our Coosa Graphite Mine is expected to commence in 2028

## ENGAGEMENT WITH DORFNER ANZAPLAN ACCELERATES PILOT PROGRAM

- They are an internationally recognized organization that specializes in high-purity industrial and strategic metals businesses
  - Defining the method, equipment and operating parameters and requirements for graphite purification for a pilot plant
  - Defining operating parameters and equipment for processes required to manufacture Westwater's battery graphite products in a pilot plant
  - Designing Westwater's pilot program
- Our pilot plant, expected to operate by the end of 2020, will provide samples of each of Westwater's three principal battery-grade conductivity enhancement products to potential customers to advance the prospective clients' commodity evaluation and pre-qualification programs



**dorfner**

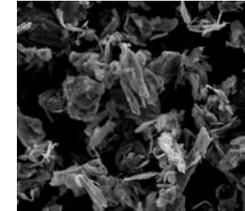


**ANZAPLAN**

## BATTERY GRADE PRODUCTS — *PRESENTLY BEING TESTED BY PROSPECTIVE CUSTOMERS*

### **ULTRA-PMG™ - Purified Micronized Graphite**

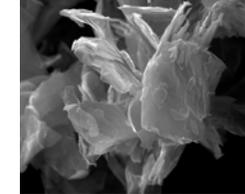
Conductivity enhancer for all types of batteries, including lead acid batteries and alkaline power cells



Bulk sample  
requested by major  
battery  
manufacturer!

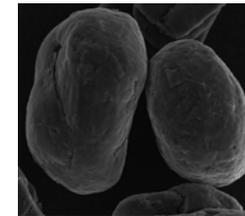
### **ULTRA-DEXDG™ - Delaminated Expanded Graphite**

Improves electrical conductivity in batteries for lithium ion, lithium, lead-acid and alkaline power cells



### **ULTRA-CSPG™ - Coated Spherical Purified Graphite**

High performance anode material for lithium ion batteries in the fast-growing automotive and other transportation sectors



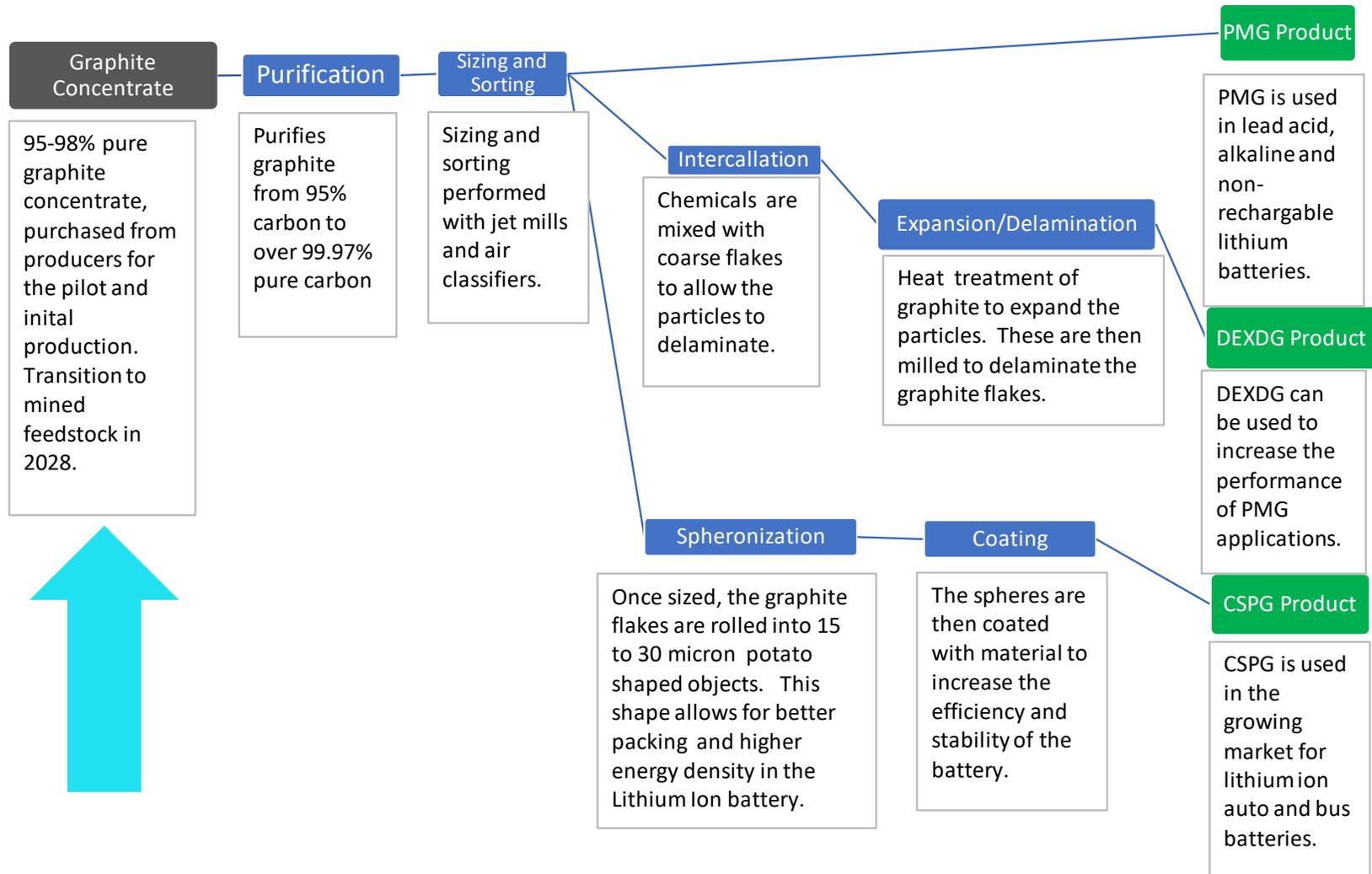
R&D project  
underway with  
automobile  
manufacturer!

