

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2021

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 001-33404

WESTWATER RESOURCES, INC.
(Exact name of Registrant as specified in its charter)

DELAWARE

(State of Incorporation)

75-2212772

(I.R.S. Employer Identification No.)

6950 S. Potomac Street, Suite 300

Centennial, Colorado

(Address of principal executive offices)

80112

(Zip code)

(303) 531-0516

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Trading Symbol

Name of Each Exchange on Which Registered

Common Stock, par value \$0.001 per share

WWR

NYSE American

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or emerging growth company. See the definitions of "large accelerated filer", "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the Common Stock held by non-affiliates of the Registrant at June 30, 2021 was approximately \$159,632,860. Number of shares of Common Stock, \$0.001 par value, outstanding as of February 10, 2022 was 35,371,336 shares.

Documents incorporated by reference: specified portions of Westwater Resources, Inc.'s Definitive Proxy Statement on Schedule 14A relating to its 2022 Annual Meeting of Stockholders are incorporated by reference into Part III.

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FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021
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DEFINITIONS

When used in this Form 10-K, the following terms have the meaning indicated.

Term	Meaning
Alabama Graphite	Alabama Graphite Company, Inc., an Alabama corporation and wholly-owned subsidiary of Westwater Resources
AGP	Alabama Graphite Products, LLC, an Alabama limited liability company and wholly-owned subsidiary of Westwater Resources
ATM Offering Agreement	Controlled Equity Offering Sale Agreement between Westwater Resources and Cantor Fitzgerald & Co. dated April 14, 2017
Benchmark	Benchmark Mineral Intelligence
Cantor	Cantor Fitzgerald & Co.
Coosa Plant	The Company's planned battery-grade graphite processing facility near Kellyton, Alabama
Coosa Project	The Coosa Plant and the Coosa Deposit
DFS	The definitive feasibility study for Phase I of the Coosa Plant which was completed in the fourth quarter of 2021
enCore	enCore Energy Corp.
EU Critical Raw Minerals List	The list of raw materials that are crucial to Europe's economy published by the European Commission.
EV	Electric vehicles
Graphite	A naturally occurring carbon material with electrical properties that enhance the performance of electrical storage batteries, listed on the US Critical Minerals List as well as the EU Critical Raw Materials List.
Gross acres	Total acreage of land under which we have mineral rights. May include unleased fractional ownership.
Lincoln Park	Lincoln Park Capital Fund, LLC
Mineral Resource	A mineralized body which has been delineated by appropriately spaced drilling and/or underground sampling sufficient to support the estimate of tonnages and grade of the mineral deposit. Such a deposit does not qualify as a reserve, until a comprehensive evaluation based upon unit cost, grade, recoveries, and other material factors conclude legal and economic feasibility.
Ore	Naturally occurring concentration of mineralization from which a mineral or minerals of economic value can be extracted at a reasonable profit.
PFS	Pre-feasibility level study for Phase II of the Coosa Plant
Reserve	That part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.
Roskill	Roskill Information Services Ltd.
SEC	Securities and Exchange Commission
SEDAR	System for Electronic Document Analysis and Retrieval used for electronically filing most securities related information with the Canadian securities regulatory authorities

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SPG Fines	Spherical purified graphite fine material produced from SPG milling
Spot price	The price at which a mineral commodity may be purchased for delivery within one year.
Surety obligations	A bond, letter of credit, or financial guarantee posted by a party in favor of a beneficiary to ensure the performance of its or another party's obligations, e.g., reclamation bonds, workers' compensation bond, or guarantees of debt instruments.
ULTRA-CSPG™	Coated spherical purified graphite
ULTRA-DEXDG™	Delaminated expanded graphite
ULTRA-PMG™	Purified micronized graphite
U.S. Critical Minerals List	The list of critical minerals that are crucial to the United States of America economy published by the Department of Interior.
Westwater Resources	Westwater Resources, Inc.
Vanadium	A rare-earth metal used as a strengthening alloy in steelmaking, and in certain types of batteries, listed on the US Critical Minerals List.
2020 Lincoln Park PA	Purchase Agreement dated as of December 4, 2020 between Westwater Resources and Lincoln Park Capital Fund, LLC

USE OF NAMES

In this Annual Report on Form 10-K, unless the context otherwise requires, the terms “we”, “us”, “our”, “WWR”, “Westwater”, “Corporation”, or the “Company” refer to Westwater Resources, Inc. and its subsidiaries. The Company changed its name from “Uranium Resources, Inc.” to “Westwater Resources, Inc.” effective August 21, 2017.

CURRENCY

The accounts of the Company are maintained in U.S. dollars. All dollar amounts referenced in this Annual Report on Form 10-K and the consolidated financial statements are stated in U.S. dollars.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

With the exception of historical matters, the matters discussed in this report are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from projections or estimates contained herein. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, without limitation, strategic goals of the business, expected permits and regulatory approvals, statements regarding the construction of the Coosa Plant and the expected schedule of completion and construction costs, statements regarding the operation of the Coosa Plant and the anticipated output products and quantities, statements regarding the adequacy of funding, liquidity, and access to capital, any future drilling or production from the Company's properties, including the expected mining operations at the Coosa Deposit, expected mineralization at the Coosa Deposit, expected date of the technical report for the Coosa Deposit and the expected commencement date of drilling at the Coosa Deposit, and the Company's anticipated cash burn rate and capital requirements. 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 generally indicate forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, among others:

- the spot price and long-term contract price of graphite (both flake graphite feedstock and purified graphite products) and vanadium, and the world-wide supply and demand of graphite and vanadium;
- the effects, extent and timing of the entry of additional competition in the markets in which we operate;
- the ability to obtain contracts with customers;
- available sources and transportation of graphite feedstock;
- the ability to control costs and avoid cost and schedule overruns during the development, construction and operation of the Coosa Project;
- the ability to construct and operate the Coosa Plant in accordance with the requirements of permits and licenses and the requirements of tax credits and other incentives;
- government regulation of the mining and manufacturing industries in the United States;
- unanticipated geological, processing, regulatory and legal or other problems we may encounter;
- the results of our exploration activities, and the possibility that future exploration results may be materially less promising than initial exploration results;
- any graphite or vanadium discoveries not being in high enough concentration to make it economic to extract the metals;
- our ability to finance growth plans;
- the potential effects of the continued COVID-19 pandemic;
- currently pending or new litigation or arbitration; and
- our ability to maintain and timely receive mining, manufacturing, and other permits from regulatory agencies.

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For a more detailed discussion of such risks and other important factors that could cause actual results to differ materially from those in such forward-looking statements and forward-looking information, please see “Item 1A. Risk Factors” below in this Annual Report on Form 10-K. 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. 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. 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.

STATEMENT REGARDING THIRD PARTY INFORMATION

Certain information provided in this report has been provided to us by the third parties or is publicly available information published or filed with applicable securities regulatory bodies, including the SEC and SEDAR. WWR has not verified, and is not in a position to verify, and expressly disclaims any responsibility for, the accuracy, completeness or fairness of such third-party information and refers the reader to the information publicly published or filed by the third parties for additional information.

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

THE COMPANY

Westwater Resources, Inc. is a 44-year-old company focused on developing battery-grade natural graphite materials. Originally incorporated in 1977, our company has become an energy materials developer. Westwater is focused on battery-ready graphite materials after its acquisition of Alabama Graphite in April 2018. Alabama Graphite holds mineral rights to explore and potentially the Coosa Deposit near Rockford, Alabama that includes graphite and vanadium concentrations. In the fourth quarter of 2021, AGP, a wholly-owned subsidiary of Westwater Resources, commenced construction activities related to the Coosa Plant near Kellyton, Alabama (“Coosa Plant”). The Company anticipates that Phase I of the Coosa Plant will be completed in the first half of 2023. The Company is currently executing an exploration plan to further investigate the size and extent of both graphite and vanadium mineral concentrations at the Coosa Deposit, and to increase our knowledge of the deposit as a whole.

In 2020, the Company sold its subsidiaries engaged in the uranium business in Texas and New Mexico to enCore and discontinued its uranium business. See Note 12 to the financial statements for additional information regarding discontinued operations.

Our principal executive offices are located at 6950 South Potomac Street, Suite 300, Centennial, Colorado 80112, and our telephone number is (303) 531-0516. Our website is located at www.westwaterresources.net. Information contained on our website or that can be accessed through our website is not incorporated by reference into this report. As of February 10, 2022, the Company and its subsidiaries had 15 employees.

OUR STRATEGY

Our strategy is to increase shareholder value by advancing our battery-grade graphite business. The acquisition of Alabama Graphite in April 2018 provides the Company with the opportunity to provide critical raw materials utilized by the growing market for electric automobiles, trucks and buses, consumer electronics, as well as grid-based storage devices. In 2020, the global battery market consumed an estimated 290,000 tonnes of natural and synthetic graphite, and demand is projected to increase at a compounded annual growth rate of 21% over the next 10-year period, according to Roskill.

Our goal for the graphite business is to develop a battery-graphite manufacturing business in Alabama that produces low-cost, high-quality, and high-margin graphite products for battery manufacturers. In 2020, we began operation of a pilot program, designed both to manufacture battery-grade graphite materials in quantities suitable for potential customer testing and to inform the DFS. Both the pilot program and DFS were completed during the fourth quarter of 2021.

In late 2021, we began construction of Phase I of the Coosa Plant that is expected to purify readily available graphite flake concentrates to >99.5% pure carbon. Once purified, the graphite can be further processed into advanced component products with enhanced conductivity performance needed by battery manufacturers. These advanced graphite products are ULTRA-CSPG™, and ULTRA-PMG™.

Additionally, we hold mineral rights to over 40,000-plus acres for future mining development. The graphite deposit at the Coosa Deposit is expected to serve as future feedstock for the Coosa Plant and provide in-house quality assurance and quality control (“QA/QC”) for raw-material inputs. Subject to further exploration, its own definitive feasibility study, the availability of financing, and regulatory approvals, the Coosa Deposit and related mining operation is planned for start-up in 2028.

Our project pipeline is prioritized with a goal of achieving sustainable battery-grade graphite production over time to take advantage of rising and/or high price environments for battery materials. We may adjust near-term and long-term business priorities in accordance with market conditions.

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We believe that our broad base of mining and processing and manufacturing expertise from graphite, base and precious metals to energy materials is one of our key competitive advantages. We also believe that Westwater possesses a unique combination of battery-materials knowledge and extensive project-execution experience, coupled with decades of capital markets expertise which makes our business a powerful presence in the new energy marketplace. We intend to advance the Company's project towards production, while prudently managing our cash and liquidity position for financial flexibility.

KEY BUSINESS AND CORPORATE DEVELOPMENTS IN 2021

Graphite Processing Pilot Programs

During 2021, the Company completed its pilot program at Dorfner Anzaplan's facilities near Amberg, Germany, as well as at facilities in Frankfurt, Germany, Chicago, Illinois and Buffalo, New York. The combined effort at these facilities produced approximately 13 metric tonnes of Westwater's three battery-grade graphite products: ULTRA-PMG™, ULTRA-CSPG™ and ULTRA-DEXDG™, which were previously produced at a bench scale.

As of December 31, 2021, Westwater had produced through the pilot program:

- 10.8 metric tonnes of ULTRA-PMG™ in six sizes (6, 8, 10, 15, 30 and 44 microns): Production is now complete, and samples have been packaged and shipped to laboratories and potential customers for testing.
- 2.0 metric tonnes of the precursor (spherical purified graphite) for ULTRA-CSPG™ in three sizes (10, 18 and 24 microns): Production of this product is now complete and has been sent to a laboratory for pitch coating to make ULTRA-CSPG™, and test its electrical performance. Samples of this material have also been sent to potential customers for testing.
- 0.4 metric tonnes of ULTRA-DEXDG™: Production is now complete and samples were packaged and shipped to a laboratory for testing. Westwater plans to evaluate additional production of ULTRA-DEXDG™ in future phases of its business plan, dependent on results from further testing and the market demand for this product.

Westwater undertook its pilot program operations to inform and enhance design work for the Coosa Plant and to produce products for testing by potential customers. The information from the pilot program was incorporated into the DFS. Due to market interest and demand, we are focusing on the production of ULTRA-CSPG™ and SPG Fines during Phase I of the Coosa Plant.

Coosa Plant Site Selection

On June 22, 2021, AGP entered into incentive agreements with the State of Alabama and local municipalities for the siting of the Coosa Plant in Coosa County, Alabama. The incentive agreements provide certain tax credits and incentives under the Alabama Jobs Act in connection with the construction of the processing facility. The estimated tax credits and incentives pursuant to the incentive agreements are estimated by the State of Alabama at approximately \$36 million. However, our ability to realize the tax credits and incentives is dependent upon actual capital invested, creating and maintaining jobs in Alabama, and the generation of future taxable income in Alabama.

On July 23, 2021, AGP entered into a land lease with the Lake Martin Area Industrial Development Authority, providing AGP rights to approximately 70 acres to construct and operate the Coosa Plant. The lease has a term of 10-years, a nominal lease payment, and transfer of title to AGP at the end of the lease term. Further, the lease provides AGP the option to purchase the land for a nominal amount during the term of the lease. At lease inception, the Company estimated the fair value of the land to be approximately \$1.4 million.

Definitive Feasibility Study on the Coosa Plant

On October 11, 2021, the Company announced the results of the DFS pertaining to Phase I of its Coosa Plant. The Company intends to develop the Coosa Plant to purify natural graphite concentrates and to produce battery ready graphite products in two phases. As of the date of the DFS, the capital costs of Phase I of the Coosa Plant are estimated at \$202 million. Beginning in the first half of 2023, the Coosa Plant is expected to begin producing from purchased feedstock from outside sources until at least 2028, after which the Company expects to produce graphite feedstock from its Coosa Deposit. After processing and purification, the Company expects approximately 7,500 mt per year of two products to be commercially available in the following quantities:

- ULTRA-CSPG™: 3,700 mt per year
- Fine Products from SPG milling: 3,800 mt per year
- Project Duration: 35 years
- Pre-Tax NPV-8 percent: \$119 million
- IRR: 15%
- Annual Pre-Tax Cash Flow (After the year 2024): \$24 million per year
- Project Pre-Tax Cash Flow: \$656 million.

Also on October 11, 2021, the Company announced a plan and design for Phase II of the Coosa Plant at a pre-feasibility study level (“PFS”). As of the date of the DFS, the PFS for Phase II of the Coosa Plant estimates additional capital costs of \$464 million, and after processing and purification, the Company expects approximately 32,400 mt per year of two products will be available in the following quantities:

- ULTRA-CSPG™: 15,800 mt per year
- Fine Products from SPG milling: 16,600 mt per year
- Project Duration: 35 years
- Pre-Tax NPV-8 percent: \$767 million
- IRR: 20.5%
- Average Annual Pre-Tax Cash Flow (After the year 2024): \$129 million
- Project Pre-Tax Cash Flow: \$3.7 billion

The Company intends to initiate a definitive feasibility study for Phase II upon, or before, the completion and commissioning of Phase I of the Coosa Plant.

Approval of Construction of Phase I

On October 11, 2021, the Company’s Board of Directors approved estimated expenditures of \$202 million to execute the construction and commissioning plan for Phase I of the Coosa Plant.

Construction Progress on Phase I of the Coosa Plant

On October 13, 2021, the Company completed the purchase of two buildings by its subsidiary AGP that total 90,000 sq. ft. in size, to support the development of the Coosa Plant. These buildings will be used for administrative offices, a laboratory, and warehousing space, and each are adjacent to the Coosa Plant site. The purchase of these two buildings avoids the need for certain construction activities. During the fourth quarter of 2021, Westwater began design and construction activities related to the future administrative offices for the Coosa Plant.

In November 2021, Westwater established the construction management process and team for Phase I of the Coosa Plant. Key partners in the team were hired: Fite Construction as the construction manager; and Samuels Engineering for engineering and procurement. Construction activities began in December 2021. We are working to secure other contractors and have focused on ordering specialized equipment that have long lead times from manufacturers that were identified in, and were part of, the DFS.

Vanadium Target Identification

In late November 2018, Westwater announced the discovery of a concentration of vanadium mineralization at several locations in the graphitic schists at the Coosa Deposit. Westwater subsequently commenced the first of a four-phase exploration program designed to determine the extent, character and quality of the vanadium mineralization at the Coosa Deposit. The first phase demonstrated widespread positive values for vanadium that extended beyond the graphite deposit.

OVERVIEW OF THE BATTERY GRAPHITE INDUSTRY

Graphite is the name given to a common form of the element carbon. Occurring naturally as a mineral in deposits around the world, graphite is used in many industrial applications. These end uses take advantage of graphite's natural characteristics, which include high lubricity, high resistance to corrosion, ability to withstand high temperatures while remaining highly stable, and excellent conductivity of heat and electricity.

In recent years, graphite has become an essential component in the production of all types of electrical storage batteries. Graphite's role will continue to be important as demand for these batteries increases and with the world's growing electric-vehicle and energy-storage needs. Natural battery-ready graphite products are derived from flake graphite that has been transformed through a series of specialty downstream processes into various battery graphite products. These processes include, but are not limited to:

- Purification to battery-grade carbon with graphitic (C_g) content of ≥ 99.95%,
- Micronization (sizing);
- Spheronization (shaping), and classification (sorting); and
- Surface treatment (carbon coating).

Natural flake graphite is increasingly supplanting the use of synthetic graphite in battery applications, for cost and performance reasons. Through a series of sophisticated and precise processing steps, flake-graphite concentrates are transformed into high-value end products for the battery industry. Coated spherical purified graphite is used as graphite anode or anode active material in lithium-ion batteries.

The global battery market consumed 217,000 tonnes of natural graphite in 2020 (Roskill, 2020). The greatest share of this market is made up of four battery-market segments that require advanced battery-grade graphite products:

- **Lithium-Ion batteries** — these are the most advanced batteries used in everything from mobile phones and hand tools to laptop computers and electric vehicles, particularly because of the rechargeable nature of the batteries. Demand for lithium-ion batteries accounted for 29% of natural graphite demand in 2020, which is projected to grow to 78% in 2030 (Benchmark, 2021).
- **Alkaline batteries** — these are the most popular consumer batteries in the world, with a global market size of approximately \$7.6 billion in 2020 and a projected compounded annual growth rate ("CAGR") of 4.9% from 2021 through 2028 (Fortune Business Insights, 2020).
- **Lead Acid batteries** — these are the workhorse batteries used in automobiles, back-up power supplies and other energy-storage applications where weight is less important than capacity. The global lead acid battery market was estimated at approximately \$39.7 billion in 2018 and a projected CAGR of 5.24% from 2019 through 2026 (Allied Market Research, 2020).

- **Primary Lithium batteries** — these are non-rechargeable, lightweight lithium-based batteries, and are typically used in flashlights, smoke detectors, and other small device applications where long life and lightweight matters most.

All of these batteries use graphite as a critical, non-substitutable constituent. According to Roskill, batteries accounted for an estimated 290,000 tonnes of natural and synthetic graphite consumption in 2020, and was growing at a CAGR of 21.3% over the previous 10 years (Roskill, 2020). Based on Roskill's base case scenario, this rate of growth could continue over the next decade, with graphite consumption in batteries reaching 1,800,000 tonnes in 2030, of which over 1,200,000 tonnes is projected to be natural graphite. According to Benchmark, spherical graphite demand is expected to increase to approximately 2,500,000 tonnes per year in 2035, compared to a forecasted supply in 2035 of approximately 500,000 tonnes per year.

Competition between natural and synthetic graphite is expected to continue in lithium-ion batteries with price, performance and availability affecting the choice between them. Common precursor materials in the production of synthetic graphite come from either petroleum needle coke, or coal needle coke. However, synthetic graphite and natural graphite blends are becoming a popular choice for EV applications to optimize performance and cost by taking advantage of each graphite attribute such as cycle life, energy density and cost. Synthetic graphite consumption by anode manufacturers is expected to grow because of the concentration of the industry in China; however, natural flake graphite demand is forecast to grow at a higher rate because of natural graphite's performance and cost efficiencies.

In addition, natural graphite flake costs and purification costs in China have increased due to environmental costs (hydrofluoric acid handling cost). In fact, China has become one of the major importers for natural graphite flake relying upon less expensive African sources. China also poses a geopolitical risk particularly to EU and US regions.

Overall battery consumption is rising at an accelerated growth rate due to recent and robust developments in electric-automobile markets, personal electronic devices, electrical grid storage, and an enabling technology for wind and solar power installation. The global shift towards low- and zero-emissions vehicles and power sources will continue to drive increasing demand for graphite-battery materials for the foreseeable future. Recent developments in this sector include:

- The United Kingdom and France have announced a prohibition on the sale of gasoline- and diesel-powered vehicles by 2040. Electric vehicles using battery storage are the only viable technology that can satisfy the demands for new cars mandated by these nations;
- China, the largest new-car market in the world, has mandated that 8% of all new cars sold are to be plug-in hybrid, battery electric or fuel-cell powered;
- Many major automobile companies have developed, or are developing, an electric-based technology to replace internal-combustion engines, many of whom have publicly announced plans to transition to fully electric vehicles within the next 20 years;
- Battery manufactures and major automobile companies have announced plans to develop thirteen different battery manufacturing facilities in the United States in the near future;
- Governments around the world, including the United States, continue to incentivize electric-vehicle ownership through subsidies and other incentives;
- The installed base of wind and solar power electrical-generating systems is increasing every year. Grid battery storage is the answer to increasing system reliability and unlocking the value of these power sources; and
- As a result of these catalysts, and according to Roskill, the Lithium-Ion battery market is expected to grow at a compounded annual growth rate of over 20%.

