CRYSTAL | EQUITY RESEARCH

WESTWATER RESOURCES, INC.

Update Report

May 24, 2018

WWR / Nasdaq

SPECULATIVE BUY

Unchanged

$1.50

Unchanged

CAPITALIZATION	
Shares Outstanding (4/24/18)	42.3 M
Recent Price (5/23/18)	$0.42
Market Capitalization	$17.8 M
+ Debt	0.0 M
- Cash	1.6 M
Enterprise Value	$16.2 M
Book Value	$37.5 M
Working Capital	$ 0.3 M
Dividend	Nil

Balance sheet figures as of 3/31/18

MARKET DATA	
Bid-Ask Spread, % Price	2.2%
52 Week High/Low	$1.70 - $0.42
Shares Outstanding	27.9 M
Inside Ownership	<2%
Institutional Ownership	7.0%
Estimated Flotation	41.5 M
Average Daily Volume	251 K
Short Interest, % of Float	6.2%
Beta	1.15

Source: Bloomberg LP

INVESTMENT RETURNS	WWR	Sector*
Return on Equity	Neg	7.6%
Return on Assets	Neg	3.2%
Return on Capital	Neg	4.6%

Source: Crystal Equity Research, CSI Markets

FINANCIAL PROFILE	FY16	FY17
Sales	$ 0.0 M	$ 0.0 M
EBITDA	($13.1) M	($24.7) M
EPS	($3.72)	($0.77)

Source: Company Reports

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HIGHLIGHTS

- **Graphite materials** - management wastes no time in adjusting development plans for recently acquired graphite asset in Coosa County, Alabama; shifts in mining operation timeline reduce near-term cash requirements.
- **Graphite product plans** - conductivity enhanced graphite products such as *Purified Micronized Graphite* (*PMB*) are pushed to front for low-volume commercial production by end of 2019.
- **Uranium asset development** - technical report finds merit in Ambrosia Lake property in New Mexico; recommends exploration drilling and testing.
- **Lithium portfolio expansion** - new claim purchased in Nevada; facilitates position for water rights vital for lithium brine production.
- **Updated projections** - existing cash resources and common stock placement agreements appear adequate to meet near-term capital and operational requirements.
- **Undervalued stock** - 250% potential appreciation to price target.

INDUSTRY: INDUSTRIAL, ENERGY MATERIALS	WWR: NASDAQ

RECENT DEVELOPMENTS

In April 2018, Westwater Resources completed the previously announced acquisition of Alabama Graphite. Management confirmed plans to develop what could be the first domestic source of natural graphite in decades in Coosa County, Alabama. Potential customers in the commercial battery industry and from the U.S. military have lined up to sample refined graphite materials produced from the Coosa County project. Until mining operations are commenced Westwater plans to fulfill requests for sampling materials and initial commercial deliveries with natural graphite outsourced from third-parties. Plans are also underway to construct and commission a pilot plant that will prove out a production process adjusted from plans originally set up by Alabama Graphite. Management hopes these changes will help accelerate first commercial deliveries by 2019.

The first commercial product is a conductivity enhancement material called *Purified Micronized Graphite* (*PMG*) that is gaining interest among battery manufacturers of conventional lead-acid batteries. A second, more refined product *Coated Purified Spherical Graphite* (*CSPG*) is aimed at manufacturers of lithium ion batteries. Management recently confirmed there are over three dozen different potential customers in the business pipeline.

RECOMMENDATION

We recommend WWR shares as a Speculative Buy with a $1.50 price target.

The shares have traded off in recent weeks and, in our view, providing an even more compelling bull case. Notably, trading volumes have slumped in the last three months compared to the previous three months, suggesting the pessimism that is undercutting the share price is not widespread.

We believe a good number of investors are taking a wait-and-see attitude, particularly shareholders that received WWR shares through the Alabama Graphite deal. Longer-term holders for whom lithium and uranium were an initial interest may have some concerns regarding the ability of management to stretch capital resources across three segments. Adjustments in the development timetable and investment budget for the Graphite Segment could be a source of comfort as these changes appear to conserve near-term cash requirements. The Company has announced progress in both its Uranium and Lithium Segments by moving forward to with a technical study of the New Mexico uranium property and acquiring additional claims near its main Nevada lithium stake. While not momentous on their own, in our view, the two accomplishments should provide investors with additional comfort that the Company can manage exploration and development efforts on several fronts.