## SIGNIFICANT VANADIUM DISCOVERY CONFIRMED

- Independent lab results demonstrated a wide-spread distribution of vanadium mineralization throughout the central portion of the Coosa Project.
- Exploration is planned.
- Assay results indicate values from 0.15% vanadium pentoxide ( $V_2O_5$ ) to 0.40%  $V_2O_5$ . Vanadium values in this range, once confirmed by further exploration, can have a very positive impact on the Coosa Project's economics through by-product sales.
- With steel markets providing a base load demand for vanadium, and increased use in electrical energy storage systems, demand is expected to rise.
- Prices for  $V_2O_5$  are presently \$6.80/lb\* and future prospects for increased vanadium demand can be expected to drive pricing.
- Vanadium by-product sales can enhance Coosa economics!



# BATTERY GRAPHITE PROCESS FLOWSHEET

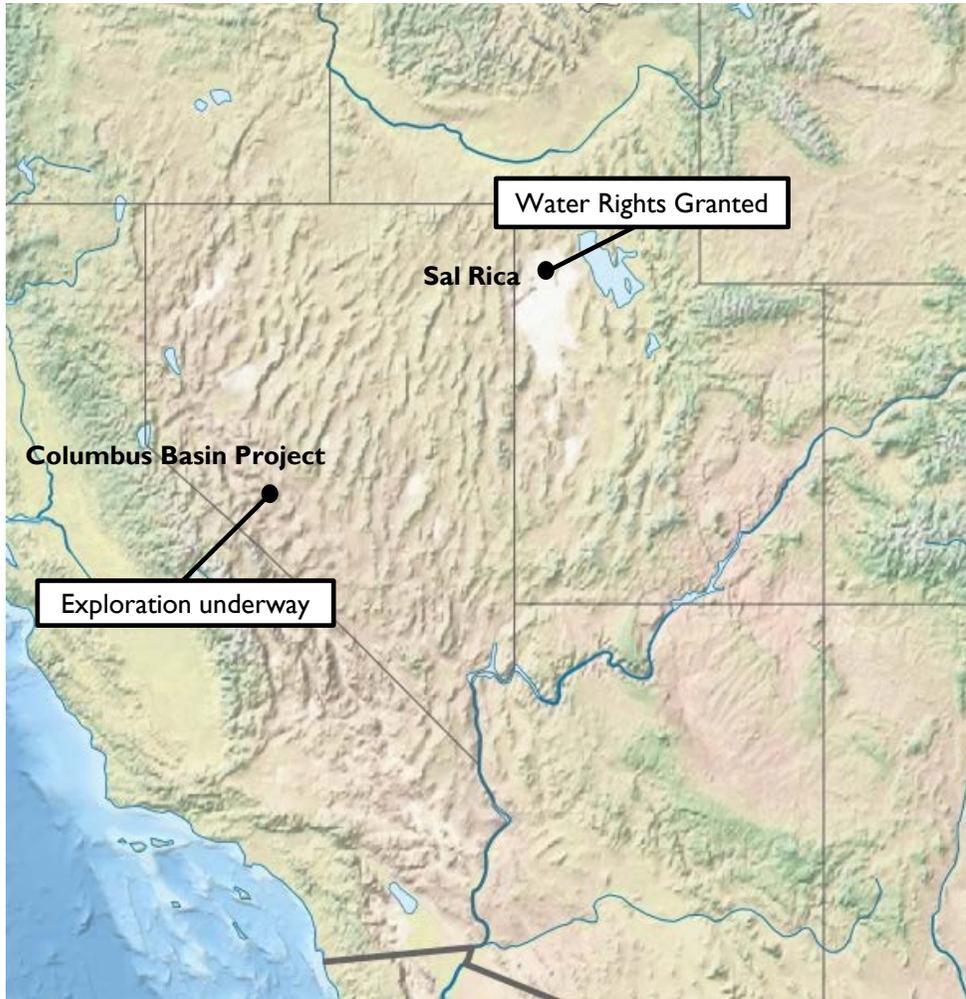


# BUSINESS PLAN FOR THE COOSA GRAPHITE PROJECT

- Project Economics\*
  - Project Capex \$53.4 million by 2022
  - First positive cash flow by end of 2022
  - Project pretax NPV at 8% to be \$481 million
  - Project pretax internal rate of return = 41%
  - Vanadium development can enhance these economics!
  - We are considering equity, project level debt and joint venture structures for financing

\*All estimates include 15% contingency and allowance for working capital

# WESTWATER LITHIUM PROJECTS



## COLUMBUS BASIN:

- Expanded to >14,200 acres; good highway, power access and ample groundwater.
- Water rights owned by Westwater.
- Phase 1 drilling program complete with encouraging results. Phase 2 drilling program planning underway.