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A significant challenge for battery manufacturers is that the primary source of battery-grade graphite is from China, presenting the global battery industry with significant risks, including supply chain management risks, economic risks and environmental unsustainability. Also, critical domestic production is absent in the United States. A Presidential Executive Order signed September 30, 2020 includes graphite on its list of minerals critical to the safety and security of the United States. With little current domestic natural graphite production of any kind, the United States is presently required to source most of its battery graphite from China. On February 24, 2021, the President signed an Executive Order that seeks to provide for more resilient supply chains to revitalize and rebuild domestic manufacturing capacity and maintain America's competitive edge in research and development. The President's declaration asked the Secretary of Energy, as part of larger study involving several branches of the United States government, to submit a report identifying risks to the supply chain for high-capacity batteries including those that power electric vehicles. On June 8, 2021, the White House released a response to the findings of this study in support of securing an end-to-end domestic supply chain for advanced batteries, including investment in domestic production and processing of critical minerals. Key recommendations in the June 8, 2021 release include, among other things, providing funding and financial incentives to encourage consumer adoption of electric vehicles, providing financing to support advanced battery production, and investing in the development of next generation batteries.

Westwater has developed graphite-purification technology and advanced product-development processes to meet the demands of potential customers for battery-grade graphite materials. Westwater is developing methodologies and facilities to produce high-purity, battery-grade graphite products at its Coosa Plant. These products are designed to address all major battery sectors. In addition, the processes we intend to use are environmentally sustainable and permissible in the United States, where a robust regulatory environment complements our core values to reliably deliver safe, well-made products to our customers.

OVERVIEW OF THE VANADIUM INDUSTRY

Vanadium is a lightweight metal used in the construction industry, in high strength steel alloys, and in some large grid storage batteries. A majority of annual vanadium consumption is utilized by the steel industry, where additions of the metal to conventional steel materials adds strength and corrosion resistance. Importantly for Westwater, demand for vanadium flow batteries is increasing as solar and wind power generators seek to make their installations more reliable electricity providers.

Currently, the majority of all vanadium is produced in South Africa, China and Russia. There is no significant production of vanadium currently in the United States.

COMPETITION

In the production and marketing of graphite, there are a number of producing entities globally, some of which are government controlled and several of which have significant capitalization. For instance, approximately 80% of natural graphite global supply comes from China.

With respect to sales of graphite, the Company expects to compete primarily based on price. We intend to market graphite directly to users of the product. We are in direct competition with supplies available from various sources worldwide. We compete with multiple graphite exploration, development and production companies.

WESTWATER'S COOSA PROJECT

Coosa Plant

On June 22, 2021, AGP entered into incentive agreements with the State of Alabama and local municipalities for the siting of the Coosa Plant near Kellyton, Alabama. The incentive agreements provide certain tax credits and incentives under the Alabama Jobs Act in connection with the construction of the Coosa Plant.

On July 23, 2021, AGP executed a land lease with the Lake Martin Area Industrial Development Authority, providing AGP rights to approximately 70 acres to construct and operate the Coosa Plant. The lease has a term of 10 years,

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a nominal lease payment, and transfer of title to AGP at the end of the lease term. Further, the lease provides AGP the option to purchase the land for a nominal amount during the term of the lease.

On October 13, 2021, AGP completed the purchase of two buildings that total approximately 90,000 sq. ft. to support the development of the Coosa Plant. These buildings will be used for administrative offices, a laboratory, and warehousing space, and each are adjacent to the Coosa Plant.

Westwater plans to develop the Coosa Plant in two phases (Phases I and II).

Phase I: Beginning in the first half of 2023, the Coosa Plant is expected to produce approximately 7,500 mt of two products, ULTRA-CSPG™, and SPG Fines, which is a precursor product for ULTRA-PMG™. After processing and purification, the two products are expected to be available in the following quantities:

- ULTRA-CSPG™: 3,700 mt per year
- SPG Fines: 3,800 mt per year

Phase II: Upon completion of Phase II, after processing and purification, approximately 32,400 mt of two products are expected to be available in the following quantities:

- ULTRA-CSPG™: 15,800 mt per year
- SPG Fines: 16,600 mt per year

Construction activities for Phase I of the Coosa Plant began in the fourth quarter of 2021 and construction is expected to be completed in the first half of 2023. The Company intends to initiate a definitive feasibility study for Phase II upon, or before, the completion of Phase I.

Purification and Post-Processing Activities

The purification of the graphite concentrate at the Coosa Plant is expected to be performed using a proprietary, patent pending purification process that was developed and tested during our pilot program by Dorfner Anzaplan and other engineering consultants. Once the graphite is purified to a minimum graphite carbon content of 99.95%, we will then process it through a combination of sizing, shaping, spheronization, classification and coating to the advanced graphite products we intend to sell.

The Company has developed a new method for the purification of graphite concentrate. The process uses a combination of technologies including a caustic bake, acid leach and thermal finishing, a process that allows for a smaller and more sustainable environmental footprint than that of a hydrofluoric acid leaching system as used by other graphite processing companies. This unique application developed by Westwater is the subject of patent applications that have been filed in the U.S. Patent and Trademark Office.

We intend to purchase readily available graphite flake from a qualified supplier, for which a procurement contract is currently in place, to serve as plant feedstock for the Coosa Plant while the Coosa Deposit is being evaluated, permitted, and developed for future mining operations. Development of a mine at the Coosa Deposit, planned for start-up in 2028, will serve as an in-house source of graphite feedstock and will provide in-house QA/QC for raw-material inputs.

Description of the Coosa Deposit

Westwater acquired Alabama Graphite in 2018 as part of a strategic decision to refocus the Company to supply battery manufacturers with low-cost, high-quality, and high-margin graphite products. As a result of that business transaction, Westwater became the owner of the Coosa Deposit, located near Rockford, Alabama, 50 miles southeast of Birmingham.

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The Coosa Deposit is located at the southern end of the Appalachian Mountain range, in Coosa County, Alabama. The Coosa Deposit is located in an area that has been a past producer of graphite, utilizing a geology trend spanning tens of thousands of acres, known as the “Alabama Graphite Belt.”

The Coosa Deposit is comprised of approximately 41,965 acres of privately-owned mineral rights that the Company holds under a long-term lease.

The Coosa Deposit is hosted in high-grade metamorphic rocks. Graphitic material is present in two types of schist, a quartz-graphite schist that generally has grades greater than 1% Cg and a quartz-biotite-graphite-schist that has grades generally less than 1% Cg. The uppermost 60-100 feet of the graphite-bearing rocks have been weathered and oxidized such that they could be easily mined by simple excavation equipment without any blasting. As currently defined, mining will mainly be centered on these weathered units.

Prior to the acquisition of Alabama Graphite by Westwater, a mineral resource estimate for the Coosa Deposit, as set forth in a Preliminary Economic Assessment (PEA) was prepared by Alabama Graphite. This assessment was prepared and published in accordance with the National Instrument 43-101 *Standard of Disclosure for Mineral Projects* (“NI 43-101”) on Number 27, 2015. As noted, during 2021, Westwater has continued its exploration program to further investigate the size and extent of both graphite and vanadium mineral concentrations at the Coosa Deposit drilling 54 holes totaling 4,461 feet drilled. Westwater anticipates completing its exploration program during the first quarter of 2022. Following the completion of its exploration program on the Coosa Deposit, Westwater intends to complete a technical report in accordance with subpart 229.1300 of Regulation S-K – Disclosure by Registrants Engaged in Mining Operations (“S-K 1300”). The new S-K 1300 requirements of the SEC are similar to NI 43-101, but not identical. The results of the technical report are expected by the end of 2022.

Mining Method

The Coosa Deposit is expected to be mined by conventional small-scale open-pit mining methods.

Concentrate Plant

Mineralized material from the Coosa Deposit is projected to have an average grade of 3.2% Cg, and is expected to contain impurities consisting of quartz, muscovite, iron oxides and calcite. Most of the impurities are present on the surfaces of the graphite flakes and can be easily removed during a metallurgical process known as flotation. Flotation processing maximizes the removal of these impurities while avoiding degradation of graphite flakes.

Further development work at the Coosa Deposit is expected to result in the design and a construction of a milling and concentration plant.

Products and Business Development

The Company is working to develop products for potential major battery markets. Based on discussions with potential customers, Westwater will focus on the production of ULTRA-CSPG™ and SPG fines during Phase I of the Coosa Plant and expects to evaluate the production of additional products in Phase II, subject to market demand and customer interest.

The Company plans to focus on several different battery manufacturers, including lithium-ion batteries, lead-acid batteries, alkaline batteries, and primary-lithium batteries. The Company has initiated discussions with several battery manufacturers (including automobile manufacturers), with the goal of executing multi-year supply agreements. To date, the Company has executed Non-Disclosure Agreements with potential customers and placed test samples with certain potential customers. On November 17, 2021, the Company announced that it signed a letter of intent to sell 125-250 metric tons of ULTRA-CSPG™ for lithium-ion batteries in 2023 with an option to sell an additional 16,000 metric tons in 2025. This letter of intent is subject to the commissioning and operation of a pilot plant and a full-scale plant by the counter-party, the Company meeting certain quality and packaging specifications, and customary conditions.

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Regulation

Graphite extraction and processing is regulated by the federal and state governments. Compliance with such regulations has a material effect on the economics of our operations and the timing of project development. Our primary regulatory costs have been, and are expected to relate to, obtaining licenses and operating permits from federal and state agencies before the commencement of production activities, as well as the cost for maintaining compliance with licenses and permits once they have been issued. The current environmental and technical regulatory requirements for the graphite extraction and processing industry are well established. However, the regulatory process can make permitting difficult and timing unpredictable.

U.S. regulations pertaining to graphite extraction and processing may evolve in the U.S. However, at this time we do not anticipate any adverse impact from these regulations that would be unique to our operations.

Coosa Deposit

Graphite mining and processing in Alabama requires various permits, including those for any emissions to air, water, or other aspects of the environment. Permits may be required from the State of Alabama, the U.S. Environmental Protection Agency, the Army Corps of Engineers, and other State and Federal Agencies as identified in the Company's DFS. Specifically for the mine, permits may be required in accordance with the Alabama Surface Mining Act of 1969, which is administrated by the Alabama Department of Labor ("DoL"). DoL issues mining permits, ensures that mine sites are properly bonded for reclamation purposes, and makes periodic inspections. The Company is currently in the process of determining the requirements for posting surety or negotiable bonds related to the area to be disturbed. Future mining operations at the Coosa Deposit may be subject to the US National Environmental Policy Act process, with potential review by various federal agencies that may include US Environmental Protection Agency, the Army Corp of Engineers, and others.

In Alabama, any surface or groundwater withdrawals are managed through the Alabama Water Use Reporting Program. The Alabama Water Resources Act and associated regulations establish the requirements for water withdrawals. The process begins with the submittal of an application form called a "Declaration of Beneficial Use" and other required information to the Office of Water Resources ("OWR") within the Alabama Department of Economic and Community Affairs. Once application information is reviewed and determined to be complete, OWR will issue a Certificate of Use ("COU") that lists the applicant's name and information concerning all registered surface and/or groundwater withdrawal points and their withdrawal information. Entities with a capacity to withdraw more than 100,000 gallons per day are required to register with OWR and obtain a COU. The COU certifies that proposed water use will not interfere with an existing water use and is beneficial.

Coosa Plant

For construction and operations of the Coosa Plant, the Company is required to obtain permits related to air emissions, water discharge, storm water drainage, and possibly other regulated waste. On January 31, 2022, Westwater announced that it has received its National Pollutant Discharge Elimination System ("NPDES") construction stormwater permit, which is required to commence site grading for the Coosa Plant. The NPDES permit has been issued by the State of Alabama under NPDES to ensure Westwater's construction efforts comply with the Federal Clean Water Act as it relates to regulated disturbances and any stormwater runoff from the Coosa Plant site. The NPDES permit, when coupled with the Company's best Management Practices, allows Westwater to commence site grading activities at the Coosa Plant.

In the fourth quarter of 2021, we submitted our air emission permit application for a synthetic minor source operating permit to Alabama Department of Environmental Management ("ADEM"). The minor source air emission permit will allow the Company to begin vertical construction at the Coosa Plant site, and operate in compliance with the Federal Clean Air Act. The Company expects ADEM to complete its review and issue the air emissions permit during the first half of 2022.

The Company is also required to obtain a Surface Indirect Discharge permit, which will allow the Company to utilize the municipal water treatment facility for wastewater discharges from the Coosa Plant. This permit is expected to be applied for and received in 2022.

CORE VALUES AND ENVIRONMENT, SOCIAL AND GOVERNANCE (“ESG”) CONSIDERATIONS

Westwater operates according to its core values which incorporates ESG principles:

- Safety:
 - Of each other
 - Of our environment
 - Of the communities where we work
 - Of our assets
 - Of our reputation
- Cost Management
 - Effective and efficient use of our shareholders’ assets
 - Focus on first quartile cost performance
- Reliability and Integrity
 - Highest level of performance every day
 - Improving our processes
 - Conservative promises well kept

The Company works to be a good corporate citizen and to safeguard our employees, operations, neighbors and local communities where our employees and stakeholders live and work.

As these core values apply to our daily work, ESG criteria are applied to our decisions and actions. Further, Westwater intends to report its sustainability in accordance with the applicable guidelines established by the Sustainability Accounting Standards Board (“SASB”). The SASB is an independent, private sector standards-setting organization dedicated to enhancing the efficiency of the capital markets by fostering high-quality disclosure of material sustainability information.

Environmental Criteria and Actions

The DFS for Phase I of the Coosa Plant was completed in October 2021. As part of the DFS, we have defined the raw material inputs, energy inputs, product streams, and waste streams, including air, water, solids and heat, for processing our graphite into battery products. Integrated into these input and output streams, we are defining methods of minimizing impacts to our environment, including:

- Assessing the origin of our graphite and its impact to the environment.
- Assessing the supply chain for reagents and their impact to the environment.
- Assessing the energy forecasted for use in the manufacturing of our products.
- Performing trade off studies for recycling our reagents and waste streams to ensure we have minimized our impact to the communities where we work and where we source our input materials.

Greenhouse gas emissions: Estimates are being quantified and are expected to be finalized through detailed design work. Operations for Phase I of the Coosa Plant are expected to begin during the first half of 2023. At that time, Westwater will begin monitoring, measuring, and continuous improvement efforts related to its greenhouse gas emissions.

Air quality: Estimates are being quantified and are expected to be finalized through detailed design work.

Energy consumption: Estimates are being quantified and are expected to be finalized through detailed design work.

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Wastewater management: We expect that the Coosa Plant will not have surface water connections to waters of the United States, nor are there any such jurisdictional waters of the United States at the Coosa Plant. Westwater plans to pretreat the wastewater from the Coosa Plant through recycling, neutralizing and filtering to ensure it meets local wastewater disposal requirements. Estimates are being quantified and are expected to be finalized through detailed design work.

Social Criteria and Actions

Westwater has a strong history in social license. The Company has spent the last eight years providing scholarships to family members of the Cebolleta and Juan Tafoya Land Grants in New Mexico. We have supported this scholarship effort over the years to ensure that young people are afforded an opportunity to attend colleges and universities. As a result of this work, students in Veterinary Medicine, Mining Engineering, Nursing, Pharmacology, Criminal Justice and Business Management have been able to further their education.

As part of our Coosa Project design and analysis we are evaluating community needs, with input from the local stakeholders, and our ability to satisfy them – whether in education, infrastructure, or in other ways applicable to community needs. Through the Alabama Industrial Training (“AIDT”) program, the Company is eligible to receive a cash reimbursement for the design of a customized training plan and process for recruitment, screening, and training new employees. In addition to the cash reimbursement for training, AIDT offers in-kind services, which includes items such as assistance with a pre-employment selection system, maintenance assessments, safety assistance and training, and robotic and programable logic controller automation training. We seek to understand and minimize negative impacts to all of our stakeholders. During 2021, Westwater has held a number of “townhall” meetings with the local community in Coosa County, Alabama, to maintain open and transparent communication as well as to hear and address any concerns of the community. Westwater team members also hold memberships in the Coosa Riverkeepers and the Lake Martin Watch community group.

Westwater Team and Culture (Human Capital)

Our team and culture are keys to our success. Management aims to foster a diverse, equitable and inclusive culture. We believe that a diverse workforce provides different viewpoints on business strategy, risk and innovation. We are committed to fostering solid relationships with all members of our workforce based on trust, treating workers fairly and providing them with safe and healthy working conditions. Our team is defined by a commitment to our mission, vision, and values, which includes providing a great place to work for teammates, being a good neighbor in the communities where we work and live, and being a good steward for our investors.

Westwater’s Board of Directors and management team has focused on hiring, succession planning and talent development to produce a strong and stable team. To that end, after a comprehensive search process that yielded many highly qualified candidates, Westwater hired Chad M. Potter as Westwater’s Chief Operating Officer on August 2, 2021. On February 7, 2022, following the announced retirement of Christopher M. Jones, President and Chief Executive Officer of the Company, the Board of Directors elected Mr. Potter President and Chief Executive Officer effective February 26, 2022. Mr. Potter is a proven operations leader, whose unique skills and experience will be instrumental in leading Westwater and its subsidiaries through the construction, development, and future operation the Coosa Project. The addition of Mr. Potter will help position Westwater’s American-made battery graphite operations as best in class with a focus on safety, quality, integrity, and the protection of our environment.

Further, on May 10, 2021, after completing a comprehensive search process, Westwater hired Steven M. Cates as Westwater’s Chief Accounting Officer and Controller. Mr. Cates is a proven financial manager whose skills and experience will be instrumental in this stage of anticipated growth and value creation at Westwater.

As of December 31, 2021, approximately 15 people were employed at Westwater.

Consistent with our core value of safety for each other, Westwater offers employment benefits including medical insurance, paid time off, sick leave, retirement plans for all teammates, and a bonus structure at all salaried levels of the organization. Additionally, we have a history of supporting the professional development of members of our workforce

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including financial support to those wishing to obtain advance degrees, and leadership seminars and training. We have, to date, provided key financial support that resulted in college degrees for three of our employees, or about 10% of our workforce.

Governance Criteria and Factors

Board of Directors

The Company's business and affairs are overseen by the Board pursuant to the Delaware General Corporation Law and the Company's Amended and Restated Bylaws, as amended (the "**Bylaws**"). Members of the Board are kept informed of the Company's business through discussions with the President and Chief Executive Officer and key members of management, by reviewing materials provided to them and by participating in Board and Committee meetings. All members of the Board are elected annually by the stockholders.

Regular attendance at Board meetings and the Annual Meeting is expected of each director. Our Board held 15 meetings during 2021. No director attended fewer than 75% of the total number of Board and applicable Committee meetings (held during the period that such director served) in 2021. The independent directors met in executive session at several of the Board meetings held in 2021. All of the directors at the time attended the 2021 Annual Meeting of Stockholders.

Board Leadership Structure

The Company's governing documents allow the roles of Chairman and Chief Executive Officer to be filled by the same or different individuals. This approach allows the Board flexibility to determine whether the two roles should be separate or combined based upon the Company's needs and the Board's assessment of the Company's leadership from time to time. Currently, Mr. Cryan serves as Chairman and Mr. Jones serves as Chief Executive Officer. Effective February 26, 2022, Mr. Cryan will become Executive Chairman of the Company.

Safety and Sustainability Committee (previously the Health, Safety, and Environmental Committee)

We have methods in place to ensure we do our job to integrate and govern ESG work in our business. We have a Safety and Sustainability Committee reporting directly to the entire Board of Directors of Westwater. The Safety and Sustainability Committee held one meeting in 2021. On May 21, 2021, the former Health, Safety and Environmental Committee was renamed by the Board as the Safety and Sustainability Committee, and a new charter was adopted that reads, in part:

The Committee's primary purposes are to:

- provide advice, counsel and recommendations to management on:
 - health, safety, loss prevention issues and operational security, and
 - issues relating to sustainable development, environmental management and affairs, community relations, human rights, government relations and communications; and
- assist the Board in its oversight of:
 - health, safety, loss prevention and operational security issues relating to the Company;
 - sustainable development, environmental affairs, relations with communities and civil society, government relations, communications issues and human rights relating to the Company;

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- the Company's compliance with regulations and policies that provide processes, procedures and standards to follow in accomplishing the Corporation's goals and objectives relating to:
 - health, safety, loss prevention issues and operational security ,and
 - sustainable development, environmental management affairs, community relations, human rights, government relations and communications issues; and
- management of risk related thereto.

We have direct experience in managing ISO 14001 Environmental Management Systems ("EMS"). These systems are designed to provide for reliable performance in sustainable management of businesses. We are committed to the continual improvement of the EMS, according to compliance obligations, by following the principles and requirement of ISO 14001. After the completion of our Phase I DFS, management has designed ISO 14001 based management systems to facilitate and govern our environmental performance. This effort includes the establishment of a preliminary set of metrics for measuring that performance.

Audit Committee

We have a separately-designated Audit Committee composed solely of independent directors. The Audit Committee held four meetings in 2021.

The Audit Committee's primary responsibilities are to:

- assist the Board in discharging its responsibilities with respect to the accounting policies, internal controls and financial reporting of the Company;
- monitor compliance with applicable laws and regulations, standards and ethical business conduct, and the systems of internal controls;
- assist the Board in its oversight of the qualifications, independence and performance of the registered public accounting firm engaged to be the independent auditor of the Company; and
- prepare the Audit Committee report required to be included in the Company's proxy statements.

Compensation Committee

The Compensation Committee held five meetings in 2021. The Compensation Committee is responsible for assisting the Board in setting the compensation of the Company's directors and executive officers and administering and implementing the Company's incentive compensation plans and equity-based plans. See *Item 11. Executive Compensation* in this annual report for further discussion of the Compensation Committee's roles and responsibilities as well as the Company's compensation philosophy.