VALUATION

Price/Sales	Neg
Price/Cash Flow	Neg
Price/EPS	Neg
Price/Book Value	2.3 X
Consensus EPS 2018	na
Forward PE	na

Per share figures ending 3/31/18

OPERATING PROJECTIONS

	2017A	1Q18A	*2Q18E*	*2018E*	*2019E*
Sales	$ 0.0	$0.0	$0.0	$ 0.0	$ 0.0
Operating Loss	($ 24.8)	($3.5)	*($3.3)*	*($13.4)*	*($ 13.6)*
Net Inc (Loss)	($ 19.0)	($3.4)	($3.3)	*($13.4))*	*($ 13.8)*
CFO	($ 11.6)	($3.7)	*na*	*($12.2)*	*($11.7)*
EPS (LPS)	($0.77)	($0.12)	*($0.12)*	*($0.28)*	*($0.22)*

Dollars in millions except per share earnings

Company Reports and Crystal Equity Research Estimates

QUARTER RESULTS

Operating Expenses and Cash Flows

Westwater Resources reported financial results for the quarter ending March 2018, largely in-line with expectations. Given the developmental stage in two of the Company's energy materials targets, Graphite and Lithium, and the stand-by status of Uranium operations, there was no revenue.

Operating expenses totaled $3.4 million, compared to $2.6 million in the same quarter in the previous year. The recent quarter included one-time expenses totaling $755,000 related to the Alabama Graphite acquisition. The Company's typical expense categories for general, administrative and mineral property handling were comparable to previous quarters.

The reported net loss in the recent quarter was $3.4 million compared to reported profit of $1.8 million in the year-ago quarter. The Company had recorded a $4.4 million gain on the sale of uranium properties to Laramide Resources in the first quarter of 2017.

In our view, cash flow from operations is a more valuable reported financial metric given the early stage of most of Westwater's business. The Company reported net cash usage of $3.7 million in the three months ending March 2018, compared to $3.3 million in the same quarter in the previous year.

Balance Sheet

The Company closed out the March 2018 quarter with $1.6 million in cash on its balance sheet. The average cash usage per month near $1.2 million in the recently reported quarter suggests that the Company had enough cash to support operations through to the end of April 2018.

At the end of March 2018, the Company had additional financial assets on its balance sheet that can be converted to cash in the near-term. Marketable securities totaled $605,000 after write-down of $937,000 to market value. Notes receivable totaled $4.3 million, composed of $1.4 million that was due at the end of March 2018, from the acquisition target Alabama Graphite. The balance was due from Laramide Resources as payment for the Hydro Resources uranium asset.

Management has indicated the Alabama Graphite note was extinguished upon closing of the acquisition in April 2018, and thus resulted in no new cash flows. However, it is expected that at least some of the $3.4 million still owed by Laramide Resources will be paid in cash. Laramide does have the option to pay with its own common stock rather than in cash. Another $1.5 million is due within the next twelve months.

Working capital at the end of March 2018, was $1.2 million. The measure includes the current portion of notes receivable among current assets.

Alabama Graphite Transaction

Since the close of the quarter, Westwater completed the purchase of Alabama Graphite, a developer of natural flake graphite with undeveloped mineral assets in Alabama. Westwater issued 11.6 million new shares of common stock at the closing on April 23, 2018. Purchase accounting has not been completed for the transaction. We estimate the property asset value to be included on Westwater's balance sheet will be approximately $6.1 million. Alabama Graphite had no debt other than the $1.8 million owed to Westwater Resources at the time of the closing.

RECENT DEVELOPMENTS IN ENERGY MATERIALS PORTFOLIO

The triple threat in energy materials is now in place for Westwater Resources: uranium, lithium and graphite. The Company benefits from significant demand drivers in all three markets. The question for investors to consider is whether management can successfully execute on the Company's strategic plans in each of these markets.

Uranium

The Company issued a Technical Report in late March 2018, for its Ambrosia Lake uranium property in New Mexico. Waterwater's holdings are located in the south and west parts of the historic Ambrosia Lake mining district, which is renowned as the single largest source of uranium in the United States. The Company owns a collage of mineral rights covering over 24,000 acres. The Technical Report relied heavily on extensive work completed earlier by third-parties, some of which had previously engaged in uranium mining in the area.