## SAL RICA:

- 13,300 acres with good road and power access.
- Sample results ranging up to 100 ppm lithium from shallow aquifers.
- Water Rights owned by Westwater.

## URANIUM: STILL A STRATEGIC FOCUS

### WHY URANIUM?

- Nuclear power represents only electrical base load solution for global electric power growth driven by economic expansion and a focus on carbon reduction
- The President's FY 2021 budget request includes \$150 Million to establish a strategic reserve of uranium!
- The global nuclear fleet is expected to grow more than 35% over the next 10 years\*
- China, India, Russia and Korea are building or have ordered 130 new reactors\*

\*UxC Consulting

## URANIUM: NEAR TERM PRICE CATALYSTS

President Trump requested \$150 million in his upcoming budget proposal for the U.S. government to establish a strategic reserve of uranium

- The likely outcome are price increases for US domestically produced uranium

Additional recommendations for changes to the uranium business from the Nuclear Fuels Working Group are expected in the next couple of weeks.

The United States relies heavily on nuclear power for carbon free base load power

- more than 20% of all uranium produced in the world is consumed in the US.\*\*

Nuclear power represents only electrical base load solution for global electric power growth driven by economic expansion and a focus on carbon reduction.

\* (Reuters 4/15/19)

\*\*Data sourced from The Ux Consulting Company, January 2019

## OUR TEAM: TENURED LEADERS IN ENERGY MINERALS DEVELOPMENT

**Christopher M. Jones,**  
President and CEO

- Joined in March 2013; more than 35 years of industry experience; licensed Professional Engineer (US and Canada), taking projects from concept to production, community engagement, environmental management and safety
- B.S. in Mining Engineering from South Dakota School of Mines and an MBA from Colorado State University

**Jeffrey L. Vigil,**  
VP Finance and CFO

- Joined in June 2013; more than 40 years of financial experience, including 25 years of mining background with 10 years in the uranium sector
- B.S. in Accounting from the University of Wyoming; licensed CPA

**Dain A. McCoig,**  
VP Operations

- Joined in 2004; experienced in all phases of ISR development and production, community engagement, environmental and nuclear safety; licensed Professional Engineer in Texas
- Managed design and construction of Rosita Facility in Texas
- B.S. in Mechanical Engineering from Colorado School of Mines

**Cevat Er**  
VP- Technical Services

- Joined in 2015. Founder of SRK Ankara, with 30 years of Turkish and US mining and environmental, community engagement and safety, experience taking projects from concept to production
- M.Sc. from University of Arizona, and B.S. Geological Engineering

**John W. Lawrence,**  
General Counsel and Corporate Secretary

- Joined in 2012; more than 35 years of experience in law and licensing across nuclear fuel cycle
- B.S. in Nuclear Engineering from Purdue University and a J.D. from Catholic University, Columbus School of Law

## WHY IS WESTWATER AN INVESTMENT OPPORTUNITY?

- Expanded portfolio of green energy materials with upside potential
  - Leverage to the battery materials sector with the Coosa Graphite Project in Alabama and two lithium exploration projects in the western US.
  - Leverage to rising uranium price with one of the largest uranium mineralization bases in the U.S. and two licensed uranium processing facilities in Texas.
  - Uranium Reserve budget request from the President provides upside for US producers and developers.
  - New vanadium discovery at Coosa has the potential to provide entry into steel markets.
- We are debt free!
- We are a proven management team with experience in energy minerals development and financial management

## WHY IS WESTWATER AN INVESTMENT OPPORTUNITY? (CONT.)

- Secured long-term purchase agreement for concentrated graphite for processing in our commercial plant by 2022
  - Taken delivery of first 20 tonne shipment
- Engaged Dorfner Anzaplan to advance the development of our pilot plant, including the processes needed to purify graphite concentrates and to produce our battery grade products
- Secured first customer request to provide a bulk sample of one metric tonne of our Ultra PMG™ product for further testing after passing smaller initial testing rounds
- Anticipated milestones throughout 2020:
  - Coosa Graphite Project development and project milestone achievement
  - Vanadium exploration results
  - Updates on uranium market developments in light of the Nuclear Fuels Working Group and the President's Budget request

**THANK YOU!**

**Questions?**



ENERGY MATERIALS FOR THE TWENTY-FIRST CENTURY

## Contact Us

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