Nominating and Governance Committee

The Nominating and Corporate Governance Committee held one meeting during 2021, and its duties and responsibilities are to:

- recommend to the Board director nominees for the annual meeting of stockholders;
- identify and recommend candidates to fill vacancies occurring between annual stockholder meetings; and
- oversee all aspects of corporate governance of the Company.

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The Nominating and Corporate Governance Committee of the Board identifies director candidates based on input provided by a number of sources, including members of the Nominating and Corporate Governance Committee, other directors, our stockholders, members of management and third parties. The Nominating and Corporate Governance Committee does not distinguish between nominees recommended by our stockholders and those recommended by other parties. Any stockholder recommendation must be sent to the Secretary of Westwater Resources, Inc. at 6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112, and must include detailed background information regarding the suggested candidate that demonstrates how the individual meets the Board membership criteria discussed below. The Nominating and Corporate Governance Committee also has the authority to consult with or retain advisors or search firms to assist in the identification of qualified director candidates.

As part of the identification process, the Nominating and Corporate Governance Committee takes into account each candidate's business and professional skills, experience serving in management or on the board of directors of companies similar to the Company, financial literacy, independence, personal integrity and judgment. In conducting this assessment, the Nominating and Corporate Governance Committee will, in connection with its assessment and recommendation of candidates for director, consider diversity (including, but not limited to, gender, race, ethnicity, age, experience and skills) and such other factors as it deems appropriate given the then-current and anticipated future needs of the Board and the Company, and to maintain a balance of perspectives, qualifications, qualities and skills on the Board. The Board does not have a formal diversity policy for directors. However, the Board is committed to an inclusive membership. Although the Nominating and Corporate Governance Committee may seek candidates that have different qualities and experiences at different times in order to maximize the aggregate experience, qualities and strengths of the Board members, nominees for each election or appointment of directors will be evaluated using a substantially similar process. Incumbent directors who are being considered for re-nomination are re-evaluated both on their performance as directors and their continued ability to meet the required qualifications.

Board Diversity

Westwater's Board of Directors is comprised of four independent directors, and currently has a 50/50 gender representation of the independent directors. In 2021, Westwater was acknowledged by, and received an award, from BoardConnect by the Women's Leadership foundation for achieving gender balance on its Board of Directors. Westwater is currently one of only eight public companies in Colorado to have achieved this balance.

Covid-19

The COVID-19 pandemic has not had a significant impact on Westwater's corporate business activities. Prior to March 1, 2021, Westwater reduced utilization of its offices and instituted remote working arrangements to ensure that some employees were able to work remotely using systems that already were in place. On March 1, 2021, Westwater reopened its Centennial corporate facility and allowed employees to return to the office to work together with appropriate health protocols in place. Westwater's continued focus on the health and safety of employees, the safety of operations, and the safety of the communities in which our employees live and work remains paramount. To that end, Westwater has continued to restrict unnecessary travel, and ensured that employees are permitted to take time off due to illness or the illness of those around them without penalty.

AVAILABLE INFORMATION

Our internet website address is www.westwaterresources.net. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) of 15(d) of the Exchange Act, are available free of charge through our website under the tab "Investor" as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. We also make available on our website copies of materials regarding our corporate governance policies and practices, including our Code of Ethics, Nominating and Governance Committee Charter, Audit Committee Charter and Compensation Committee Charter. You may read and copy any materials we file with the SEC at the SEC's website at <http://www.sec.gov>. You may also obtain a printed copy of the foregoing materials by sending a written request to: Westwater Resources, Inc., 6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112, Attention: Information Request, or by calling 303.531.0516. The information found on our internet website is not part of this or any report filed or furnished to the SEC.

ITEM 1A. RISK FACTORS

Our business activities are subject to significant risks, including those described below. Every investor or potential investor in our securities should carefully consider these risks. If any of the described risks actually occurs, our business, financial position and results of operations could be materially adversely affected. Such risks are not the only ones we face and additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business.

Risks Related to Our Business

We face a variety of risks related to our planned battery-graphite manufacturing business.

We plan to develop a battery-graphite manufacturing business that produces low-cost, high-quality, and high-margin graphite products for battery manufacturers. The planned battery-graphite manufacturing business is significantly different from our historic mining operations and carries a number of risks, including, without limitation:

- unanticipated liabilities or contingencies, including those related to intellectual property;
- the need for additional capital and other resources to expand into the battery-graphite manufacturing business;
- competition from better-funded public and private companies, including from producers of synthetic graphite, and competition from foreign companies that are not subject to the same environmental and other regulations as the Company;
- difficulty in hiring personnel or acquiring the intellectual property rights and know-how needed for the proposed battery-graphite manufacturing business; and
- the potential for interruptions in our sources of graphite prior to operation of the Coosa Deposit due to environmental, political unrest, supply chain disruptions and transportation risks, and regulatory changes.

Entry into a new line of business may also subject us to new laws and regulations with which we are not familiar, and may lead to increased litigation and regulatory risk. Further, our battery-graphite manufacturing business model and strategy are still evolving and are continually being reviewed and revised, and we may not be able to successfully implement our business model and strategy. We may not be able to produce graphite with the characteristics needed for battery production, and we may not be able to attract a sufficiently large number of customers. Neither the Company nor any member of its management team has directly engaged in producing graphite before, and our lack of this specific experience may result in delays or further complications to the new business. If we are unable to successfully implement our new battery-graphite manufacturing business, our revenue and profitability may not grow as we expect, our competitiveness may be materially and adversely affected, and our reputation and business may be harmed.

In developing our planned battery-graphite manufacturing business, we have and will continue to invest significant time and resources. Initial timetables for the development of our battery-graphite manufacturing business may not be achieved. Failure to successfully manage these risks in the development and implementation of our new battery-graphite manufacturing business could have a material adverse effect on our business, results of operations and financial condition.

The construction and operation of the Coosa Project is subject to delays, cost overruns or may not produce expected benefits.

Construction projects are subject to broad and strict government supervision and approval procedures, including but not limited to project approvals and filings, construction land and project planning approvals, environment protection

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approvals, pollution discharge permits, work safety approvals and the completion of inspection and acceptance by relevant authorities. As a result, we may be subject to administrative uncertainty, fines or the suspension of work on such projects.

Construction delays related to the Coosa Plant or failure to operate the Coosa Plant in accordance with agreements with the State of Alabama and local municipalities could result in the loss of otherwise available tax credits and incentives.

To the extent we are unable to successfully complete construction on time or at all, our ability to develop the Coosa Project could be adversely affected, which in turn could have a material adverse effect on our business, growth prospects, results of operations and financial condition.

The Company may incur unexpected costs or delays in the construction of the Coosa Plant.

The Company is in the process of developing and constructing the Coosa Plant. The completion of the Coosa Plant without delays or significant cost overruns involves substantial risks that may occur, including the accuracy of the estimates and findings in the DFS; successful negotiation of construction contracts; challenges with managing contractors and vendors; subcontractor performance; adverse weather conditions and natural disasters; contractor and/or vendor delays; increased costs, shortages, or inconsistent quality of equipment, materials, and labor; delays due to judicial or regulatory action; nonperformance under construction or other agreements; engineering or design problems; negative impacts of the COVID-19 pandemic or future pandemic health events; work stoppages; continued public and policymaker support for the project; environmental and geological conditions; and challenges with start-up activities and operational performance. Additionally, the Coosa Plant includes the Company's improved method for purification of graphite concentrate and is a design process that has not previously been constructed.

The Company is not producing any products at a commercial scale at this time. As a result, we do not currently have a reliable source of operating cash. If we cannot successfully transition to commercial scale production of graphite and vanadium, partner with another company that has cash resources, find other means of generating and/or access additional sources of private or public capital, we may not be able to remain in business.

We do not have a committed source of financing for the development of our graphite or vanadium projects. Pursuant to our DFS, the remaining capital expenditures to construct Phase I of the Coosa Plant are estimated at approximately \$198 million, and delays in constructing the commercial scale processing facility and other cost overruns may increase that estimate significantly. As of December 31, 2021, we have approximately \$115.3 million in cash, and there can be no assurance that we will be able to obtain financing on commercially reasonable terms, if at all, for the remainder of the amount needed to construct Phase I of the Coosa Plant or develop our properties. Our inability to construct the Coosa Plant or develop our properties would have a material adverse effect on our future operations.

We have incurred losses and have had no revenue from operations since 2009, and we expect to continue to incur losses in the foreseeable future. We have no way to generate cash inflows outside of financing activities and we will continue to incur operating losses until we begin graphite and/or vanadium production on a scale sufficient to generate revenues to fund continuing operations, which cannot be assured. Our future graphite production is dependent on completion of the Coosa Plant and successful implementation of graphite purification technology. Our future vanadium production is dependent upon the completion of an evaluation plan that will assess the amount, location and size of vanadium concentrations at our Coosa Deposit in Alabama. We can provide no assurance that we will successfully produce graphite on a commercial scale, that our properties will be placed into production or that we will be able to continue to find, develop, acquire and finance additional mineral resources or reserves. If we fail to reach commercial scale production and cannot find other means of generating revenue other than producing graphite and vanadium and/or access additional sources of private or public capital, we may not be able to remain in business and holders of our securities may lose their entire investment.

Volatility in graphite and vanadium prices may result in the Company not receiving an adequate return on invested capital.

Unless and until the Company produces natural graphite from the Coosa Deposit in Alabama, which is not projected to occur until the next six to eight years at the earliest, the Company will be exposed to fluctuations in the price

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of natural flake graphite, which may increase substantially as the demand for graphite increases. In addition, the Company's graphite and vanadium exploration and development activities may be significantly adversely affected by volatility in the price of graphite or vanadium. The success of our mining operations and ability to achieve positive cash flow is dependent on our ability to develop our properties and then operate them at a profit sufficient to finance further mining activities and for the acquisition and development of additional properties. Any profit will necessarily be dependent upon, and affected by, the long and short-term market prices of graphite and vanadium. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as global and regional supply and demand, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, and the political and economic conditions of mineral-producing countries throughout the world. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company's graphite and vanadium activities not producing an adequate return on invested capital to be profitable or viable. In addition, a significant, sustained drop in graphite and vanadium prices would cause us to recognize impairment of the carrying value of our graphite and vanadium or other assets, which could have an adverse impact on the Company's financial conditions and results of operations

Our operations are subject to environmental risks.

We are required to comply with environmental protection laws, regulations and permitting requirements in the United States, and we anticipate that we will be required to continue to do so in the future in connection with our Coosa Project. We have expended significant resources, both financial and managerial, to comply with environmental protection laws, regulations and permitting requirements, and we anticipate that we will be required to continue to do so in the future. The material laws and regulations within the U.S. include the Clean Air Act, Clean Water Act, Safe Drinking Water Act, Federal Land Policy Management Act, National Park System Mining Regulations Act, the State Mined Land Reclamation Acts or State Department of Environmental Quality regulations and the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the rules and regulations of the NEPA, the National Pollution Discharge Elimination System (NPDES) and Section 404 of the Clean Water Act (CWA) as applicable.

We cannot predict what environmental legislation, regulation or policy will be enacted or adopted in the future or how future laws and regulations will be administered or interpreted. The recent trend in environmental legislation and regulation, generally, is toward stricter standards, and this trend is likely to continue in the future. This recent trend includes, without limitation, laws and regulations relating to air and water quality, reclamation, waste handling and disposal, the protection of certain species, the preservation of certain lands, and epidemics and pandemics to the degree they impact us or our activities. These regulations may require the acquisition of permits or other authorizations for certain activities. These laws and regulations may also limit or prohibit activities on certain lands. Compliance with more stringent laws and regulations, as well as potentially more vigorous enforcement policies or stricter interpretation of existing laws, may necessitate significant capital outlays, may materially affect our results of operations and business or may cause material changes or delay to our intended activities.

Our operations may require additional analysis in the future including environmental, cultural and social impact and other related studies. Certain activities require the submission and approval of environmental impact assessments. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. We cannot provide assurance that we will be able to obtain or maintain all necessary permits that may be required to continue our operation or exploration of our properties or, if feasible, to commence development, construction or operation of mining facilities at such properties on terms which enable operations to be conducted at economically justifiable costs. If we are unable to obtain or maintain permits or water rights for development of our properties or otherwise fail to manage adequately future environmental issues, our operations could be materially and adversely affected.

Competition from better-capitalized companies affects prices and our ability to acquire both properties and personnel.

There is global competition for capital, graphite and vanadium customers and the employment and retention of qualified personnel. In the production and marketing of graphite and vanadium, there are a number of producing entities, some of which are government controlled and most of which are significantly larger and better capitalized than we are.

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Many of these organizations also have substantially greater financial, technical, manufacturing and distribution resources than we have.

Because we have limited capital, inherent manufacturing and mining risks pose a significant threat to us compared with our larger competitors.

Because we have limited capital, we may be unable to withstand significant losses that can result from inherent risks associated with manufacturing and mining, including environmental hazards, industrial accidents, flooding, earthquake, pandemics, interruptions due to weather conditions and other acts of nature which larger competitors could withstand. Such risks could result in damage to or destruction of our infrastructure and production facilities, as well as to adjacent properties, personal injury, environmental damage and processing and production delays, causing monetary losses and possible legal liability.

We are dependent on experts and subject to workforce factors that could affect operations.

Our business and mineral exploration and processing programs depend upon our ability to employ the services of geologists, engineers and other experts. In operating our business and in order to continue our projects, we compete for the services of professionals with other mineral exploration and processing companies and businesses. Our ability to maintain and expand our business and continue our development of the Coosa Project may be impaired if we are unable to continue to engage those parties currently providing services and expertise to us or identify and engage other qualified personnel to do so in their place.

We must attract, train and retain a workforce to meet future needs for the development of the Coosa Project. To retain key employees, we may face increased compensation costs, including potential new stock incentive grants and there can be no assurance that the incentive measures we implement will be successful in helping us retain our key personnel. Increased costs and reduced supply of labor may lead to operating challenges. Failure to hire and adequately train employees and retain key employees may adversely affect the Company's ability to manage and operate its business.

Our patents and other protective measures may not adequately protect our proprietary intellectual property, and we may be infringing on the rights of others.

Our intellectual property, particularly our proprietary rights to an improved method for the purification of graphite concentrate, is critical to our success. We have filed patent applications in the United States, and we generally enter into confidentiality and invention agreements with our employees and consultants. We cannot assure that a patent application will result in an issued patent and our failure to secure rights under the patent application may limit our ability to protect the intellectual property rights at the core of our proposed graphite production business. In addition, such patent protection and agreements and various other measures we take to protect our intellectual property from use by others may not be effective for various reasons generally applicable to patents and their granting and enforcement. In addition, the costs associated with enforcing patents, confidentiality and invention agreements or other intellectual property rights may be expensive. Our inability to protect our proprietary intellectual property rights or gain a competitive advantage from such rights could harm our ability to generate revenues and, as a result, our business and operations.

We could also become subject to litigation claiming that our intellectual property or proprietary information infringes the rights of a third party. In that event, we could incur substantial defense costs and, if such litigation is successful, we could be required to pay the claimant damages and royalties for our past and future use of such intellectual property or proprietary information, or we could be prohibited from using it in the future, which could prevent us from pursuing our graphite production business, or we could be required to modify our process and facilities. Our inability to use our intellectual property and proprietary information on a cost-effective basis in the future could have a material adverse effect on our revenue, cash flow and profitability.

Pandemics, epidemics or disease outbreaks, including the novel coronavirus (COVID-19 virus), may disrupt our business, supply chains and the business of our business partners, which could materially affect our operations, liquidity and results of operations.

We face various risks related to health epidemics, pandemics and similar outbreaks, including the global outbreak of coronavirus disease 2019 (“COVID-19”). The continued spread of COVID-19 has led to disruption and volatility in the global capital markets, which increases the cost of capital and adversely impacts access to capital. If significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions, facility closures or other restrictions in connection with the COVID-19 pandemic, our operations will likely be impacted. In addition, our costs may increase as a result of the COVID-19 outbreak. These cost increases may not be fully recoverable or adequately covered by insurance.

It is possible that the continued spread of COVID-19 could also further cause disruption in our supply chains, adversely affect our business partners, delay our plans to advance our commercial facilities or cause other unpredictable events. We continue to work with our stakeholders to address this global pandemic responsibly. In addition, we continue to monitor the situation, to assess further possible implications to our business, and to take actions in an effort to mitigate adverse consequences. We cannot at this time predict the impact of the COVID-19 pandemic, but it could have material adverse effects on our business, financial position, results of operations and/or cash flows.

The timing and amount of compensation relating to the revocation of the mining and exploration licenses for our Temrezli and Sefaatlı projects is yet to be determined.

On June 20, 2018, the General Directorate of Mining Affairs, a department of the Turkish Ministry of Energy and Natural Resources, notified the Company that the mining and exploration licenses for its Temrezli and Sefaatlı projects located in Turkey had been revoked and potential compensation would be proffered. Westwater has reached out on numerous occasions to the Turkish government to resolve this dispute amicably, to reinstate the licenses and to remedy its unlawful actions, but to no avail. As a result, on December 13, 2018 Westwater filed a Request for Arbitration against the Republic of Turkey before the International Centre for the Settlement of Investment Disputes (“ICSID”), pursuant to the Treaty between the United States of America and the Republic of Turkey concerning the Reciprocal Encouragement and Protection of Investments, seeking damages and other relief. On December 21, 2018, ICSID advised that it had formally “registered” the Request for Arbitration. 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. On May 13, 2020, Turkey filed with the arbitral tribunal a request, which Westwater elected not to oppose, to extend the date on which their Counter-Memorial must be filed (and to change dates for subsequent pleadings as well as document production and witness identification deadlines), which the tribunal approved on June 3, 2020. As a result of these decisions by the tribunal, Turkey filed its Counter-Memorial on September 14, 2020. The hearing on the substantive issues and damages occurred in the third quarter of 2021. The Company does not expect a formal ruling on the matter until the second half of 2022.

While the Company intends to continue to seek full and fair compensation for the licenses through arbitration with ICSID, the timing of such compensation is yet to be determined. In addition, the Company can provide no assurance about the amount of compensation, if any and an adverse result could have an adverse impact on the Company’s financial conditions and results of operations.

Risks Related to Exploration and Mining Activities

Exploration and development of graphite and vanadium properties are risky and subject to great uncertainties.

The exploration for and development of graphite and vanadium deposits involves significant risks. It is impossible to ensure that the current and future exploration programs on our existing properties will establish reserves. Whether an ore body will be commercially viable depends on a number of factors, including, but not limited to: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; graphite and vanadium prices, which cannot be predicted and which have been highly volatile in the past; mining, processing and transportation costs; perceived levels of political risk and the willingness of lenders and investors to provide project financing; availability of labor, labor costs and possible

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labor strikes; availability of drilling rigs; and governmental regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting materials, foreign exchange, environmental protection, employment, worker safety, transportation, and reclamation and closure obligations. Most exploration projects do not result in the discovery of commercially mineable deposits of minerals and there can be no assurance that any of our exploration stage properties will be commercially mineable or can be brought into production.

The size and extent of the Company's vanadium mineral reserves at the Coosa Project is unknown and may not be in sufficient quantities to make its extraction and processing economically feasible.

The Company discovered vanadium concentrations at the Coosa Deposit and is executing an exploration plan to further investigate the size and extent of those concentrations. While there can be no assurance that the size and extent of those concentrations will end up being economically feasible, even if the Company finds vanadium in sufficient quantities to warrant recovery, it ultimately may not be recoverable. Finally, even if any vanadium is recoverable, the Company does not know whether recovery can be done at a profit. Our vanadium activities are highly prospective, face a high risk of failure and may not result in any benefit to the Company.

Potential investors should be aware of the difficulties normally encountered by new mineral exploration ventures and the high rate of failure of such ventures. The likelihood of success of the Company's vanadium exploration activities must be considered in light of the potential problems, expenses, difficulties, complications and delays encountered in connection with the exploration of new mineral properties. These potential problems include, but are not limited to, unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of its new vanadium claims may not result in the discovery of new vanadium deposits. Problems such as unusual or unexpected formations and other conditions are involved in new mineral exploration and often result in unsuccessful exploration efforts. If the results of the Company's new exploration ventures do not reveal viable commercial mineralization, it may decide to abandon its claims. If this happens, the Company will not benefit from any of the expenditures it will incur in pursuing the claims.

The Company does not have and may not be able to obtain surface or access rights to all or a portion of the Coosa Deposit.

Although the Company has rights to the minerals in the ground at the Coosa Deposit, the Company does not have rights to, or ownership of, the surface to the areas covered by its mineral rights. While applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, the enforcement of such rights through the courts can be costly and time consuming. It may be necessary for the Company to negotiate surface access or to purchase the surface rights if long-term access is required. There can be no guarantee that, despite having the right at law to access the surface and carry-on mining activities, the Company will be able to negotiate satisfactory agreements with any such existing landowners/occupiers for such access or purchase such surface rights, and therefore it may be unable to carry out planned exploration or mining activities at the Coosa Deposit. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, the outcomes of which cannot be predicted with any certainty. The inability of the Company to secure surface access or purchase required surface rights could materially and adversely affect the timing, cost or overall ability of the Company to develop any mineral deposits it may locate at the Coosa Deposit.

Because mineral exploration and development activities are inherently risky, we may be exposed to environmental liabilities and other dangers. If we are unable to maintain adequate insurance, or liabilities exceed the limits of our insurance policies, we may be unable to continue operations.