The report concluded that the project is of merit and that there is sufficient evidence of uranium resources in the area to justify additional testing. The report narrowed the focus to three areas - Mesa Redonda, Section 13 and Section 17 - and recommended exploration drilling and testing. A total of 43 drill holes and tests were recommended by the report with an estimated cost requirement of $1.0 million.

The Technical Report provides greater clarity for management by prioritizing the Company's holdings and determining a price tag for the next step. Westwater management has suggested that the Company will move forward with additional exploration and development work at Ambrosia Lake even though uranium operations are currently on hold awaiting improvement in selling price conditions. Current world selling prices are below the Company's marginal cost at its established Texas operations as well as costs estimated for the Turkey uranium project still under development.

As the second quarter of 2018 began there appeared to be a slowing in the uranium materials surplus, a key determinant in selling prices. Still the International Atomic Energy Agency (IAEA) reported in April 2018, that the present installed nuclear capacity and the implied uranium supply requirements could be met by existing uranium production centers. Yet inventories remain the critical factor with world inventories near 1.79 billion pounds of U308e at the end of February 2018. About half of inventories are held by utility end-users. IAEA analysts suggest a healthy uranium pipeline requires about 515 million pounds of U308e, implying an excess of about 365 million pounds held as commercial inventories. Excess inventories are expected to impact selling prices for at least the next year and a half.

Notably there is the prospect for government intervention in the U.S. market. Pressured by low selling prices, in January 2018, two U.S. producers, EnergyFuels (UUUU: NYSE) and UrEnergy (URG: NYSE), filed a petition with the U.S. Department of Commerce (US DOC). The petition seeks an investigation into uranium imports and national security. Additionally, the petition calls for limits to imports and a minimum of 25% of U.S. demand to be earmarked for domestic producers. Given the lengthy investigation and comment periods required for US DOC affairs, it is not likely there would be any impact by U.S. government protections until about the time the excess inventories are expected to be burned off. Even then, U.S. intervention may have limited effect on a pricing mechanism that unfolds in a global market.

Lithium

Westwater Resources is knitting together a patchwork of lithium interests in Nevada and Utah. The Company recently added to its lithium portfolio by acquiring a block of unpatented placer mining claims over about 3,000 acres in the Columbus Salt Marsh of Esmeralda County, Nevada. The block is in the vicinity of claims already held by the Company and is expected to be a key holding in efforts to develop water rights in Nevada. Water is an essential element in sourcing lithium from brines.

Typical Lithium Brine Pond

Water rights in the Western U.S. have largely been formulated as a consequence of mining development. Mining began in Nevada in the late 1840s when gold was discovered in the Carson River. Nevada water law eventually encompassed two concepts: prior appropriation and beneficial use. The idea of 'first in time, first in right' allows the use of water resources by granting priority to those with prior claims even as new uses arise. That said, water rights can only be granted to those who intended to use the processing are considered beneficial uses. There is a downside to beneficial use, in that water rights holders must use the water or lose it. This is meant to eliminate those who might apply for water rights and hold the water for speculative purposes.

The high cost of water particularly in scarce water regions such as Nevada and Utah, have driven lithium developers to look for alternatives to the water-hungry evaporation ponds currently used in conventional lithium brine operations. In March 2018, Lithium Energy (LEXI: TSX.V) began engineering work on a processing plant to utilize a proprietary metals separation technology called Molecular Recognition Technology that is to be a low-cost alternative lithium extraction method. Lithium Energi has partnered with the technology developer, IBC Advanced Technologies based in Utah. The test plant will be located at Lithium Energi's property in Catamarca, Argentina. A modular design will have an initial capacity of 1,000 tons lithium carbonate per year that can be scaled up to as much as 25,000 tons per year.

In early May 2018, Pure Energy Minerals (PE: TSX) announced the start of its experimental lithium processing plant built in cooperation with Tenova Bateman Technologies. Tenova is testing bench scale processing, which involves removing impurities from lithium-rich rocks and then recovery of lithium using a solvent extraction process. The tests are expected to provide data for a commercial scale design as well as indications of capital and operating costs. Apparently Pure Energy Minerals team does not want to put all its eggs in one basket. The company also announced bench-scale testing of a second process in partnership with SGS Canada. SGS is working on the first phase of removing impurities, which would be complementary to the Tenova process.