The business of mineral exploration and extraction involves a high degree of risk. Few properties that are explored are ultimately developed into production. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are other risks involved in extraction operations and the conduct of exploration programs. Previous mining operations may have caused environmental damage at certain of our properties. It may be difficult or impossible to assess the extent to which such damage was caused by us or by the activities of previous operators, in which case, any

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indemnities and exemptions from liability may be ineffective. If any of our properties are found to have commercial quantities of minerals, we would be subject to additional risks respecting any development and production activities.

Although we carry property and liability insurance with respect to our mineral development and exploration operations, we may become subject to liability for damage to life and property, environmental damage, cave-ins or hazards against which we cannot insure or against which we may elect not to insure because of cost or other business reasons. In addition, the insurance industry is undergoing change and premiums are being increased. If we are unable to procure adequate insurance because of cost, unavailability or otherwise, we might be forced to cease operations.

Title to the Coosa Deposit may be subject to defects in title or other claims, which could affect our property rights and claims.

There are risks that title to the Coosa Deposit may be challenged or impugned. There may be valid challenges to the title of the Coosa Deposit which, if successful, could impair development or operations. This is particularly the case because we hold our interest solely through a lease, as such interest is substantially based on contract as opposed to a direct interest in the property.

The lease agreements pursuant to which the Company has interests in the Coosa Deposit provide that the Company must make a series of cash payments over certain time periods. Failure by the Company to make such payments in a timely fashion may result in the Company losing its interest in the Coosa Deposit. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain the lease agreements in good standing, or to be able to comply with all of its obligations thereunder, which could result in the Company forfeiting its interest in the Coosa Deposit.

Risks Related to Ownership of Our Common Stock

Our stock price has been and may continue to be volatile and may fluctuate significantly, which may adversely impact investor confidence and results and increase the likelihood of securities class action litigation.

Our common stock price has experienced substantial volatility in the past and may remain volatile in the future. During 2021, the sale price of our common stock ranged from a high of \$10.71 per share to a low of \$2.12 per share. Volatility in our stock price can be driven by many factors including, but not limited to, market conditions in the energy materials industry, announcements that we may make regarding our business plans or strategy, including announcements concerning our anticipated battery-graphite business, the substantial increase in the sale and issuance of shares of our common stock to finance our operations and the accuracy of expectations and predictions of analysts and the market as they pertain to our future business prospects. In addition, the price of our common stock may increase or decrease substantially for reasons unrelated to our operating performance or prospects. If our common stock continues to experience substantial price volatility, any shares investors purchase may rapidly lose some or substantially all of their value.

Shareholders of a public company sometimes bring securities class action suits against the company following periods of instability in the market price of that company's securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our results of operations and financial condition.

Furthermore, our ability to raise funds through the issuance of equity or otherwise use our common stock as consideration is impacted by the price of our common stock. A low stock price may adversely impact our ability to fund our operating and growth plans, including Phase I of the Coosa Plant, which would harm our business and prospects.

The Company has no history of paying dividends on its common stock, and we do not anticipate paying dividends in the foreseeable future.

The Company has not previously paid dividends on its common stock. We currently anticipate that we will retain all of our available cash, if any, for use as working capital and for other general corporate purposes. Any payment of future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applicable to the payment of dividends and other considerations that our Board of Directors deems relevant. Investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize a return on their investment.

Terms of subsequent financings may adversely impact holders of our securities.

In order to finance our future production plans and working capital needs, we may have to raise funds through the issuance of equity or debt securities. Depending on the type and the terms of any financing we pursue, holders of our securities' rights and the value of their investment in our common stock could be reduced. A financing could involve one or more types of securities including common stock, convertible debt or warrants to acquire common stock. These securities could be issued at or below the then prevailing market price for our common stock. We currently have no authorized preferred stock. In addition, if we issue secured debt securities, the holders of the debt would have a claim to our assets that would be prior to the rights of holders of our other securities until the debt is paid. Interest on these debt securities would increase costs and negatively impact operating results. If the issuance of new securities results in diminished rights to holders of our common stock, the market price of our common stock could be negatively impacted.

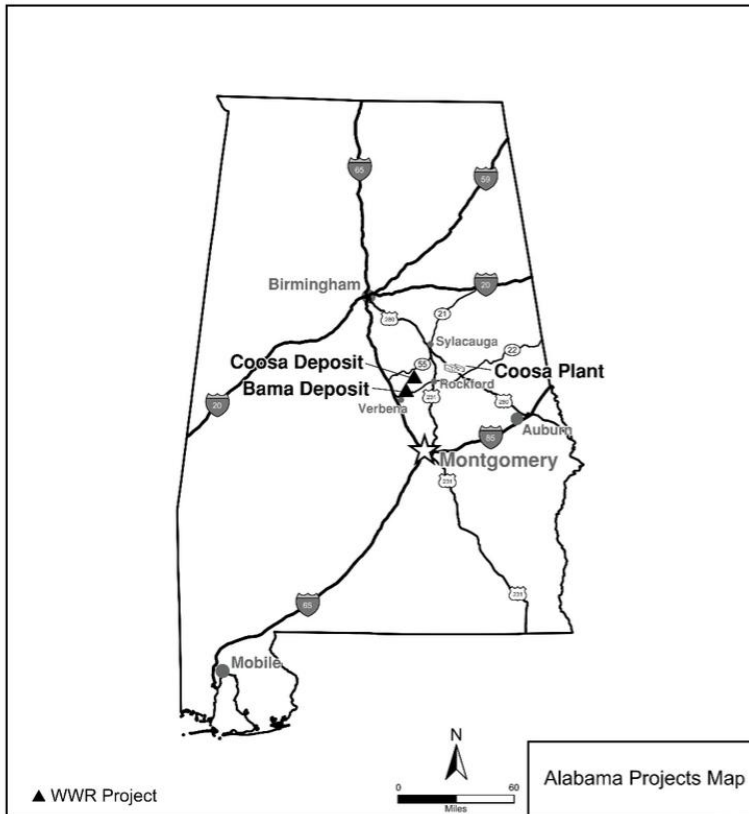
Shareholders would be diluted if we use common stock to raise capital, and the perception that such sales may occur, could cause the price of our common stock to fall.

We plan to seek additional capital to carry out our business plan. This financing could involve one or more types of securities including common stock, convertible debt or warrants to acquire common stock. These securities could be issued at or below the then prevailing market price for our common stock. Any issuance of additional shares of our common stock could be dilutive to existing holders of our securities and could adversely affect the market price of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 2. PROPERTIES



Coosa Deposit

Through its acquisition of Alabama Graphite, Westwater gained control of an advanced graphite exploration project at the Coosa Deposit. The deposit is situated in east-central Alabama, approximately 50 miles southeast of the city of Birmingham and approximately 30 west of Kellyton, Alabama.

General. The Coosa Deposit is situated in east-central Alabama, near the western end of Coosa County. The Coosa Deposit is located near the southwestern-most extent of the Alabama Graphite Belt.

The Property. The Coosa Deposit is comprised of a lease of privately-owned mineral rights from a single landowner covering an overall area of approximately 41,964 acres (approximately 65.6 square miles). The various property parcels that comprise the lease are contiguous with each other, except for a few small and isolated parcels which are situated in the far south part of the project area. The lease has a series of five-year terms (commencing August 1, 2012) that are not to exceed 70 years in total. Under the terms of the lease the Company is required to make annual payments of

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\$10,000 for the original lease in order to maintain our property rights. The Company is obligated to pay the owner of the mineral estate a net smelter return royalty of 2.00% for any production and sale of graphite, vanadium and other minerals derived from the leased lands. There is a further obligation to pay a 0.50% net smelter return royalty, not to exceed \$150,000, and make payments of \$100,000 at the time of completion of a “bankable feasibility study” and an additional \$150,000 upon completion of “full permitting” of the leased property. These payments are payable to an unaffiliated third-party. The Company does not hold any surface rights in the project area.

Accessibility. Access to the Coosa Deposit is good. The general area of the Coosa Deposit is accessible from local and regional population centers via a network of paved federal, state and county two-lane highways. Various parts of the project lands are traversed by numerous partially maintained dirt and gravel logging roads.

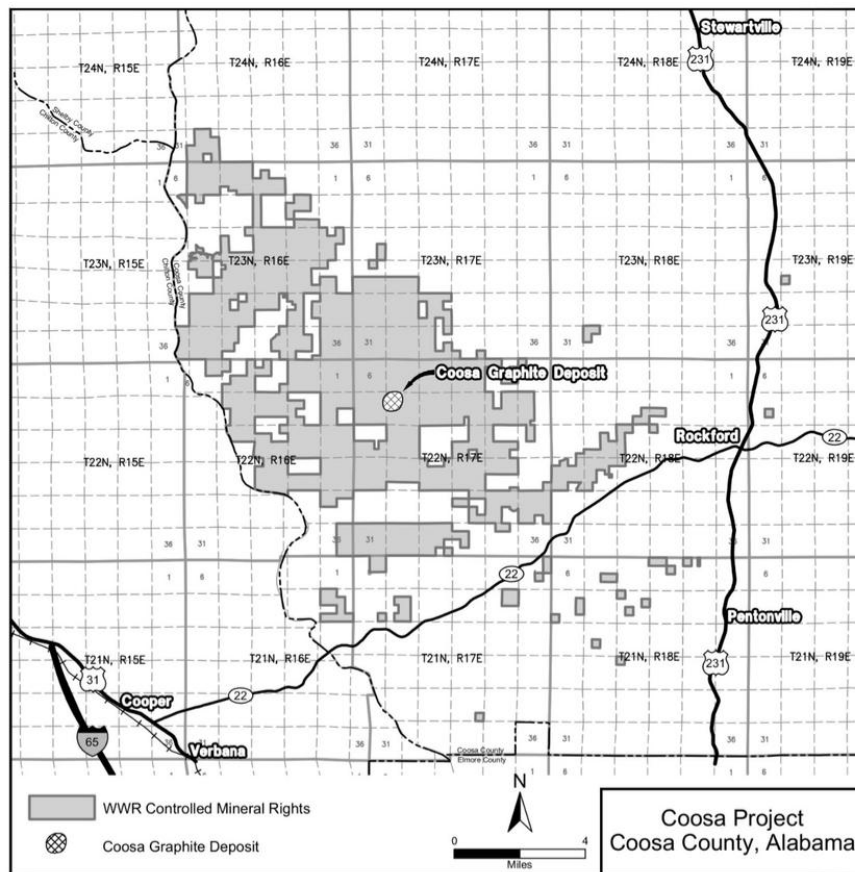
History. The Coosa Deposit is situated near the southwestern end of the Alabama Graphite Belt, which is a northeast-trending group of graphite deposits and occurrences that are situated in the central and eastern parts of the state. The initial attempt to produce graphite mineralization in the Alabama Graphite Belt commenced in 1888, with efforts focusing upon prospects located to the northeast of the region of the Coosa Deposit. The first commercial production of graphite from deposits in the Alabama Graphite Belt was in 1899 and limited activities continued at least into the 1940s. Within the lands that comprise the Coosa Deposit, graphite production was carried out at the Fixico mine, which operated intermittently between 1902 and 1908. Other graphite prospects in the project area were evaluated but no efforts were made to mine any other prospects in the project area. Alabama Graphite acquired property rights that comprise the Coosa Deposit and carried out trenching and drilling programs and completed an aerial geophysical survey of a portion of the project area between 2012 and 2015.

Project Geology. The Coosa Deposit is located at the southern-most end of the Appalachian mountain range in east-central Alabama. Within the Appalachian Mountains a group of Precambrian to Paleozoic age metamorphic rocks host scattered graphite deposits, in an area known as the Alabama Graphite Belt. At the Coosa Deposit, graphite mineralization, sometimes associated with vanadium mineralization, is hosted within the Higgins Ferry Group, which is comprised of coarse to fine-grained biotite-feldspar-quartz gneiss, various quartz-muscovite and quartz-muscovite-graphite schist, quartzite and altered mafic rocks. The rocks of the Higgins Ferry Group are thought to be Precambrian to Paleozoic in age. In the project area, graphite (and vanadium) mineralization is hosted in a series of quartz-muscovite-biotite-graphite and quartz-graphite schists that are generally medium to coarse grained, and are moderately foliated and somewhat contorted. The graphitic schist units are occasionally cut by pegmatites, which are unmineralized with respect to graphite and vanadium. Graphite grades in the quartz-muscovite-biotite-graphite schist are generally 1 percent graphite or less, while graphite grades in the quartz-graphite schist commonly exceed 1 percent. The graphitic schists are moderately to strongly weathered to depths that may extend 10s of feet to occasionally more than 100 feet, and can generally be considered to be surface minable.

Project Activities. Prior to its acquisition by Westwater, Alabama Graphite carried out several exploration programs to identify and partially define the potential extent and magnitude of graphite mineralization at the Coosa Deposit, including core and sonic drilling, trenching and sampling, and an airborne geophysical survey. As a result of this exploration, a near-surface graphite deposit was partially defined in the central portion of the project area. A study of the potential magnitude and extent of the graphite resources of the Coosa Deposit was completed by an independent third-party engineering firm, as was the preparation of a preliminary mine plan for possible future development of the deposit, which were both completed by Alabama Graphite prior to its acquisition by Westwater.

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Permitting Status. The Company holds an exploration license from the State of Alabama for the Coosa Deposit, and is currently reviewing and applying for local, State, and federal permits for future development.



Coosa Plant

The Coosa Plant is located near Kellyton, Alabama and five miles northwest of Alexander City, Alabama. AGP executed a land lease with the Lake Martin Area Industrial Development Authority, providing AGP rights to approximately 70 acres to construct and operate the Coosa Plant. Westwater plans to develop the Coosa Plant in two phases (Phases I and II).

Construction activities for Phase I of the Coosa Plant began in the fourth quarter of 2021 with completion expected in the first half of 2023. A plan and design for Phase II is in place at a pre-feasibility level ("PFS"). The future estimated costs to develop and expected production for each phase of the Coosa Plant development is based on Westwater's completed DFS, for Phase I, and the PFS for Phase II.

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Production Pilot Operations

The Company completed its pilot program in 2021 and produced approximately 13 metric tonnes of battery-grade graphite products. During the pilot scale program, graphite concentrates were purified and turned into battery grade advance products. The majority of the pilot program was performed at contracted laboratories. The purified material was manufactured into our three products, purified micronized graphite, coated spherical purified graphite and delaminated expanded graphite. The results of the pilot program were used to inform the results of the Company's DFS, and to provide samples to potential customers.

Project Development Plan

Phase I: Beginning in the first half 2023, the Coosa Plant is expected to process graphite concentrate to produce approximately 3,700 mt of ULTRA-CSPG™ and 3,800 mt of SPG fines, annually. Graphite concentrate feedstock is anticipated to be supplied from outside sources until at least 2028.

Phase II: Upon completion of Phase II, the Company expects to produce approximately 15,800 mt of ULTRA-CSPG™ and 16,600 mt of SPG fines.

INFRASTRUCTURE

The Company's carrying value of property, plant and equipment at December 31, 2021 is as follows:

(thousands of dollars)	Net Property, Plant and Equipment at December 31, 2021		
	Alabama	Corporate	Total
Mineral rights and properties	\$ 8,972	\$ —	\$ 8,972
Other property, plant and equipment	4,462	28	4,490
Construction in progress	1,017	—	1,017
Total	<u>\$ 14,451</u>	<u>\$ 28</u>	<u>\$ 14,479</u>

INSURANCE

Our properties are covered by various types of insurance including property and casualty, liability and umbrella coverage. We have not experienced any material uninsured or under insured losses related to our properties in the past and believe that sufficient insurance coverage is in place.

ITEM 3. LEGAL PROCEEDINGS

DISPUTE WITH FABRICE TAYLOR

On June 29, 2017, Alabama Graphite, two of its former officers and one former director were named as defendants in a lawsuit filed in the Superior Court of Justice in Ontario, Canada and styled *Fabrice Taylor v. Alabama Graphite Corp., et. al.*, CV-17-578049. The plaintiff in the lawsuit is the publisher of an investment newsletter and the complaint alleges that the defendants made certain postings on an internet website that were allegedly defamatory of the plaintiff and made certain oral statements to third parties that were allegedly slanderous of the plaintiff, and as a result the complaint seeks damages in the amount of CAD\$3.0 million, unspecified punitive damages and permanent injunctive relief. On August 9, 2017, as amended on August 29, 2017, the defendants responded to the complaint, denied the allegations contained in the complaint, filed counter-claims alleging that plaintiff made certain statements on the internet that were defamatory of the defendants, and set forth general, specific, aggravated and punitive damages in the total amount of CAD \$7.0 million as well as permanent injunctive relief. The lawsuit has not been prosecuted by the plaintiff and no schedule yet exists for its resolution or a trial on the merits.

ARBITRATION AGAINST TURKEY

On December 13, 2018, Westwater filed a Request for Arbitration against the Republic of Turkey before the International Centre for the Settlement of Investment Disputes ("ICSID"), pursuant to the Treaty between the United States of America and the Republic of Turkey concerning the Reciprocal Encouragement and Protection of Investments, seeking damages and other relief. The Request for Arbitration was filed as a result of the Republic of Turkey's unlawful actions against the Company's licenses for the Temrezli and Sefaatlil uranium projects owned by Westwater's Turkish subsidiary Adur Madencilik Limited Sirketi ("Adur"). Specifically, in June 2018, the Turkish government cancelled all of Adur's exploration and operating licenses with retroactive effect, rendering Westwater's investment in Adur effectively worthless. While the Turkish authorities had variously issued, renewed and overseen these licenses for more than a decade, in June 2018 they asserted that those licenses were issued by mistake and that the Turkish government has a governmental monopoly over all uranium mining activities in Turkey, in violation of Westwater's rights under both Turkish and international law. Westwater reached out on numerous occasions to the Turkish government to resolve this dispute amicably, to reinstate the licenses and to remedy Turkey's unlawful actions, but to no avail.

As a result, on December 13, 2018, Westwater filed before ICSID its arbitration request against the Republic of Turkey. On December 21, 2018, ICSID registered Westwater's Request for Arbitration. On May 1, 2019, the three-member ICSID Panel for the arbitration was established – one of the panel members was selected by Westwater, another was selected by Turkey, and the third panel member (serving as the Chair) was selected by the two party-appointed arbitrators. On September 9, 2019, the ICSID Panel issued Procedural Order #1, which placed the locale for the proceeding in Washington, DC, and set numerous dates for both parties to make various filings.

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On January 27, 2020, Westwater filed its Memorial, which is a document that sets out Westwater's case. 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. In Procedural Order #2 issued on April 28, 2020, the arbitral tribunal denied Turkey's bifurcation request. On May 13, 2020, Turkey filed with the arbitral tribunal a request which Westwater elected not to oppose, to extend the date on which their Counter-Memorial must be filed (and to change dates for subsequent pleadings as well as document production and witness identification deadlines), which the arbitral tribunal approved on June 3, 2020. As a result of these decisions by the tribunal, Turkey filed its Counter-Memorial on September 14, 2020. Westwater filed its reply to the Counter-Memorial on March 17, 2021. The hearing on the substantive issues was conducted during the week of September 13-17, 2021. The Company does not expect a formal ruling on the matter until the second half of 2022.

OTHER

The Company is subject to periodic inspection by certain regulatory agencies for the purpose of determining compliance by the Company with the conditions of its permits and licenses. In the ordinary course of business, minor violations may occur; however, these are not expected to result in material expenditures or have any other material adverse effect on the Company.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

STOCK INFORMATION

Our common stock is traded on the NYSE American Capital Market under the symbol "WWR." As of February 7, 2021, there were 105 holders of record of our common stock.

We have never paid any cash or other dividends on our common stock, and we do not anticipate paying dividends for the foreseeable future. We expect to retain our earnings, if any, for the growth and development of our business. Any future determination to declare dividends will be made at the discretion of our Board of Directors and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our Board of Directors may consider relevant.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements as of and for the two years ended December 31, 2021 and 2020, and the related notes thereto appearing elsewhere in this Annual Report on Form 10-K, which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those set forth under the section heading "Item 1A. Risk Factors" above and elsewhere in this Annual Report on Form 10-K. See "Cautionary Note Regarding Forward-Looking Statements" above.

INTRODUCTION

Westwater Resources, Inc. is a 44-year-old public company focused on developing battery-grade natural graphite materials. Westwater now is focused on battery-grade natural graphite materials after its acquisition of Alabama Graphite in April 2018. Combined with the anticipated construction of the Coosa Plant near Kellyton, Alabama, the Company is executing an exploration plan to further investigate the size and extent of mineral concentrations at the Coosa Deposit, located near Rockford, Alabama, and to increase our knowledge of the deposit as a whole.

SUMMARY OF RECENT DEVELOPMENTS

In October 2021, Westwater completed the DFS for Phase I of the Coosa Plant. The DFS defined the key technological components for the Phase I of the Coosa Plant, assessed the processes, equipment and facilities required, and provided the design of Phase I of the Coosa Plant. The DFS also affirmed management's evaluation and assessment of the entire project and its associated financial investment. Phase I of the Coosa Plant is expected to produce 3,700 mt of ULTRA-CSPG™ per year, and 3,800 mt of SPG Fines per year for 35 years. Phase I production is anticipated to commence in 2023. Phase II of the Coosa Plant is expected to increase production to 15,800 mt of ULTRA-CSPG™ and 16,600 mt of SPG Fines per year. Phase II will be the subject of an updated definitive feasibility study, upon completion and commissioning of Phase I of the Coosa Plant.

Westwater has contracted with several world-renowned engineering and technology organizations to engineer, procure and construct Phase I of the Coosa Plant, notably:

- [Samuel Engineering](#) organized, coordinated and developed the overall DFS and is providing the plant engineering and design required for plant construction.
- [Dorfner Anzaplan](#) engineered and designed the purification process and designed and operated the pilot program.