We expect these new processes to have an impact on marginal costs when fully implemented at commercial scale. Industry wide the new, lower cost processes could put downward pressure on lithium selling prices. Given the early stage of Westwater's lithium portfolio, these experimental lithium extraction technologies should be proven out in sufficient time before the Company must begin constructing its own extraction infrastructure. We expect Westwater to be able to select among process innovations for the most reliable and cost effective alternative. With lengthy experience in ion exchange extraction processes for uranium, we expect Westwater to be well prepared to adopt innovative lithium extraction technologies.

Graphite

Westwater management has wasted no time in with its newly acquired graphite asset. The Company retained Alabama Graphite personnel for business development and mine site management. We expect the move to provide a valuable element of continuity with the three dozen or so entities that are testing samples of planned battery-grade graphite materials.

As the principal product Alabama Graphite had planned to produce a high purity, spherical graphite material they called *Coated Purified Spherical Graphite* (*CSPG*) suitable for use in lithium ion batteries. Tests sponsored by Alabama Graphite and conducted in early 2017, determined a purity level of 99.99997% carbon by weight. Additional products, including *Purified Micronized Graphite* (*PMG*), were to be produced from about 25% of the graphite output that was not suitable for the more refined *CSPG*.

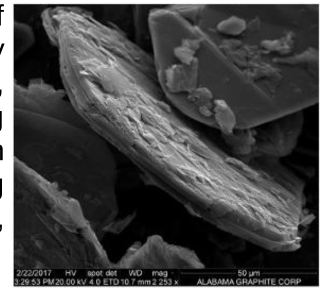
Product Priorities - The *PMG* material has been met with strong interest among producers of conventional batteries as a performance enhancement material. In October 2017, a letter of intent from an unnamed battery manufacturer for 10 metric tons per year of Alabama Graphite's *PMG* for use in enhancing performance in conventional batteries. Interest from this customer was apparently triggered in part by test results completed earlier in 2017, by battery research and development company, RSR Technologies. The tests focused on Alabama Graphite's *PMG* as an additive for lead-acid batteries. The test determined the addition of *PMG* to a proprietary formula increased battery capacity by 7%, from 87 to 92 mAh per milligram.

Business Development Pipeline - During the first quarter earnings conference call Westwater management confirmed that interest in the *CSPG* and *PMG* remains strong and conversations continue with the three dozen companies that have been testing materials samples. News of continued interest by prospective customers should give shareholders comfort.

Better-than-expected interest in *PMG* has prompted Westwater management to make this product a priority. The *CSPG* product will then become the second product brought to commercial stage. The shift in emphasis simplifies work needed in the near-term. Battery-grade graphite is produced in a four-step refinement process: purification, micronization, spheronization and coating. While the complex purification step and micronization steps are necessary, production of *PMG* does not require the spheronization and coating steps. The change impacts a pilot plant currently in the design stage.

Process Design Alternatives - The pilot plant design is undergoing additional changes in what Waterwater management has described as 'derisking.'. The Company is exploring alternative technologies for purification. Alabama Graphite had planned to use a chlorine gas furnace for the purification step in large part because of high efficiency in removing impurities at lower temperatures than have been used in the more common-place hydrochloric acid furnaces. Unfortunately, disposal of chlorine has safety issues and Westwater has chosen to find an alternative. There are many methods of purifying graphite powders. Most involve acid or alkali treatments, some sort of expansion process or physical treatments. We expect the Company to work through the costs and benefits of alternatives over the next few months.

More importantly additional tests may be needed to determine if purity levels and shape characteristics under an alternative method continue to deliver the performance that will satisfy potential customers. For graphite anode materials, lithium ion battery manufacturers prefer particle sizes in a range of 10 microns to 25 microns with at least 99.9999% carbon purity. A spherical shape with low surface area is best. Reduced surface area on the graphite particles helps promote low temperatures as the battery is used and helps prevent a malfunction called thermal runaway. Low surface area also helps avoid irreversible capacity loss during repetitive charge/discharge cycle as the electrolyte mixes against the anode.



Outsourcing Graphite Concentrate - The relatively small flake size of the Coosa County graphite is especially appropriate to give battery manufacturers the performance characteristics they need. However, significant investment is required to obtain permits and begin extracting graphite from the mine site. In the interests of conserving cash resources, Westwater has altered the timeline for graphite mining operations. To fulfill initial sampling and commercial deliveries of *PMG*, Westwater plans to outsource graphite concentrate from third parties.