In November 2021, Westwater established the construction management process and team. Key partners in the team were hired: Fite Construction as the construction manager; and Samuels Engineering for engineering and procurement. Construction activities began in December 2021. We are working to secure other contractors and have focused on ordering specialized equipment that have long lead times from manufacturers that were identified in, and were part of, the DFS.

On October 11, 2021, Westwater announced that its Board of Directors approved the purchase of two buildings adjacent to the plant. The two structures total 90,000 square feet of enclosed space, and will be used for administration, training, lab work and warehousing. The two structures saved Westwater money and construction time as compared to building them from the ground-up.

Westwater continued exploration activities through 2021 with a drilling program on the Coosa Deposit, which is also designed to evaluate the economic viability of vanadium. Core test samples were sent to independent laboratories for analysis, and the results from the drilling will be analyzed and evaluated for inclusion in our resource estimate in 2022.

Also, in 2021 Westwater completed the production of over 13 mt of purified graphite from its pilot program for performance testing. Westwater sent samples to a number of potential customers, and those samples are under evaluation. The Westwater sales and marketing team engaged with a number of potential customers, and on November 17, 2021 Westwater announced a Letter of Intent to negotiate the terms for the potential sale of 125-150 mt of CSPG for lithium-ion batteries to a battery materials manufacturer, with delivery currently expected in 2023, subject to the commissioning and operation of a pilot plant and a full-scale plant by the counterparty, the Company meeting certain quality and packaging specifications, and customary conditions.

For additional information related to the recent development above and other 2021 business developments please see "*Key Business and Corporate Developments in 2021*" under *Item 1. Description of Business* in this Annual Report.

The COVID-19 Pandemic and our Actions to Ensure Safety

On March 11, 2020, the World Health Organization designated COVID-19 as a global pandemic. The pandemic spread outside of China during the first quarter of 2020 and has impacted businesses and economies throughout the world. In the U.S., many state and local governments have, based on local conditions, either recommended or mandated actions to slow the transmission of COVID-19. These measures range from limitations on crowd size to masking to mandatory orders for non-essential citizens to test and quarantine. Borders between many countries have been closed to contain the spread of COVID-19. Uncertainty with respect to the economic effects of the pandemic has introduced significant volatility in the financial markets.

To the extent that the COVID-19 pandemic continues or worsens, including by reason of the emergence of variant strains of the virus, local governments or governmental agencies may impose additional restrictions. The result of COVID-19 and those restrictions could result in a number of adverse impacts to Westwater's business, including but not limited to additional disruption to the economy, additional work restrictions, and supply chains being interrupted, slowed, or rendered inoperable. As a result, it may be challenging to obtain and process raw materials to support business needs, and individuals could become ill, quarantined, or otherwise unable to work and/or travel due to health reasons or governmental restrictions. Governments may also impose other laws, regulations or taxes which could adversely impact Westwater's business, financial condition or results of operations. The potential effects of COVID-19 could also impact Westwater in a number of other ways including, but not limited to, laws and regulations affecting business, the availability of future borrowings, the cost of borrowings, and potential impairment of the carrying value of long-lived tangible assets.

This pandemic, and the uncertain economic conditions it has created, could adversely affect our operations, major facilities, or employees' health. Westwater has the following priorities while managing business activities during this period of volatility and uncertainty:

- First, to ensure the health and safety of our employees and the communities where they work.
- Second, to work with our business partners to maintain the advanced graphite product development schedule in a safe and measured manner.
- Third, to ensure the Company has access to adequate financial liquidity to support key operations and business activities.

Westwater's corporate business activities are largely unaffected at this time by the COVID-19 pandemic. Prior to March 1, 2021, Westwater reduced utilization of its offices and initiated remote working arrangements to ensure that some employees were able to work remotely using systems that already were in place. On March 1, 2021, Westwater reopened its Centennial corporate facility and allowed employees to return to the office to work together with appropriate health protocols in place. Westwater's continued focus on the health and safety of employees, the safety of operations, and the safety of the communities in which our employees live and work remains paramount. To that end, Westwater has continued to restrict unnecessary travel, and ensured that employees are permitted to take time off due to illness or the illness of those around them without penalty.

Equity Financings

Capital Raises during the Year ended December 31, 2021

During the year ended December 31, 2021, the Company sold approximately 6.1 million shares of common stock for net proceeds of \$34.6 million pursuant to the 2020 Lincoln Park PA. Additionally, the Company sold approximately 10.0 million shares of common stock for net proceeds of \$49.5 million pursuant to the ATM Offering Agreement with Cantor. These shares were sold pursuant to a prospectus supplement filed on August 20, 2021, and in accordance with Rule 424(b)(5) as a takedown off the Company's shelf registration statement, which had been declared effective by the Commission on July 8, 2021.

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As a result of the equity financing activities above, the Company received total net proceeds of \$84.1 million, resulting in a cash balance of approximately \$115.3 million at December 31, 2021. The significant treasury balance is sufficient to fund the Company's 2022 operating budget as well the Company's remaining product development costs, and the Company anticipates making a continued investment in Phase I of the Coosa Plant throughout 2022.

Transfer of Common Stock Listing to the NYSE American Stock Exchange

On March 8, 2021, the Company, acting pursuant to authorization from its Board of Directors, determined to voluntarily withdraw the listing of the Company's common stock, par value \$0.001 per share, from The Nasdaq Capital Market ("Nasdaq") and transfer the listing to the NYSE American. The Company informed Nasdaq on March 8, 2021, of its intent to transfer the listing of its common stock to the NYSE American. The Company's listing and trading of its common stock on Nasdaq ended at market close on March 18, 2021, and trading began on the NYSE American on March 19, 2021. The Company's common stock continues to trade under the ticker symbol "WWR" on the NYSE American.

RESULTS OF OPERATIONS

Summary

Our net loss from continuing operations for the year ended December 31, 2021 was \$16.1 million, or \$0.49 per share, as compared with a net loss from continuing operations of \$13.9 million, or \$1.58 per share for the same period in 2020. The \$2.2 million increase in our net loss from continuing operations was due primarily to increases in product development, exploration expenses, general and administrative, and arbitration costs; offset partially by a gain related to the sale of enCore common stock of \$2.1 million.

Product development expenses

Product development expenses for the year ended December 31, 2021, were \$6.0 million, an increase of \$1.9 million compared to the prior year. Product development costs were primarily comprised of expenses for our DFS, which began in February 2021 and was completed in October 2021, and our product development program that continued through the end of 2021. The product development program includes costs incurred to collaborate with outside experts for lab work, product testing and other auxiliary costs associated with the Coosa Project.

Exploration expenses

Exploration expenses for the year ended December 31, 2021, were \$1.1 million. During 2021, we launched an exploration plan to further investigate the size and extent of graphite concentrations at the Coosa Deposit, and to evaluate vanadium mineralization to determine any economic potential.

General and administrative expenses

Significant expenditures for general and administrative expenses for the years ended December 31, 2021 and 2020 were:

	For the year ended December 31,	
	2021	2020
	(thousands of dollars)	
Stock compensation expense	\$ 879	\$ 367
Salaries and payroll burden	2,858	3,110
Legal, accounting, public company expenses	2,625	2,182
Insurance and bank fees	656	658
Consulting and professional services	605	234
Office expenses	603	471
Sales and marketing	546	271
Other expenses	103	50
Total general and administrative expenses	\$ 8,875	\$ 7,343
(Less) General and administrative expenses from discontinued operations	—	(1,665)
General and administrative expenses from continuing operations	\$ 8,875	\$ 5,678

General and administrative expenses increased by approximately \$3.2 million as compared with 2020. The primary drivers of this increase is due to higher costs related to an increase in stock compensation, higher public company expenses related to the annual shareholder meeting and moving to the NYSE American from the NASDAQ, and higher costs related to the Company's sales and marketing efforts that began in the third quarter of 2020. The increase is offset partially by lower personnel costs due to the sale of our uranium business at December 31, 2020.

Arbitration Costs

During the year ended December 31, 2021, Westwater incurred legal and expert consulting costs of \$2.2 million associated with the Request for Arbitration against the Republic of Turkey. This represents an increase of \$0.7 million compared to the prior year. For further reference, see discussion at Part I, Item 3 of this annual report on Form 10-K.

Mineral property expenses

Mineral property expenses were \$0.1 million for the year ended December 31, 2021, an increase of approximately \$0.1 million compared to the prior year. The increase in mineral property expenses was due to higher payments to land and surface owners for increased activities related to our exploration program.

Non-operating income and expenses

The Company recorded a \$2.1 million gain on the sale of enCore shares during the year ended December 31, 2021. As part of the sale of uranium assets to enCore on December 31, 2020, Westwater received shares of enCore common stock. The enCore common stock was originally valued at \$1.5 million at December 31, 2020, and sold during the fourth quarter of 2021 for net proceeds of \$3.6 million.

Net Loss from Discontinued Operations

Westwater sold its uranium business on December 31, 2020. As a result, the net loss from discontinued operations was \$9.7 million for the year ended December 31, 2020. See Note 3 and Note 12 to the financial statements for additional information.

FINANCIAL POSITION

Operating Activities

Net cash used in operating activities was (\$16.9) million for the year ended December 31, 2021, as compared with (\$15.2) million for the prior year. The \$1.7 million increase in cash used in operating activities was due primarily to increased graphite product development, exploration, general and administrative, and arbitration costs.

Investing Activities

Net cash used in investing activities was (\$2.1) million for the year ended December 31, 2021, as compared with (\$4.1) million of cash used in investing activities for the prior year. The decrease was primarily a result of cash received of \$3.6 million, net of fees, related to the sale of enCore common shares in the fourth quarter of 2021; offset by capital expenditures related to Phase I of the Coosa Plant of (\$3.4) million and deposits on processing equipment related to Phase I of Coosa Plant of (\$2.7) million. The (\$4.1) million in cash used in 2020 was primarily related to cash transferred upon the sales of the uranium assets.

Financing Activities

Net cash provided by financing activities was \$84.0 million for the year ended December 31, 2021 as compared with \$63.9 million in 2020. Cash inflow for both years was from the sales of common stock through the Company's ATM Offering Agreement, and the 2020 Lincoln Park PA, and a previous purchase agreement with Lincoln Park which terminated in May 2020. The \$20.0 million increase in 2021 was primarily due to greater shelf registration capacity with which to offer registered shares under the ATM Offering Agreement.

LIQUIDITY AND CAPITAL RESOURCES

The Company last recorded revenues from operations in 2009. Since 2009, the Company has relied on equity financings, debt financings and asset sales to fund its operations. The Company expects to rely on debt and equity financing to fund its operations into the near future. The Company will also continue its cost reduction initiatives to identify ways to reduce its cash expenditures.

In 2016, the Company began to expand its business plan into acquisition and development of energy-related materials. Between 2016 and 2020 the Company obtained mineral leases in Nevada and Utah and evaluated a green-fields exploration program for lithium. In 2018, the Company acquired Alabama Graphite for the purpose of developing the only commercial sized graphite mineral deposit in the contiguous United States and production of advanced graphite products for use in batteries. In the third quarter of 2020, the Company made the strategic decision to focus most of its resources on its graphite business, discontinuing its investment in its lithium mineral properties and selling its uranium business.

As of December 31, 2021, execution of the business plan for development of the Coosa Project was underway, with the completion of its pilot program for processing flake graphite into battery-grade graphite products. The start-up of operations for the pilot program commenced in the fourth quarter of 2020 and completed during the fourth quarter of 2021. The Company used the data generated from the pilot program to inform the requirements and specifications for building the Coosa Plant. Pursuant to the DFS for Phase I of the Coosa Plant, the estimated remaining capital expenditures to construct the commercial plant as of December 31, 2021 are approximately \$198 million. Subject to financing, the Company expects the construction phase for Phase I of the Coosa Plant to continue through 2022 and be completed in the first half of 2023, at which time the Company expects to begin generating revenues from sales of battery-grade graphite products.

At December 31, 2021 the Company's cash balances were \$115.3 million. During the year ended December 31, 2021, the Company sold approximately 10.0 million shares of common stock for net proceeds of \$49.5 million pursuant to its ATM Offering Agreement and approximately 6.1 million shares of common stock for net proceeds of \$34.6 million pursuant to the 2020 Lincoln Park PA. As of December 31, 2021, the Company has \$47.7 million remaining available for

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future sales under the ATM Offering Agreement and has 9,700,252 shares of common stock available for future sales pursuant to the 2020 Lincoln Park PA.

Management believes the Company's current cash balance is sufficient to fund its planned non-discretionary expenditures through 2022. The Company may use the ATM Offering Agreement and the 2020 Lincoln Park PA to support construction of Phase I of the Coosa Plant.

While the Company has been successful in the past in raising funds through equity and debt financings as well as through the sale of non-core assets, no assurance can be given that additional financing will be available in amounts sufficient to meet its needs, or on terms acceptable to the Company. Stock price volatility and uncertain economic conditions caused by the COVID-19 pandemic, including the recent emergence of variant strains of the virus, could significantly impact the Company's ability to raise funds through equity financing. Market conditions, including but not limited to, inflation and supply chain disruptions could adversely impact the planned cost of Phase I of the Coosa Plant. Along with evaluating the continued use of the ATM Offering Agreement and the 2020 Lincoln Park PA, the Company may consider project financing for additional funding needed to complete Phase I of the Coosa Plant. The alternative sources of project financing could include, but are not limited to, convertible debt or pursuing a partnership or joint venture. In the event funds are not available for project financing to complete construction of Phase I of the Coosa Plant in 2023, the Company expects to be able to fund its non-discretionary expenditures, however, the Company may be required to change its planned business development strategies.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are described in Note 1 to the consolidated financial statements in Item 8 of this Annual Report on Form 10-K. We believe our most critical accounting policies involve those requiring the use of significant estimates and assumptions in determining values or projecting future costs.

PROPERTY, PLANT AND EQUIPMENT

The Company reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows or upon an estimate of fair value that may be received in an exchange transaction. Future cash flows are estimated based on quantities of recoverable minerals, expected commodity prices, production levels and operating costs of production and capital, based upon the projected remaining future graphite or vanadium production from each project. Existing proven and probable reserves and value beyond proven and probable reserves, including mineralization that is not part of the measured, indicated or inferred resource base, are included when determining the fair value of mine site reporting units at acquisition and, subsequently, in determining whether the assets are impaired. The term "recoverable minerals" refers to the estimated amount of graphite or vanadium that will be obtained after taking into account losses during processing and treatment. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of future cash flows from other asset groups. The Company's estimates of future cash flows are based on numerous assumptions and it is likely that actual future cash flows will be significantly different than the estimates, as actual future quantities of recoverable minerals, graphite prices, production levels and operating costs of production and availability and cost of capital are each subject to significant risks and uncertainties.

No impairment was recorded in 2021. During 2020, we recorded impairments of \$5.2 million to reduce the Company's former uranium assets which were sold in December 2020. The \$5.2 million impairment is included in net loss from discontinued operations in the consolidated statements of operations.

ACCOUNTING FOR GOVERNMENT GRANTS

On June 22, 2021, AGP entered into incentive agreements with the State of Alabama and local municipalities for the siting of the Coosa Plant. The incentive agreements provide certain tax credits and incentives under the Alabama Jobs Act in connection with the construction of the processing facility. Additionally, in connection with and in contemplation of the incentive agreements, on July 23, 2021, AGP entered into a land lease with the Lake Martin Area Industrial Development Authority. The lease provides AGP rights to approximately 70 acres to construct and operate its commercial graphite processing facility in Coosa County, Alabama. The lease has a term of 10-years, a nominal lease payment, and transfer of title to AGP at the end of the lease term. Further, the lease provides AGP the option to purchase the land for a nominal amount during the term of the lease. The incentive agreements and the lease are accounted for by the Company as a government grant.

U.S. GAAP does not contain authoritative accounting standards for incentives and grants provided by governmental entities to a for-profit entity. Absent authoritative accounting standards, interpretative guidance issued and commonly applied by financial statement preparers allows for the selection of accounting policies amongst acceptable alternatives. Based on facts and circumstances outlined below, the Company determined it most appropriate to account for the land received from the local municipality as an in-substance government grant by analogy to International Accounting Standards 20 (“IAS 20”), Accounting for Government Grants and Disclosure of Government Assistance. Under the provisions of IAS 20, government grants “are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.” A government grant is recognized when there is reasonable assurance that the Company will meet the terms for receiving and realizing the benefit of the grant. IAS 20 does not define “reasonable assurance”, however, based on certain interpretations, it is analogous to “probable” as defined in Financial Accounting Standards Board (“FASB”) ASC 450-20-20 under U.S. GAAP, which is the definition the Company has applied to its determination of recognizing the land grant as of December 31, 2021. Under IAS 20, government grants are recognized in earnings on a systematic basis over the periods in which the Company recognizes costs for which the grant is intended to compensate (i.e. qualified expenses). Further, IAS 20 permits for the recognition in earnings either separately under a general heading such as other income, or as a reduction of the related expenses. The Company has elected to recognize government grant income separately within other income to present a clearer distinction in its financial statements between its operating income and the amount of net income resulting from the land grant.

As of December 31, 2021, the Company realized the fair value of the land of \$1.4 million as an increase to Property, Plant, and Equipment with a corresponding obligation recorded in Other long-term liabilities in the consolidated balance sheet. The land represents a non-depreciable asset on the Company’s consolidated balance sheet and will evaluate the land for impairment according to its policy on long-lived assets discussed above. The corresponding obligation recorded in Other long-term liabilities on the consolidated balance sheet will be amortized to other income over the life of the Coosa Plant once placed in service.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Smaller reporting companies are not required to provide the information required by this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
Westwater Resources, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Westwater Resources, Inc. (the “Company”) as of December 31, 2021 and 2020 and the related consolidated statements of operations, stockholders’ equity and cash flows for the years then ended, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021 and 2020, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accounting Policy for the Land Lease and Incentive Agreements

As described in Note 4 to the consolidated financial statements, on June 22, 2021, Alabama Graphite Products, LLC (AGP), a wholly-owned subsidiary of the Company, entered into incentive agreements with the State of Alabama and local municipalities for the siting of the Company's planned graphite processing plant in Coosa County, Alabama. The incentive agreements provide certain tax credits and incentives under the Alabama Jobs Act in connection with the construction of the processing facility. Additionally, in connection to, and in contemplation of the incentive agreements, on July 23, 2021, AGP entered into a land lease with the Lake Martin Area Industrial Development Authority. The lease provides AGP rights to approximately 70 acres to construct and operate its commercial graphite processing facility in Coosa County, Alabama. The lease has a term of 10-years, a nominal lease payment, and transfer of title to AGP at the end of the lease term. Further, the lease provides AGP the option to purchase the land for a nominal amount during the term of the lease. As described in the Company's accounting policy in Note 1 to the consolidated financial statements, the incentive agreements and the lease are accounted for by the company as a government grant; whereby the Company realized the fair value of the land of \$1.4 million as an increase to property, plant, and equipment with a corresponding obligation recorded in Other long-term liabilities in the consolidated balance sheet at December 31, 2021.

We identified the Company's determination of the appropriate accounting policy for the land lease and incentive agreements to be a critical audit matter. The determination of the accounting policy required significant management judgment given the lack of authoritative guidance under accounting principles generally accepted in the United States of America related to grants for for-profit entities. A high degree of auditor judgment and increased extent of effort was required when performing audit procedures to evaluate the appropriateness of the accounting policy.

The primary procedures we performed to address this critical audit matter included:

- We read the executed incentive agreements and land lease, including all amendments and evaluated the Company's disclosures.
- We obtained management's accounting analysis and supporting documentation and agreed key terms to the executed agreements and amendments.
- We evaluated management's application of the accounting literature to the incentive agreements and land lease and the related accounting conclusions, including performing an accounting consultation with our professional practice group.
- We evaluated management's assumptions about the achievement of conditions for recognition in the consolidated financial statements.

/s/ Moss Adams LLP

Denver, Colorado
February 11, 2022

We have served as the Company's auditor since 2017.

WESTWATER RESOURCES, INC.
CONSOLIDATED BALANCE SHEETS
(expressed in thousands of dollars, except share amounts)

	December 31, 2021	December 31, 2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 115,293	\$ 50,315
Equity securities	—	1,520
Prepaid and other current assets	320	754
Total Current Assets	115,613	52,589
Property, plant and equipment, at cost:		
Property, plant and equipment	14,593	9,080
Less accumulated depreciation and depletion	(114)	(95)
Net property, plant and equipment	14,479	8,985
Operating lease right-of-use assets	226	353
Restricted cash	—	10
Other long-term assets	2,665	—
Total Assets	\$ 132,983	\$ 61,937
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 3,043	\$ 1,734
Accrued liabilities	2,129	2,369
Operating lease liability - current	152	149
Total Current Liabilities	5,324	4,252
Operating lease liability, net of current	83	214
Other long-term liabilities	1,378	—
Total Liabilities	6,785	4,466
Commitments and Contingencies (see note 10)	—	—
Stockholders' Equity:		
Common stock, 100,000,000 shares authorized, \$.001 par value;		
Issued shares - 35,279,724 and 19,172,020 respectively		
Outstanding shares - 35,279,563 and 19,171,859 respectively	35	19
Paid-in capital	468,578	383,723
Accumulated deficit	(342,157)	(326,013)
Less: Treasury stock (161 shares), at cost	(258)	(258)
Total Stockholders' Equity	126,198	57,471
Total Liabilities and Stockholders' Equity	\$ 132,983	\$ 61,937

The accompanying notes are an integral part of these consolidated financial statements.

WESTWATER RESOURCES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(expressed in thousands of dollars, except share and per share amounts)

	For the Year Ended December 31,	
	2021	2020
Operating Expenses:		
Product development expenses	\$ (5,975)	\$ (4,049)
Exploration expenses	(1,054)	—
General and administrative expenses	(8,875)	(5,678)
Arbitration costs	(2,191)	(1,458)
Mineral property expenses	(110)	(34)
Depreciation and amortization	(20)	(17)
Total operating expenses	(18,225)	(11,236)
Non-Operating Income/(Expenses):		
Sale of equity securities	2,057	—
Loss on disposal of uranium assets	—	(2,665)
Other income (expense)	24	(11)
Total other income (expense)	2,081	(2,676)
Net Loss from continuing operations	(16,144)	(13,912)
Net Loss from discontinued operations	—	(9,662)
Net Loss	\$ (16,144)	\$ (23,574)
BASIC AND DILUTED LOSS PER SHARE		
LOSS PER SHARE FROM CONTINUING OPERATIONS	\$ (0.49)	\$ (1.58)
LOSS PER SHARE FROM DISCONTINUED OPERATIONS	\$ —	\$ (1.10)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	32,653,089	8,799,190

The accompanying notes are an integral part of these consolidated financial statements.

WESTWATER RESOURCES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(expressed in thousands of dollars, except share amounts)

	Common Stock		Paid-In Capital	Accumulated Deficit	Treasury Stock	Total
	Shares	Amount				
Balances, January 1, 2020	3,339,541	\$ 3	\$ 319,758	(302,439)	\$ (258)	\$ 17,064
Net loss	—	—	—	(23,574)	—	(23,574)
Common stock issued, net of issuance costs	15,681,968	16	62,673	—	—	62,689
Common stock issued for commitment fees	150,000	—	925	—	—	925
Stock compensation expense and related share issuances, net of shares withheld for the payment of taxes	511	—	367	—	—	367
Balances, December 31, 2020	19,172,020	\$ 19	\$ 383,723	\$ (326,013)	\$ (258)	\$ 57,471
Net loss	—	—	—	(16,144)	—	(16,144)
Common stock issued, net of issuance costs	16,050,518	16	84,126	—	—	84,142
Stock compensation expense and related share issuances, net of shares withheld for the payment of taxes	57,186	—	879	—	—	879
Minimum withholding taxes on net share settlements of equity awards	—	—	(150)	—	—	(150)
Balances, December 31, 2021	35,279,724	\$ 35	\$ 468,578	\$ (342,157)	\$ (258)	\$ 126,198

The accompanying notes are an integral part of these consolidated financial statements.

WESTWATER RESOURCES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
 (expressed in thousands of dollars)

	For the Year Ended December 31,	
	2021	2020
Operating Activities:		
Net loss	\$ (16,144)	\$ (23,574)
Reconciliation of net loss to cash used in operations:		
Non-cash lease expense	(2)	2
Accretion of asset retirement obligations	—	201
Costs incurred for restoration and reclamation activities	—	(1,262)
Depreciation and amortization	20	(55)
Stock compensation expense	879	367
Gain on equity securities	(2,057)	—
Impairment of uranium properties	—	5,200
Gain on disposal of uranium properties	—	2,665
Gain on disposal of fixed assets	—	(21)
Effect of changes in operating working capital items:		
Decrease/(Increase) in prepaids and other assets	101	8
Increase/(Decrease) in payables and accrued liabilities	287	1,286
Net Cash Used In Operating Activities	(16,916)	(15,183)
Cash Flows From Investing Activities:		
Cash transferred for disposal of uranium assets, net	—	(4,023)
Proceeds from PPP loan escrow	333	—
Proceeds from the sale of equity securities, net	3,577	—
Cash deposits on long lead construction items	(2,665)	—
Capital expenditures	(3,353)	(81)
Net Cash Used In Investing Activities	(2,108)	(4,104)
Cash Flows From Financing Activities:		
Proceeds from note payable	—	331
Issuance of common stock, net	84,142	63,614
Payment of minimum withholding taxes on net share settlements of equity awards	(150)	—
Net Cash Provided By Financing Activities	83,992	63,945
Net increase in Cash, Cash Equivalents and Restricted Cash	64,968	44,658
Cash, Cash Equivalents and Restricted Cash, Beginning of Period	50,325	5,667
Cash, Cash Equivalents and Restricted Cash, End of Period	\$ 115,293	\$ 50,325
Supplemental Non-Cash Information with Respect to Investing and Financing Activities:		
Securities received from sale of uranium assets - enCore	—	1,520
Land grant received from local municipalities	1,378	—
Accrued capital expenditures (at end of period)	782	—
Total Non-Cash Investing and Financing Activities for the Period	\$ 2,160	\$ 1,520

The accompanying notes are an integral part of these consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S.”) and include the accounts of WWR and its wholly-owned subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the U.S. (“U.S. GAAP”) requires management to make certain estimates and assumptions. Such estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates included in the preparation of the financial statements are related to asset retirement obligations; stock-based compensation and asset impairment, including estimates used to derive future cash flows or market value associated with those assets.

Cash and Cash Equivalents

Management considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company maintains cash deposits in excess of federally insured limits. Management monitors the soundness of the financial institution and believe the risk is negligible.

Equity Securities

Management determines the appropriate classification of the Company’s investments at the time of purchase and re-evaluates such determinations each reporting date. Marketable equity securities are carried at fair market value on the Balance Sheet and changes in fair value, or realized gains or losses, are included as a component of net income within the consolidated statement of operations.

Property, Plant and Equipment

Facilities and Equipment

Expenditures for new facilities or equipment and expenditures that extend the useful lives of existing facilities or equipment are capitalized and recorded at cost. The facilities and equipment are amortized on a straight-line basis over the estimated life of the assets. During the periods that the Company’s facilities are not in production, depreciation of its facilities and equipment is suspended as the assets are not in service.

Mineral Properties

Mineral rights acquisition costs are capitalized when incurred, and exploration costs are expensed as incurred. When management determines that a mineral right can be economically developed in accordance with U.S. GAAP, the costs then incurred to develop such property will be capitalized. During the periods that the Company’s facilities are not in production, depletion of its mineral interests, permits, licenses and development properties is suspended as the assets are not in service. If mineral properties are subsequently abandoned or impaired, any non-depleted costs will be charged to loss in that period.

Other Property, Plant and Equipment

Other property, plant and equipment consisted of corporate office equipment, furniture and fixtures and transportation equipment. Depreciation on other property is computed based upon the estimated useful lives of the assets.

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Repairs and maintenance costs are expensed as incurred. Gain or loss on disposal of such assets is recorded as other income or expense upon disposition of such assets.

Accounting for Government Grants

U.S. GAAP does not contain authoritative accounting standards for incentives and grants provided by governmental entities to a for-profit entity. Absent authoritative accounting standards, interpretative guidance issued and commonly applied by financial statement preparers allows for the selection of accounting policies amongst acceptable alternatives. Based on facts and circumstances outlined below, the Company determined it most appropriate to account for the land received from the local municipality as an in-substance government grant by analogy to International Accounting Standards 20 (“IAS 20”), Accounting for Government Grants and Disclosure of Government Assistance. Under the provisions of IAS 20, government grants “are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.” A government grant is recognized when there is reasonable assurance that the Company will meet the terms for receiving and realizing the benefit of the grant. IAS 20 does not define “reasonable assurance”, however, based on certain interpretations, it is analogous to “probable” as defined in Financial Accounting Standards Board (“FASB”) ASC 450-20-20 under U.S. GAAP, which is the definition the Company has applied to its determination of recognizing the land grant as of December 31, 2021. Under IAS 20, government grants are recognized in earnings on a systematic basis over the periods in which the Company recognizes costs for which the grant is intended to compensate (i.e. qualified expenses). Further, IAS 20 permits for the recognition in earnings either separately under a general heading such as other income, or as a reduction of the related expenses. The Company has elected to recognize government grant income separately within other income to present a clearer distinction in its financial statements between its operating income and the amount of net income resulting from the land grant.

For further information related to government grants recognized by the Company during the year ended December 31, 2021, see Note 4 to these consolidated financial statements.

Asset Impairment

The Company reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows or upon an estimate of fair value that may be received in an exchange transaction. Future cash flows are estimated based on quantities of recoverable minerals, expected commodity prices, production levels and operating costs of production and capital, based upon the projected remaining future mineral production from each project. Existing proven and probable reserves and value beyond proven and probable reserves, including mineralization that is not part of the measured, indicated or inferred resource base, are included when determining the fair value of mine site reporting units at acquisition and, subsequently, in determining whether the assets are impaired. The term “recoverable minerals” refers to the estimated amount of mineral that will be obtained after taking into account losses during processing and treatment. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of future cash flows from other asset groups. The Company’s estimates of future cash flows are based on numerous assumptions and it is likely that actual future cash flows will be significantly different than the estimates, as actual future quantities of recoverable minerals, mineral prices, production levels and operating costs of production and availability and cost of capital are each subject to significant risks and uncertainties.

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Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash as reported within the consolidated balance sheet that sum to the total of the same such amounts shown in the statement of cash flows.

(thousands of dollars)	As of December 31,	
	2021	2020
Cash and cash equivalents	\$ 115,293	\$ 50,315
Restricted cash	—	10
Cash, cash equivalents and restricted cash shown in the statement of cash flows	\$ 115,293	\$ 50,325

Funds deposited by the Company for collateralization of performance obligations are not available for the payment of general corporate obligations and are not included in cash equivalents. Restricted cash consists of cash held in escrow by escrow agents.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash equivalents and restricted cash and short-term investments. U.S. GAAP defines "fair value" as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price) and establishes a fair-value hierarchy that prioritizes the inputs used to measure fair value using the following definitions (from highest to lowest priority):

- Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 — Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data by correlation or other means.
- Level 3 — Prices or valuation techniques requiring inputs that are both significant to the fair-value measurement and unobservable.

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. Periodically throughout the year, the Company has maintained balances in various U.S. operating accounts in excess of U.S. federally insured limits.

The following table presents information about financial instruments recognized at fair value on a recurring and non-recurring basis as of December 31, 2021 and 2020, and indicates the fair value hierarchy:

(thousands of dollars)	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Non-current Assets				
Land grant	\$ —	\$ —	1,378	\$ 1,378
Total non-current assets recorded at fair value	\$ —	\$ —	\$ 1,378	\$ 1,378
Non-current Liabilities				
Land grant obligation	\$ —	\$ —	(1,378)	\$ (1,378)
Total non-current liabilities recorded at fair value	\$ —	\$ —	\$ (1,378)	\$ (1,378)

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(thousands of dollars)	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Current Assets				
Equity securities	\$ —	\$ —	\$ 1,520	\$ 1,520
Total current assets recorded at fair value	\$ —	\$ —	\$ 1,520	\$ 1,520
Non-current Assets				
Restricted cash	\$ 10	\$ —	\$ —	\$ 10
Total non-current assets recorded at fair value	\$ 10	\$ —	\$ —	\$ 10

Recurring Fair Value Measurements

Assets that are measured on a recurring basis include the Company's marketable securities and restricted cash. The Company determined the fair value of the equity securities (enCore shares) at December 31, 2020 using the Black-Scholes valuation methodology. As discussed in Note 3, this resulted in a discount for lack of marketability of \$375,000 due to the 4-month holding period before shares could be sold. Key inputs included a risk-free rate of 0.09% based on 3-month US Treasury Bond yields and a volatility factor of 89.1. During the fourth quarter of 2021, the Company sold 100% of the enCore shares for net proceeds of \$3.6 million.

Non-recurring Fair Value Measurements

As discussed in Note 4, on July 23, 2021, the Company received a land grant from local municipalities related to the Coosa Plant in Coosa County, Alabama. At inception, the Company estimated the fair value of the land to be approximately \$1.4 million. The fair value was determined using Level 3 inputs using the market approach, by considering comparable sales in the area, adjusted for property specific items; such as lot size, location and access to major highways and distribution channels. The Company recorded the fair value of the land granted as an increase to Property, Plant and Equipment with an offsetting obligation recorded in Other long-term liabilities on the consolidated balance sheet as of December 31, 2021. The Company will begin amortizing the obligation to income over the estimated useful life of the Coosa Plant when the plant is placed into service.

Loss Per Share

Basic loss per share is computed using the weighted-average number of shares outstanding during the period. Diluted loss per share is not presented as the effect on the basic loss per share would be anti-dilutive. At December 31, 2021 and 2020, the Company had 662,580 and 421,457 respectively, in potentially dilutive securities.

Foreign Currency

The functional currency for all foreign subsidiaries of the Company was determined to be the U.S. dollar since its foreign subsidiaries are direct and integral components of Westwater Resources and are dependent upon the economic environment of Westwater Resources' functional currency. Accordingly, the Company has translated its monetary assets and liabilities at the period-end exchange rate and the non-monetary assets and liabilities at historical rates, with income and expenses translated at the average exchange rate for the current period. All translation gains and losses have been included in the current period loss.

Recently Adopted Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board ("FASB") issued ASU 2019-12, "Income Taxes - Simplifying the Accounting for Income Taxes (Topic 740)" which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. ASU 2019-12 became effective for interim and annual periods beginning after December 15, 2020. The adoption of ASU 2019-12 did not result in a material impact to our condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, “Measurement of Credit Losses on Financial Instruments”. ASU 2016-13 will change how companies account for credit losses for most financial assets and certain other instruments. For trade receivables, loans and held-to-maturity debt securities, companies will be required to estimate lifetime expected credit losses and recognize an allowance against the related instruments. For available for sale debt securities, companies will be required to recognize an allowance for credit losses rather than reducing the carrying value of the asset. The adoption of this update, if applicable, will result in earlier recognition of losses and impairments.

In November 2018, the FASB issued ASU 2018-19, “Codification Improvements to ASC 326, Financial Instruments – Credit Losses.” ASU 2016-13 introduced an expected credit loss methodology for the impairment of financial assets measured at amortized cost basis. That methodology replaces the probable, incurred loss model for those assets. ASU 2018-19 is the final version of Proposed Accounting Standards Update 2018-270, which has been deleted. Additionally, the amendments clarify that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with ASC 842, Leases.

These updates are effective beginning January 1, 2023, and the Company is currently evaluating ASU 2016-13 and ASU 2018-19 and the potential impact of adopting this guidance on its financial reporting.

2. LIQUIDITY

The Company last recorded revenues from operations in 2009. Since 2009, the Company has relied on equity financings, debt financings and asset sales to fund its operations. The Company expects to rely on debt and equity financing to fund its operations into the near future. The Company will also continue its cost reduction initiatives to identify ways to reduce its cash expenditures.

In 2016, the Company began to expand its business plan into acquisition and development of energy-related materials. Between 2016 and 2020 the Company obtained mineral leases in Nevada and Utah and evaluated a green-fields exploration program for lithium. In 2018, the Company acquired Alabama Graphite for the purpose of developing the only commercial sized graphite mineral deposit in the contiguous United States and production of advanced graphite products for use in batteries. In the third quarter of 2020, the Company made the strategic decision to focus most of its resources on its graphite business, discontinuing its investment in its lithium mineral properties and selling its uranium business.

As of December 31, 2021, execution of the business plan for development of the Coosa Project was underway, with the completion of the pilot program for processing flake graphite into battery-grade graphite products. The start-up of operations for the pilot program commenced in the fourth quarter of 2020 and was completed during the fourth quarter of 2021. The Company used the data generated from the pilot program to inform the DFS and the requirements and specifications for building the Coosa Plant. Subject to financing, the Company expects the construction phase for Phase I of the Coosa Plant to continue throughout 2022 and to be completed in the first half of 2023, at which time the Company expects to begin generating revenues from sales of battery-grade graphite products.

At December 31, 2021 the Company’s cash balances were \$115.3 million. During the year ended December 31, 2021, the Company sold approximately 10.0 million shares of common stock for net proceeds of \$49.5 million pursuant to the ATM Offering Agreement and 6.1 million shares of common stock for net proceeds of \$34.6 million pursuant to the 2020 Lincoln Park PA. As of December 31, 2021, the Company has \$47.7 million remaining available for future sales under the ATM Offering Agreement and has 9,700,252 shares of common stock available for future sales pursuant to the 2020 Lincoln Park PA.

In furtherance of the Company’s strategic shift to graphite battery materials, on December 31, 2020 the Company entered into a securities purchase agreement (“Purchase Agreement”) to sell its U.S. uranium business, including its U.S. uranium exploration assets in New Mexico and idled production assets in Texas to enCore Energy Corp. (“enCore”) (see Note 3). The transaction closed on December 31, 2020. The sale included the elimination of a \$9.3 million bonding

liability, the elimination of \$5.2 million in asset retirement obligations, and the elimination of more than \$4.0 million in annual expenditures related to reclamation and compliance costs at the Company's Kingsville, Vasquez, and Rosita sites in South Texas and its New Mexico land holding costs. The Company received approximately \$1.8 million of enCore common stock and retained royalty interests on the New Mexico uranium properties as consideration for the sale. The Company retained its uranium interests in Turkey, which are subject to ongoing international arbitration proceeding. The Company's strategic shift to focus solely on its graphite business also resulted in its decision not to renew its lithium mineral leases in Nevada and Utah when the annual rentals of approximately \$0.2 million came due in late August 2020.

Management believes the Company's current cash balance is sufficient to fund its planned non-discretionary expenditures through 2022. The Company may use of the ATM Offering Agreement and the 2020 Lincoln Park PA to support construction of Phase I of the Coosa Plant.

While the Company has been successful in the past in raising funds through equity and debt financings as well as through the sale of non-core assets, no assurance can be given that additional financing will be available in amounts sufficient to meet its needs, or on terms acceptable to the Company. Stock price volatility and uncertain economic conditions caused by the COVID-19 pandemic, including the recent emergence of variant strains of the virus, could significantly impact the Company's ability to raise funds through equity financing. Market conditions, including but not limited to, inflation and supply chain disruptions, could adversely impact the planned cost of Phase I of the Coosa Plant. Along with evaluating the continued use of the ATM Offering Agreement and the 2020 Lincoln Park PA, the Company may consider project financing for additional funding needed to completed Phase I of the Coosa Plant. The alternative sources of project financing could include, but are not limited to, convertible debt or pursuing a partnership or joint venture. In the event funds are not available for project financing to complete construction of Phase I of the Coosa Plant in 2023, the Company expects to be able to fund its non-discretionary expenditures, however, the Company may be required to change its planned business development strategies.

3. ACQUISITIONS AND DISPOSALS

Sale of Uranium Business to enCore Energy

On December 31, 2020, Westwater, its wholly owned subsidiary URI Neutron Holdings II, Inc. ("Neutron Holdings"), and enCore Energy Corp. ("enCore") entered into a securities purchase agreement (the "Purchase Agreement") to sell their subsidiaries engaged in the uranium business in Texas and New Mexico (the "Uranium Subsidiaries") to enCore. The transaction closed December 31, 2020.

At the closing of the transaction, enCore delivered \$0.7 million in cash and issued \$1.8 million worth of its common shares to Westwater. EnCore shares received by Westwater totaled 2,571,598 common shares. The number of shares was determined by a pricing formula based on the volume weighted average price ("VWAP") of enCore's common shares for the ten trading days ending on and including December 30, 2020. The VWAP formula resulted in a price of \$0.698. For purposes of determining the fair value of the enCore shares, the Company used the closing price for enCore shares on December 31, 2020 which was \$0.736, resulting in a value of approximately \$1.9 million. The Company then determined that a discount for lack of marketability should be considered because (1) the shares were not eligible for sale by Westwater until May 1, 2021, and (2) after May 1, 2021, the terms of the purchase agreement require WWR to offer enCore a first right to buy the shares if the amount to be sold in a single transaction is greater than 250,000 shares. Utilizing a precedent comparable transaction and Black-Scholes valuation methodology for fair value evaluation, the Company determined that a discount of 21% should be applied to the shares. Accordingly, the carrying value of the shares was adjusted to reflect a fair value of \$1.5 million as of December 31, 2020, and the discount was charged to loss on sale of uranium assets on the Consolidated Statement of Operations.

Westwater and Neutron Holdings transferred all of the equity interests in the Uranium Subsidiaries to enCore along with a copy of a database relating to the Grants Mineral Belt located in New Mexico. In addition, enCore delivered to Westwater a 2% net smelter return royalty ("NSR Royalty") on production from the uranium properties held by Uranco, Inc. in New Mexico, and a 2.5% net profits interest ("NPI") on the profits from operations of Neutron Energy, Inc.'s Juan Tafoya and Cebolleta Projects. Pursuant to the terms of the Purchase Agreement, enCore has also agreed to replace the

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indemnification obligations of Westwater for certain reclamation surety bonds held in the name of URI, Inc., and Westwater transferred to enCore all rights to \$3.8 million in cash collateral held to secure such indemnity obligations.

Also, at closing, in accordance with the terms of the Side Letter executed by the parties, Westwater delivered \$0.3 million in cash to enCore, which amount was delivered in escrow upon the request of the lender, Celtic Bank, under the loan made to URI, Inc. in May 2020 pursuant to the Small Business Administration (“SBA”) Paycheck Protection Program (the “PPP Loan”). The escrowed amount was to be released to Westwater upon, and subject to, forgiveness of the PPP Loan under the terms of the Coronavirus Aid, Relief, and Economic Security Act. The PPP Loan forgiveness application was filed on January 25, 2021, and Westwater received a notification from the SBA on March 31, 2021 that 100% of the loan had been forgiven. As a result, on March 31, 2021, the escrowed funds were returned to Westwater.

Finally, due to the high degree of uncertainties surrounding future mine development and uranium prices, as well as limited marketability, the Company determined the fair value of the NSR Royalty and NPI to be nil.

The following fair value amounts were recorded as purchase consideration at December 31, 2020:

(thousands of dollars)	
Cash	\$ 743
Transaction costs	(558)
Contingent consideration for PPP Loan escrow	333
enCore common stock	1,520
Total Consideration Received	<u>\$ 2,038</u>

The Company recorded the following loss on disposal of uranium properties within its Consolidated Statement of Operations for the year ended December 31, 2020:

(thousands of dollars)	
Total Consideration Received	\$ 2,038
Carrying value of uranium property, plant and equipment	(6,204)
Restricted Cash	(3,797)
Other assets	(579)
Asset retirement obligation	5,239
Note Payable (PPP loan)	333
Other liabilities	305
Loss on disposal of Uranium Entities	<u>\$ (2,665)</u>

The loss was primarily related to resolution of transaction issues and final negotiations in the fourth quarter leading up to the transaction closing on December 31, 2020.

4. PROPERTY, PLANT AND EQUIPMENT

(thousands of dollars)	Net Book Value of Property Plant and Equipment at December 31, 2021		
	Alabama	Corporate	Total
Mineral rights and properties	\$ 8,972	\$ —	\$ 8,972
Other property, plant and equipment	4,462	28	4,490
Construction in progress	1,017	—	1,017
Total	<u>\$ 14,451</u>	<u>\$ 28</u>	<u>\$ 14,479</u>

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(thousands of dollars)	Net Book Value of Property Plant and Equipment at December 31, 2020		
	Alabama	Corporate	Total
Mineral rights and properties	\$ 8,972	\$ —	\$ 8,972
Other property, plant and equipment	—	13	13
Construction in progress	—	—	—
Total	\$ 8,972	\$ 13	\$ 8,985

Construction-in-progress at December 31, 2021 of \$1.0 million primarily relates to construction activities related to the Phase I of the Coosa Plant. The \$4.5 million increase in other property, plant and equipment relates to the purchase of the two buildings in October 2021 and the land grant received from local municipalities in July 2021 that will be used to support the Coosa Plant.

Impairment of Property, Plant and Equipment

No impairment charges were recorded on the Company's graphite assets for the year ended December 31, 2021. The Company recorded the following impairment charges for the year ended December 31 2020, related to its former uranium projects and processing facilities.

	For the year ended
	December 31, 2020
	(thousands of dollars)
Kingsville Dome project	\$ 101
Rosita project	1,161
Cebolleta/Juan Tafoya project	3,938
Total Impairment	\$ 5,200

Estimates and assumptions used to assess recoverability of the Company's long-lived assets and measure fair value of its mineral properties are subject to risk uncertainty. Changes in these estimates and assumptions could result in the impairment of the Company's long-lived assets. Events that could result in the impairment of the Company's long-lived assets include, but are not limited to, decreases in the future mineral prices, decreases in the estimated recoverable minerals and any event that might otherwise have a material adverse effect on its costs.

Existing proven and probable reserves and value beyond proven and probable reserves, including mineralization that is not part of the measured, indicated or inferred resource base, are included when determining the fair value of uranium properties upon acquisition and, subsequently, in determining whether the assets are impaired. The term "recoverable minerals" refers to the estimated amount of minerals that will be obtained after taking into account losses during processing and treatment. In estimating future cash flows, assets are grouped at the lowest level for which there is identifiable cash flows that are largely independent of future cash flows from other asset groups.

The Company reviews and evaluates its long-lived assets for impairment on an annual basis or more frequently when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. On September 1, 2020, the Company signed a binding LOI to sell its U.S. uranium assets to enCore Energy Corp. At September 30, 2020 an interim impairment review was performed in anticipation of the sale of Westwater's uranium business to enCore. As a result, \$5.2 million in impairment expense related to the Company's long-lived uranium assets in south Texas and New Mexico was recognized in the third quarter of 2020.

Land Addition

On June 22, 2021, AGP entered into incentive agreements with the State of Alabama and local municipalities for the siting of the Coosa Plant. The incentive agreements provide certain tax credits and incentives under the Alabama Jobs Act in connection with the construction of the processing facility. Additionally, in connection with and in contemplation of the incentive agreements, on July 23, 2021, AGP entered into a land lease with the Lake Martin Area Industrial Development Authority. The lease provides AGP rights to approximately 70 acres to construct and operate its commercial

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graphite processing facility in Coosa County, Alabama. The lease has a term of 10-years, a nominal lease payment, and transfer of title to AGP at the end of the lease term. Further, the lease provides AGP the option to purchase the land for a nominal amount during the term of the lease. The incentive agreements and the lease are accounted for by the Company as a government grant; whereby the Company realized the fair value of the land of \$1.4 million as an increase to Property, Plant, and Equipment with a corresponding obligation recorded in Other long-term liabilities in the consolidated balance sheet at December 31, 2021. The land represents a non-depreciable asset on the Company's consolidated balance sheet. The corresponding obligation recorded in Other long-term liabilities on the consolidated balance sheet will be amortized to other income over the life of the Coosa Plant once placed in service.

5. ASSET RETIREMENT OBLIGATION

The following table summarizes the changes in the reserve for future restoration and reclamation costs on the balance sheet:

(thousands of dollars)	December 31, 2021	December 31, 2020
Balance, beginning of period	\$ —	\$ 6,300
Liabilities settled	—	(1,262)
Accretion expense	—	201
Balance, end of period	—	5,239
Less: Obligation transferred to enCore	—	(5,239)
Non-current portion	<u>\$ —</u>	<u>\$ —</u>

Asset retirement obligation (ARO) is primarily comprised of estimated reclamation costs related to ISR projects in South Texas. On December 31, 2020, the Company closed the sale of its U.S. uranium assets to enCore. With the sale, enCore assumed all liabilities for the purchased subsidiaries, including the \$6 million in asset retirement obligations for the south Texas uranium projects. At December 31, 2021, there is no ARO recorded for the Coosa Deposit as there has been only minimal environmental disturbance due to exploration which has since been reclaimed.

6. ACCRUED LIABILITIES

Accrued liabilities on the balance sheet consisted of:

	December 31,	
	2021	2020
	(thousands of dollars)	
Royalties payable (1)	\$ 1,151	\$ 1,151
Other Accrued Liabilities	978	1,218
Accrued Liabilities	<u>\$ 2,129</u>	<u>\$ 2,369</u>

(1) Royalties payable were derived during prior years of production. Liabilities do not accrue interest or have a stated maturity date.

7. STOCKHOLDER'S EQUITY

Common Stock Issued, Net of Issuance Costs

December 2020 Purchase Agreement with Lincoln Park Capital, LLC ("Lincoln Park")

On December 4, 2020, the Company entered into a Purchase Agreement with Lincoln Park (the "2020 Lincoln Park PA") to place up to \$100.0 million in the aggregate of the Company's common stock on an ongoing basis when required by the Company over a term of 36 months. The Company controls the timing and amount of any sales to Lincoln Park, and Lincoln Park is obligated to make purchases in accordance with the 2020 Lincoln Park PA. Any common stock that is sold to Lincoln Park will occur at a purchase price that is based on an agreed upon fixed discount to the Company's prevailing market prices at the time of each sale and with no upper limits to the price Lincoln Park may pay to purchase

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common stock. The agreement may be terminated by the Company at any time, in its sole discretion, without any additional cost or penalty.

The December 2020 PA specifically provides that the Company may not issue or sell any shares of its common stock under the agreement if such issuance or sale would breach any applicable rules of the NYSE American Stock Exchange (“NYSE American”). In particular, NYSE American General Rule 713(a) provides that the Company may not issue or sell more than 19.99% of the number of shares of the Company’s common stock that were outstanding immediately prior to the execution of the December 2020 PA unless (i) shareholder approval is obtained or (ii) the average price of all applicable sales of common stock to Lincoln Park under the December 2020 PA, equals or exceeds \$6.15. The Company held its 2021 Annual Shareholders Meeting on May 21, 2021, and obtained shareholder approval for the issuance of more than 19.99% of the shares of the Company’s common stock outstanding.

Lincoln Park has no right to require the Company to sell any shares of common stock to Lincoln Park, but Lincoln Park is obligated to make purchases as the Company directs, subject to certain conditions. In all instances, the Company may not sell shares of its common stock to Lincoln Park under the 2020 Lincoln Park PA if it would result in Lincoln Park beneficially owning more than 9.99% of its common stock.

During the year ended December 31, 2021, pursuant to the 2020 Lincoln Park PA, the Company sold approximately 6.1 million shares of common stock for net proceeds of \$34.6 million. These shares were sold pursuant to a prospectus supplement filed on December 4, 2020, and in accordance with Rule 424(b)(5) as a takedown off the Company’s shelf registration statement, which had been declared effective by the Securities and Exchange Commission (the “SEC”) on December 1, 2020.

May 2020 Purchase Agreement with Lincoln Park

On May 21, 2020, the Company entered into a Purchase Agreement with Lincoln Park, as amended on May 29, 2020 (the “May 2020 Lincoln Park PA”), to place up to \$12.0 million in the aggregate of the Company’s common stock on an ongoing basis when required by the Company over a term of 24 months, which agreement was authorized by the Company’s shareholders at its 2020 annual meeting. As an initial purchase on May 21, 2020, Lincoln Park bought \$250,000 worth of the Company’s common stock at a price of \$1.2989 per share. The Company issued 156,250 shares of common stock to Lincoln Park as consideration for its commitment to purchase shares of common stock under the May 2020 Lincoln Park PA.

On May 21, 2020, the Company entered into a registration rights agreement with Lincoln Park pursuant to which the Company filed a registration statement on Form S-1 with the SEC, which was declared effective on June 26, 2020 relating to the resale of an initial tranche of 1.97 million shares subject to the May 2020 Lincoln Park PA. As of September 30, 2020, the Company had sold 1.8 million shares of common stock for gross proceeds of \$3.8 million, of which 1.6 million shares of common stock and gross proceeds of \$3.5 million was sold in the three months ended September 30, 2020. The Company filed a second registration statement on Form S-1 relating to the resale of 3.2 million shares which was declared effective on October 2, 2020, and sold 1.1 million shares for gross proceeds of \$8.2 million in October 2020. With the October 2020 sales, the \$12.0 million sales capacity of the May 2020 Lincoln Park PA was reached and the agreement terminated.

Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co. (“Cantor”)

On April 14, 2017, the Company entered into a Controlled Equity Offering Sales Agreement (the “ATM Offering Agreement”) with Cantor acting as sales agent. Under the ATM Offering Agreement, the Company may from time to time sell shares of its common stock in “at-the-market” offerings. The Company pays Cantor a commission of up to 2.5% of the gross proceeds from the sale of any shares pursuant to the ATM Offering Agreement.

During the year ended December 31, 2021, the Company sold approximately 10.0 million shares of common stock for net proceeds of \$49.5 million pursuant to the ATM Offering Agreement with Cantor. These shares were sold pursuant to prospectus supplements filed on December 4, 2020, and August 20, 2021, and in accordance with Rule 424(b)(5), as a takedown off the Company’s shelf registration statements, which had been declared effective by the

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Commission on December 1, 2020, and July 8, 2021, respectively. During 2020, the Company sold 11.0 million shares of common stock for net proceeds of \$49.9 million.

As of December 31, 2021, the Company has \$47.7 million available for sale under the ATM Offering Agreement.

8. STOCK BASED COMPENSATION

Stock-based compensation awards consist of stock options, restricted stock units and bonus shares issued under the Company's equity incentive plans which include: the 2013 Omnibus Incentive Plan (the "2013 Plan") and the Amended and Restated 2004 Directors' Stock Option and Restricted Stock Plan (the "2004 Directors' Plan"). Upon approval of the 2013 Plan by the Company's stockholders on June 4, 2013, the Company's authority to grant new awards under all plans other than the 2013 Plan was terminated. On July 18, 2017, April 18, 2019 and April 28, 2020, the Company's stockholders approved amendments to the 2013 Plan to increase the authorized number of shares of common stock available and reserved for issuance under the 2013 Plan by 20,000 shares, 66,000 shares, 350,000, and 1,500,000 shares, respectively, and in 2017 re-approved the material terms of the performance goals under the plan. Under the 2013 Plan, the Company may grant awards of stock options, stock appreciation rights, restricted stock awards, restricted stock units ("RSUs"), unrestricted stock, dividend equivalent rights, performance shares and other performance-based awards, other equity-based awards and cash bonus awards to eligible persons. Equity awards under the 2013 Plan are granted from time to time at the discretion of the Compensation Committee of the Board (the "Committee"), with vesting periods and other terms as determined by the Committee with a maximum term of 10 years. The 2013 Plan is administered by the Committee, which can delegate the administration to the Board, other Committees or to such other officers and employees of the Company as designated by the Committee and permitted by the 2013 Plan.

As of December 31, 2021, 1,236,658 shares were available for future issuances under the 2013 Plan. For the years ended December 31, 2021 and 2020, the Company recorded stock-based compensation expense of \$0.9 million and \$0.4 million, respectively. Stock compensation expense is recorded in general and administrative expenses.

Stock Options

Stock options are valued using the Black-Scholes option pricing model on the date of grant. The Company accounts for forfeitures upon occurrence.

The following table summarizes stock options outstanding and changes during the years ended December 31, 2021 and 2020:

	December 31, 2021		December 31, 2020	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Stock options outstanding at beginning of period	185,054	\$ 7.70	37,786	\$ 37.42
Granted	94,522	3.91	149,801	1.67
Expired	(2,000)	73.54	(2,533)	93.80
Stock options outstanding at end of period	277,576	6.18	185,054	7.70
Stock options exercisable at end of period	183,054	\$ 7.35	35,253	\$ 33.37

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The weighted average remaining term for stock options outstanding as of December 31, 2021, is approximately 8.5 years. The following table summarizes stock options outstanding and exercisable by stock option plan at December 31, 2021:

Stock Option Plan	Outstanding Stock Options		Exercisable Stock Options	
	Number of Outstanding Stock Options	Weighted Average Exercise Price	Number of Stock Options Exercisable	Weighted Average Exercise Price
2004 Plan	92	\$ 1,638.00	92	\$ 1,638.00
2004 Directors' Plan	3	10,380.00	3	10,380.00
2013 Plan	277,481	5.53	182,959	6.36
	<u>277,576</u>	<u>\$ 6.18</u>	<u>183,054</u>	<u>\$ 7.35</u>

The following table summarizes assumptions used to assess the fair value of stock options granted during the years ended December 31, 2021 and 2020:

	Years ended December 31,	
	2021	2020
Expected volatility	113%	101%
Expected term of options (years)	6	6
Expected dividend rate	—	—
Risk-free interest rate	0.82%	0.31%
Expected forfeiture rate	—	—
Weighted-average grant-date fair value	\$ 3.28	\$ 1.64

As of December 31, 2021, the Company had \$0.1 million of unrecognized compensation costs related to non-vested stock options that will be recognized over a period of approximately 6 months.

Restricted Stock Units

Time-based and performance-based RSUs are valued using the closing share price of the Company's common stock on the date of grant. The final number of shares issued under performance-based RSUs is generally based on the Company's prior year performance as determined by the Committee at each vesting date, and the valuation of such awards assumes full satisfaction of all performance criteria.

The following table summarizes RSU activity for the years ended December 31, 2021 and 2020:

	December 31, 2021		December 31, 2020	
	Number of RSUs	Weighted-Average Grant Date Fair Value	Number of RSUs	Weighted-Average Grant Date Fair Value
Unvested RSUs at beginning of period	236,403	\$ 2.10	511	\$ 70.00
Granted	227,402	3.93	236,403	2.10
Vested	(78,801)	2.10	(511)	70.00
Unvested RSUs at end of period	<u>385,004</u>	<u>\$ 3.18</u>	<u>236,403</u>	<u>\$ 2.10</u>

As of December 31, 2021, the Company had \$0.4 million of unrecognized compensation costs related to non-vested restricted stock units that will be recognized over a period of approximately 2 years.

9. FEDERAL INCOME TAXES

The Company recognizes future tax assets and liabilities for each tax jurisdiction based on the difference between the financial reporting and tax bases of assets and liabilities using the enacted tax rates expected to be in effect when the taxes are paid or recovered. A valuation allowance is provided against net future tax assets for which the Company does not consider the realization of such assets to meet the required “more likely than not” standard.

The Company’s future tax assets and liabilities at December 31, 2021 and 2020 include the following components:

	December 31,	
	2021	2020
	(thousands of dollars)	
Deferred tax assets:		
Non-Current:		
Net operating loss carryforwards	\$ 21,016	\$ 16,009
Mineral properties	5,017	3,177
Accrued vacation	25	18
Capital loss carryforwards	22,523	22,176
Restoration reserves	405	—
Capitalized transaction costs	1,157	1,138
Other	3,580	3,686
Deferred tax assets	53,723	46,204
Valuation allowance	(53,723)	(46,204)
Net deferred tax assets	—	—
Deferred tax liabilities	—	—
Net deferred tax asset (liability)	\$ —	\$ —

The composition of the valuation allowance by tax jurisdiction is summarized as follows:

	December 31,	
	2021	2020
	(thousands of dollars)	
United States	\$ 42,069	\$ 34,190
Australia	5,096	5,380
Turkey	6,558	6,634
Total valuation allowance	\$ 53,723	\$ 46,204

The valuation allowance increased \$7.5 million from the year ended December 31, 2020 to the year ended December 31, 2021. There was an increase in the net deferred tax assets, net operating loss carryforwards (“NOLs”), equity-based compensation and exploration spending on mineral properties.

In December 2017, the United States enacted comprehensive tax reform legislation known as the “Tax Cuts and Jobs Act” that, among other things, reduces the U.S. Federal corporate income tax rate from 35% to 21% and implements a territorial tax system, but imposes an alternative ‘base erosion and anti-abuse tax’ (‘BEAT’), and incremental tax on global intangible low tax foreign income (‘GILTI’) effective January 1, 2018. The Company has selected an accounting policy with respect to both the new BEAT and GILTI rules to compute the related taxes in the period the Company become subject to these rules. There were no inclusions of either taxes during the year ended December 31, 2021.

Because the Company does not believe it is more likely than not that the net deferred tax assets will be realized, the Company continues to record a 100% valuation against the net deferred tax assets.

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At December 31, 2021, the Company had U.S. net operating loss carryforwards of approximately \$266.3 million which expire from 2022 to indefinite availability. As a result of the Tax Cuts and Jobs Act of 2017, U.S. net operating losses generated in years ending after 2017 have an indefinite carryforward rather than the previous 20-year carryforward. This does not impact losses incurred in years ended in 2017 or earlier. At December 31, 2021, the Company had U.S. capital loss carryforwards of approximately \$106.1 million, which expire in 2025 if not utilized. In addition, at December 31, 2021, the Company had Australian net operating loss carryforwards of \$16.2 million, including approximately \$13.3 million associated with the Anatolia Transaction which are available indefinitely, subject to continuing to meet relevant statutory tests. In Turkey, the Company had net operating loss carryforwards of approximately \$4.4 million, which expire from 2022 to 2024.

Section 382 of the Internal Revenue Code could apply and limit the Company's ability to utilize a portion of the U.S. net operating loss carryforwards. Following the issuance of the Company's Common Stock in 2001, the Neutron merger in 2012, the Anatolia Transaction in 2015 and the Alabama Graphite acquisition in 2018, the ability to utilize the net operating loss carryforwards will be severely limited on an annual and aggregate basis. A formal Section 382 study would be required to determine the actual allowable usage of U.S. net operating loss carryforwards. However, based on information currently available, the Company currently estimates that \$215.1 million of the U.S. net operating losses will not be able to be utilized and have reduced the Company's deferred tax asset accordingly. This resulted in a decrease in the valuation allowance.

For financial reporting purposes, loss from operations before income taxes consists of the following components:

	For the year ended December 31,	
	2021	2020
	(thousands of dollars)	
United States	\$ (16,103)	\$ (13,881)
Australia	(6)	8
Turkey	(35)	(39)
	<u>\$ (16,144)</u>	<u>\$ (13,912)</u>

A reconciliation of expected income tax on net income at statutory rates is as follows:

	Year ended December 31,	
	2021	2020
	(thousands of dollars)	
Net loss	\$ (16,144)	\$ (13,912)
Statutory tax rate	21%	21%
Tax recovery at statutory rate	(3,390)	(2,922)
State tax rate	(1,173)	938
Foreign tax rate	(2)	1
Change in US tax rates	(759)	309
Other adjustments	97	(9)
Capital loss carryforward adjustment	—	(21)
Operating loss carryforward adjustment	(1,409)	(218)
Operating loss Section 382 adjustment	(7)	978
Anatolia Energy Ltd Share issue Cost adjustment	—	270
Nondeductible write-offs	(78)	7
Sale of Uranium Entities	(799)	(10,553)
Change in valuation allowance	7,520	11,220
Income tax expense (recovery)	<u>\$ —</u>	<u>\$ —</u>

The Company does not have any uncertain tax positions. Should the Company incur interest and penalties relating to tax uncertainties, such amounts would be classified as a component of the interest expense and operating expense, respectively.

Westwater Resources, Inc., and its wholly owned subsidiaries, files in the U.S. federal jurisdiction and various state jurisdictions. Anatolia Energy Limited and Anatolia Uranium Pty Ltd file in the Australian jurisdiction and Adur Madencilik files in the Turkish jurisdiction. Alabama Graphite Corporation files in U.S. federal and state jurisdictions.

10. COMMITMENTS AND CONTINGENCIES

Legal Settlements

Future operations on the Company's properties are subject to federal and state regulations for the protection of the environment, including air and water quality. The Company evaluates the status of current environmental laws and their potential impact on current operating costs and accrual for future costs. The Company believes its operations are materially compliant with current environmental regulations.

At any given time, the Company may enter into negotiations to settle outstanding legal proceedings and any resulting accruals will be estimated based on the relevant facts and circumstances applicable at that time. The Company does not expect that such settlements will, individually or in the aggregate, have a material effect on its financial position, results of operations or cash flows.

11. LEASES

The Company's lease portfolio consists of operating leases for corporate offices, storage space and equipment. The leases have remaining lease terms of 0.8 years to 1.6 years, one of which includes an option to extend the corporate office lease for 3 years. Under our corporate office lease, we are required to reimburse the lessor each month for common use expenses such as maintenance and security services. Because these amounts are variable from year to year and not specifically set in the lease terms, they are not included in the measurement of the right-of-use asset and related lease liability, but rather expensed in the period incurred.

The Company is party to several leases that have terms that are less than a year in length. These include leases for land used in exploration and mining activities, office equipment, machinery, office space, storage and other. The Company has elected the short-term lease exemption allowed under the new leasing standards, whereby leases with initial terms of one year or less are not capitalized and instead expensed on a straight-line basis over the lease term. In addition, the Company holds several leases related to mineral exploration and production to which it has not applied the new leasing standard. Leases to explore or use minerals and similar nonregenerative resources are specifically excluded by ASC 842, "Leases."

The right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities were recognized at the commencement date of the lease based on the present value of lease payments over the lease term using a discount rate of 9.5%. This rate is the Company's estimated incremental borrowing rate at the lease commencement date.

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The components of lease expense were as follows:

(thousands of dollars)	For the Year Ended December 31,	
	2021	2020
Operating lease cost	\$ 154	\$ 155

Supplemental cash flow information related to leases was as follows:

(thousands of dollars)	For the Year Ended December 31,	
	2021	2020
Cash paid for amounts included in lease liabilities:		
Operating cash flows from operating leases	\$ 154	\$ 153
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 226	\$ 353

Supplemental balance sheet information related to leases was as follows:

(thousands of dollars)	December 31, 2021	December 31, 2020
Operating Leases		
Operating lease right-of-use assets	\$ 226	\$ 353
Current portion of lease liabilities	152	149
Operating lease liabilities – long term portion	83	214
Total operating lease liabilities	\$ 235	\$ 363

Weighted-average remaining lease term and discount rate for the Company's operating leases are as follows:

	For the Year Ended December 31,	
	2021	2020
Weighted Average Remaining Lease Term (in years)	1.6	3.0
Discount Rate	9.5 %	9.5 %

Maturities of lease liabilities are as follows:

Lease payments by year (in thousands)	December 31, 2021
2022	\$ 158
2023	92
Total lease payments	250
Less imputed interest	(15)
Total	\$ 235

As of December 31, 2021, the Company has \$0.2 million in right-of-use assets and \$0.2 million in related lease liabilities (\$0.2 million of which is current). The most significant operating lease is for its corporate office in Centennial, Colorado, with \$0.2 million remaining in undiscounted cash payments through the end of the lease term in 2023. The total undiscounted cash payments remaining on operating leases through the end of their respective terms is \$0.3 million.

12. DISCONTINUED OPERATIONS

In the third quarter of 2020, the Company made the strategic decision to focus its resources on its graphite business, as further discussed below, and discontinue its investment in its lithium business. On December 31, 2020 the Company entered into a securities purchase agreement pursuant to which it agreed to sell its subsidiaries engaged in the uranium business in Texas and New Mexico to enCore. The transaction closed on December 31, 2020. The Company's lithium business included mineral leases and water rights in Nevada and Utah. The Company elected not to renew the annual lease rentals on the mineral properties and terminated the lease on April 1, 2020, which also voids the water rights.

In accordance with *ASC 205-20 – "Discontinued Operations,"* the enCore transaction represented a major strategic shift for Westwater and indicated the need to re-classify the Company's uranium activities as discontinued operations and disclose the associated profit/loss of the Company's uranium business as a separate line-item on the Company's statement of operations for all periods presented. Accordingly, the Company's uranium segment has been classified as a discontinued operation and is reported separate from continuing operations on the Consolidated Statement of Operations for all periods presented.

The results of the Company's uranium and lithium business segments included in discontinued operations for the year ended December 31, 2020 were as follows:

<u>(thousands of dollars)</u>	<u>For the Year Ended December 31, 2020</u>
Mineral property expenses	\$ (2,606)
General and administrative expenses	(1,665)
Accretion of asset retirement obligations	(201)
Depreciation and amortization	(38)
Impairment of uranium properties	(5,200)
Other income	48
Net Loss from Discontinued Operations	\$ (9,662)

Our cash flow information for the year ended December 31, 2020 included the following activities related to discontinued operations:

<u>(thousands of dollars)</u>	<u>For the Year Ended December 31, 2020</u>
Depreciation and amortization	\$ 38
Capital expenditures	81
Accretion of asset retirement obligations	201
Impairment of uranium properties	5,200

13. SUBSEQUENT EVENT

On February 7, 2022, the Board of Directors of Westwater Resources, Inc. accepted the decision of Christopher M. Jones, currently serving as President and Chief Executive Officer for Westwater Resources, Inc. and member of the Westwater Resources, Inc. Board of Directors, to retire effective February 25, 2022. Also on February 7, 2022, the Board of Directors elected Chad M. Potter, currently serving as Chief Operating Officer for Westwater Resources, Inc., as President and Chief Executive Officer effective February 26, 2022. The Board of Directors also appointed Chad M. Potter to fill the vacancy on the Board of Directors as a result of Mr. Jones' retirement. In addition, Terence J. Cryan, currently serving as the Chairman of the Board of Directors of the Company, will become Executive Chairman effective February 26, 2022.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its filings with the SEC is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management has recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply judgment in evaluating its controls and procedures.

During the fiscal period covered by this report, the Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer of the Company, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2021.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed, under the supervision of the Company's Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. This evaluation was based on the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

Based on management's evaluation under the COSO 2013 framework, management concluded that internal control over financial reporting was effective as of December 31, 2021.

This annual report does not include an attestation report of the Company's independent public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent public accounting firm pursuant to rules of the SEC that permit the Company to provide only management's report in this annual report.

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Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable

PART III

Items 10 (other than information under "Code of Ethics" below), 11, 12, 13 and 14 for the Company are incorporated by reference to Westwater Resources, Inc.'s Definitive Proxy Statement relating to its 2022 Annual Meeting of Stockholders. Specifically, reference is made to "Election of Directors," "Corporate Governance," "Executive Officers" and "Delinquent Section 16(a) Reports," if required, for Item 10, "Executives and Executive Compensation," and "Director Compensation" for Item 11, "Ownership of Westwater Common Stock" and "Securities Authorized for Issuance Under Equity Compensation Plans" for Item 12, "Related Party Transactions" and "Director Independence" for Items 13, and "Audit and Non-Audit Fees" for Item 14. The Company's independent registered public accounting firm is Moss Adams LLP, Denver, CO, PCAOB ID: 659.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

CODE OF ETHICS

The Company has adopted a Code of Ethics for Senior Financial Officers, which is applicable to the Company's chief executive officer, chief financial officer, controller, treasurer and chief internal auditor, and a Code of Business Conduct and Ethics, which is applicable to all directors, officers and employees. Copies of the codes are available on the Company's website at <http://www.westwaterresources.net/company/corporate-governance> or in print, without charge, to any stockholder who sends a request to the office of the Secretary of Westwater Resources, Inc. at 6950 S. Potomac Street, Suite 300, Centennial, Colorado 80112.

The Company's Internet website address is provided as an inactive textual reference only. The information provided on the website is not incorporated into, and does not form a part of, this report.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit Number	Description
1.1	Controlled Equity OfferingSM Sales Agreement, dated April 14, 2017, between the Company and Cantor Fitzgerald & Co. (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed on April 17, 2017).
2.1	Securities Purchase Agreement, dated December 31, 2020, by and among enCore Energy Corp., the Company and URI Neutron Holdings II, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on December 31, 2020).
3.1	Restated Certificate of Incorporation of the Company, as amended through April 22, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019).
3.2	Amended and Restated Bylaws of the Company, as amended August 21, 2017 (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017).
4.1	Description of Securities
10.1*	Westwater Resources, Inc. 2004 Stock Incentive Plan (incorporated by reference to Exhibit 10.35 to the Company's Quarterly Report on Form 10-QSB/A for the quarterly period ended September 30, 2005).⁴
10.2*	Amended and Restated 2004 Directors' Stock Option Plan dated April 10, 2007 (incorporated by reference to Exhibit 10.43 to the Company's Post- Effective Amendment No. 1 to Registration Statement on Form S-3 filed April 11, 2007, SEC File No. 333-133960)
10.3*	Amended and Restated 2004 Directors' Stock Option and Restricted Stock Plan dated April 1, 2010 (incorporated by reference to Exhibit 10.43.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010).
10.4*	Westwater Resources, Inc. 2013 Omnibus Incentive Plan, as amended (incorporated by reference to Appendix C to the Company's Definitive Proxy Statement on Schedule 14A filed on February 25, 2019).
10.5*	Form of Restricted Stock Agreement under the Company's 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 7, 2013).
10.6*	Form of Non-Qualified Stock Option Agreement under the Company's 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on June 7, 2013).
10.7*	Form of Restricted Stock Unit Agreement under the Company's 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on June 7, 2013).
10.8*	Form of Deferred Stock Unit Agreement For Non-Employee Directors under the Company's 2013 Omnibus⁰ Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017).
10.9*	Form of Inducement Grant Restricted Stock Unit Agreement under the Company's 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 filed on November 23, 2020, SEC File No. 333-250866).

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10.10*	<u>Form of Inducement Grant Stock Option Agreement under the Company's 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.2 to the Company's Registration Statement on Form S-8 filed on November 23, 2020, SEC File No. 333-250866).</u>
10.11*	<u>Employment Agreement, dated March 12, 2013, between the Company and Christopher M. Jones (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013).</u>
10.12*	<u>Employment Agreement, effective June 14, 2013, between the Company and Jeffrey L. Vigil (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013).</u>
10.13*	<u>First Amendment to Employment Agreement, effective May 22, 2017, between the Company and Jeffrey L. Vigil (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017).</u>
10.14	<u>Purchase Agreement, dated December 4, 2020, between the Company and Lincoln Park Capital Fund, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 4, 2020).</u>
10.15	<u>Registration Rights Agreement, dated December 4, 2020, between the Company and Lincoln Park Capital Fund, LLC (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 4, 2020).</u>
10.16	<u>Master Service Agreement, dated February 4, 2021, between the Company and Samuel Engineering, Inc. (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K filed on February 16, 2021).</u>
10.17*	<u>Employment Agreement, effective February 26, 2022, between the Company and Chad M. Potter (incorporated by reference to Exhibit 10.17 to the Company's Current Report on Form 8-K filed on February 9, 2022).</u>
10.18*	<u>Executive Chairman Agreement, effective February 26, 2022, between the Company and Terence J. Cryan (incorporated by reference to Exhibit 10.18 to the Company's Current Report on Form 8-K/A filed on February 10, 2022).</u>
21.1	<u>Subsidiaries of Registrant.</u>
23.1	<u>Consent of Independent Registered Public Accounting Firm.</u>
31.1	<u>Certifications of Chief Executive Officer Pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended</u>
31.2	<u>Certifications of Chief Financial Officer Pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended</u>
32.1	<u>Certifications of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350</u>
32.2	<u>Certifications of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document

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101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Indicates management contract or compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 11, 2022

WESTWATER RESOURCES, INC.

By: /s/ Christopher M. Jones
Christopher M. Jones,
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Date</u>
<u>/s/ Christopher M. Jones</u> Christopher M. Jones, <i>President, Chief Executive Officer</i>	February 11, 2022
<u>/s/ Jeffrey L. Vigil</u> Jeffrey L. Vigil, <i>Vice President—Finance and Chief Financial Officer</i> <i>(Principal Financial Officer)</i>	February 11, 2022
<u>/s/ Steven M. Cates</u> Steven M. Cates <i>Chief Accounting Officer and Controller</i> <i>(Principal Accounting Officer)</i>	February 11, 2022
<u>/s/ Terence J. Cryan</u> Terence J. Cryan, <i>Chairman</i>	February 11, 2022
<u>/s/ Tracy D. Pagliara</u> Tracy D. Pagliara, <i>Director</i>	February 11, 2022
<u>/s/ Karli S. Anderson</u> Karli S. Anderson, <i>Director</i>	February 11, 2022
<u>/s/ Deborah A. Peacock</u> Deborah A. Peacock, <i>Director</i>	February 11, 2022

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

The following is a description of Westwater Resources, Inc.'s (the "Company") securities that are registered under Section 12 of the Securities Exchange Act of 1934, as amended, and does not purport to be complete. For a complete description of the terms and provisions of such securities, refer to the Company's Restated Certificate of Incorporation (the "Restated Certificate of Incorporation") and Amended and Restated Bylaws (the "Amended and Restated Bylaws"), each of which is included as an exhibit to the Annual Report on Form 10-K of which this exhibit is a part. This summary is qualified in its entirety by reference to these documents.

Description of Common Stock

Our Restated Certificate of Incorporation authorizes us to issue 100,000,000 shares of common stock, par value \$0.001 per share. As of December 31, 2019, there were 3,339,541 shares of our common stock issued and 3,339,380 shares of our common stock outstanding, all of which are fully paid and non-assessable. As of December 31, 2019, there were 37,786 shares of common stock issuable upon the exercise of outstanding options, 197,622 shares of common stock issuable upon exercise of outstanding warrants, including warrants to purchase 182,515 shares of our common stock held by Lincoln Park Capital Fund, LLC, and as of December 31, 2019, 45,886 shares of common stock reserved for future issuance under our 2013 Omnibus Incentive Plan, as amended.

Each share of our common stock is entitled to one vote for all purposes and cumulative voting is not permitted in the election of directors. Accordingly, the holders of more than fifty percent of all of the outstanding shares of our common stock can elect all of the directors. Matters to be voted upon by the holders of our common stock require the affirmative vote of a majority of the votes cast at a stockholders meeting at which a quorum is present.

There are no preemptive, subscription, conversion or redemption rights pertaining to our common stock. The absence of preemptive rights could result in a dilution of the interest of existing stockholders should additional shares of common stock be issued. Holders of our common stock are entitled to receive such dividends as may be declared by our Board of Directors out of assets legally available and to share ratably in our assets upon liquidation.

Computershare Trust Company is the transfer agent and registrar for our common stock.

Our common stock is listed on the Nasdaq Capital Market under the symbol "WWR."

Possible Anti-Takeover Effects of Delaware Law and our Restated Certificate of Incorporation and Amended and Restated Bylaws

Certain provisions of Delaware law, our Restated Certificate of Incorporation and Amended and Restated Bylaws discussed below could discourage or make it more difficult to accomplish a proxy contest or other change in our management or the acquisition of control by a holder of a substantial amount of our common stock. It is possible that these provisions could make it more difficult to accomplish, or could deter, transactions that stockholders may otherwise consider to be in their best interests or in our best interests. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our Board of Directors and in the policies formulated by the Board of Directors and may discourage certain types of transactions that may involve an actual or threatened change of control of us. The provisions also are intended to discourage certain tactics that may be used in proxy fights. Such provisions also may have the effect of preventing changes in our management.

Delaware Statutory Business Combinations Provision. We are subject to the anti-takeover provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. For purposes of Section 203, a "business combination" is

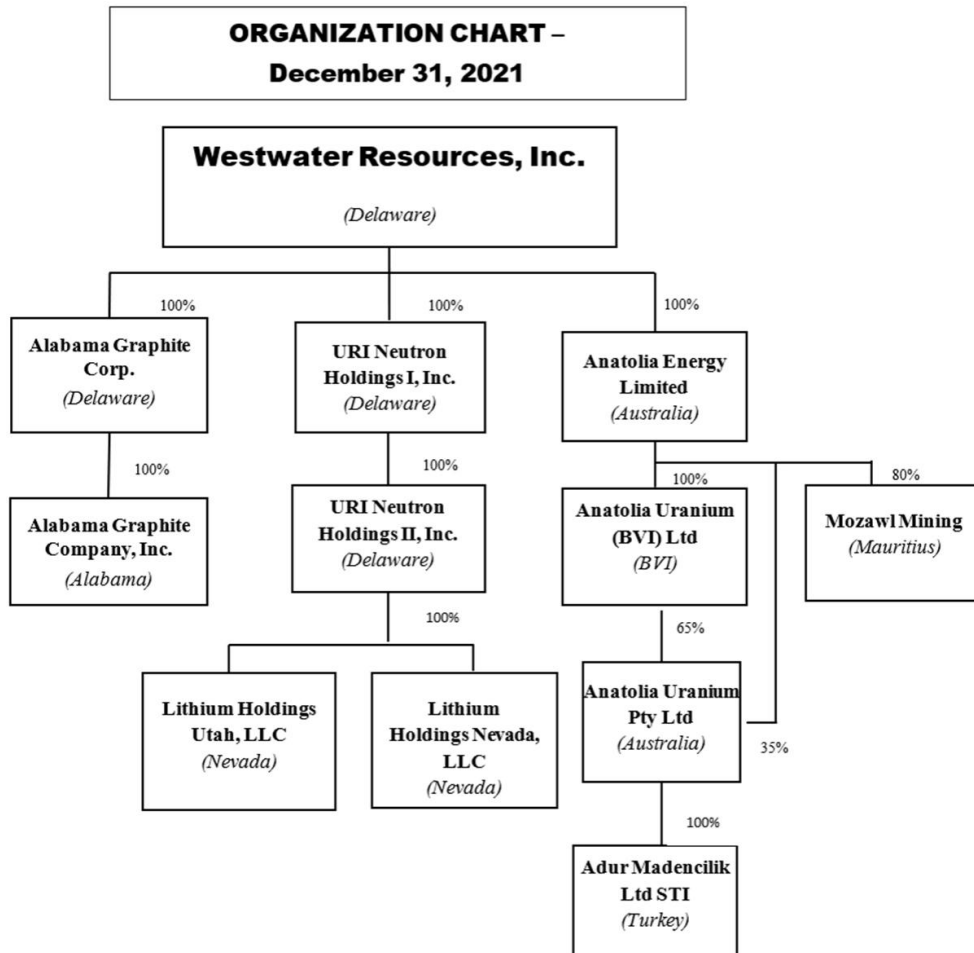
defined broadly to include a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder, and, subject to certain exceptions, an “interested stockholder” is a person who, together with his or her affiliates and associates, owns (or within three years prior, did own) 15% or more of the corporation’s voting stock.

Authorized but Unissued Stock. Our Restated Certificate of Incorporation authorizes the issuance of up to 100,000,000 shares of capital stock, par value \$0.001 per share. As of December 31, 2019, 3,339,541 shares of our common stock were issued and 3,339,380 shares of our common stock were outstanding. Our Board of Directors has the authority, without further approval of the stockholders, to issue such shares, which would adversely affect the voting power and ownership interest of holders of our common stock. This authority may have the effect of deterring hostile takeovers, delaying or preventing a change in control, and discouraging bids for our common stock at a premium over the market price.

Advance Notice Provisions for Stockholder Proposals and Stockholder Nominations of Directors. Our Amended and Restated Bylaws provide that, for nominations to the Board of Directors or for other business to be properly brought by a stockholder before a meeting of stockholders, the stockholder must first have given timely notice of the proposal in writing to our Secretary. For an annual meeting, a stockholder’s notice generally must be delivered not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year’s annual meeting. Detailed requirements as to the form of the notice and information required in the notice are specified in the amended and restated bylaws. If it is determined that business was not properly brought before a meeting in accordance with our bylaw provisions, such business will not be conducted at the meeting.

Amendment of Bylaws. Our Board of Directors is expressly authorized to alter or repeal our Amended and Restated Bylaws.

Special Meetings of Stockholders. Special meetings of the stockholders may be called only by our Chairman, President or pursuant to a resolution adopted by a majority of the total number of directors. Stockholders may not propose business to be brought before a special meeting of the stockholders.



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements (Form S-3 Nos. 333-257434, 333-250857, 333-226926, 333-221687, 333-216243, 333-214657, 333-212845, 333-209024, and 333-196880 and Form S-8 Nos. 333-257421, 333-250866, 333-226927, 333-193075, 333-134208, and 333-119661) of our report dated February 11, 2022, relating to the consolidated financial statements of Westwater Resources, Inc. (which report expresses an unqualified opinion) appearing in this Annual Report (Form 10-K) for the year ended December 31, 2021.

/s/ Moss Adams LLP

Denver, Colorado
February 11, 2022

Exhibit 31.1

**Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Christopher M. Jones, certify that:

1. I have reviewed this Annual Report on Form 10-K of Westwater Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 11, 2022

/s/ Christopher M. Jones
Title: President and Chief Executive Officer

Exhibit 31.2

**Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jeffrey L. Vigil, certify that:

1. I have reviewed this Annual Report on Form 10-K of Westwater Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 11, 2022

/s/ Jeffrey L. Vigil

Title: Vice President - Finance and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher M. Jones, President and Chief Executive Officer of Westwater Resources, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Annual Report on Form 10-K of the Company for the period ended December 31, 2021 (the "Report"), which this certification accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher M. Jones

Christopher M. Jones
President and Chief Executive Officer
February 11, 2022

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey L. Vigil, Vice President - Finance and Chief Financial Officer of Westwater Resources, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Annual Report on Form 10-K of the Company for the period ended December 31, 2021 (the "Report"), which this certification accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey L. Vigil

Jeffrey L. Vigil
Vice President - Finance and Chief Financial Officer
February 11, 2022