Westwater may undertake a chemical characterization of Coosa County resource to better understand the peculiar attributes of the graphite. That information would be valuable in choosing a graphite source that could provide performance results in battery-grade graphite products similar to those made with the Coosa resource.

Pilot Plant and Purification Facility - Westwater is moving forward with a pilot plant that could be used to produce *PMG* at low volume run rates. The pilot plant is expected to have a capacity of 30 kilograms per hour or at a rated capacity of 6,000 hours per year or about 180 metric tons per year. Design work and construction are now expected to be completed by the beginning of 2019.

The Company has also moved forward with plans for a purification facility that will be located in the immediate vicinity of the Coosa County graphite asset. This site will be used for commercial scale production of all graphite materials. It is expected that the purification facility will have an initial capacity of 5,000 metric tons per year with potential to be expanded to 16,500 metric tons per year. Management is negotiating for the most economic alternative given long-term requirements for power, water and transportation. Construction will not begin until the beginning of 2020, giving the Company adequate time to fully vet alternative purification technologies.

PROJECTED EARNINGS

Our earnings model has been updated to reflect first quarter 2018 financial results. We also made adjustments to our estimates related to the purchase accounting treatment for the Alabama Graphite acquisition.

During the first quarter earnings conference call, Westwater management suggested that in the near-term at least operating expenses are not expected to change appreciably with the addition of graphite materials development activities. Thus, we made no changes in our estimates for costs and expenses in the balance of 2017 and the year 2018.

Table I: Summary Historical and Projected Sales and Earnings

	2016 Actual	2017 Actual	2018 Estimate	2019 Estimate
Sales	$0.0 mln.	$0.0 mln.	$0.0 mln.	$0.0 mln.
Operating Income (Loss)	($13.3) mln.	($24.8) mln.	($13.5) mln..	($13.8) mln.
Earnings (Loss) Per Share	($3.73)	($0.78)	($.30)	($0.22)
Cash from (used by) Operations	($12.6) mln.	($11.6) mln.	($12.2) mln.	($11.7) mln.

Source: Company Reports and Crystal Equity Research Estimates

We estimate total cash usage at $12.2 million for the year 2018, well within the scope of the current cash resources coupled with the capacity of the Company's two available equity lines. During the first quarter 2018, the Company drew a total of $700,000 from the Aspire CSPA and Cantor ATM equity offering agreements. As of the beginning of May 2018, there remained $47.3 million available under the two agreements combined. With no changes in operating activities, we estimate the available agreements could support operations up to four years.

CAPITAL REQUIREMENTS

In our view, the more critical factor for investors than projected operating expenses is the capital requirement to implement the Company's strategic plans. During the earnings conference call management indicated its current cash resources and equity lines of credit are sufficient to support operations and capital spending requirements through June 2019. This adds to previous guidance that the graphite materials project is a top priority.

The budget for the graphite pilot plant and purification facility has not been updated since the previous management team of Alabama Graphite published a budget in a preliminary economic assessment. That budget suggested the pilot plant could require $7.0 million and the purification plant could require $35 million. However, given the changes in process design, we believe the budget for these facilities could eventually be adjusted.

Based on these broad guidelines available today, over the next two years we estimate that the Company will need to as much as $7.0 million in new financing to move forward with the Coosa graphite project. Furthermore, another capital raise for as much as $12.0 million will be needed to commence construction of the purification plant in Alabama by the beginning of 2020. Including cash to support operations, total required capital could be as much as $55.0 million over the years three years. Most of the capital could come from the equity agreements already in place. However, by the end of 2020 another debt or equity capital raise may be necessary.

Table II: Estimated Capital Spending Requirements

	2018	2019	2020	Unscheduled	Results
Kingsville Dome Uranium Facility	-0-.	-0-	-0-	$1.0 mln	Restart, 6 to 9 mos.
Rosita Uranium Property	-0-	-0-	-0-	$1.0 mln	Restart, 6 to 9 mos.
Ambrosia Lake Uranium Resource	-0-	-0-	-0-	$1.0 mln	Exploration drilling, testing; 6 to 9 mos.
Cebolleta Uranium Resource	-0-	-0-	-0-	$1.7 mln	Exploration drilling, testing, 6 to 9 mos.
Juan Tafoya Uranium Resource	-0-	-0-	-0-	$2.25 mln	Exploration drilling, testing; 6 to 9 mos.
Temrezli Uranium Project	-0-	-0-	-0-	$40.9 mln	Initial construction; 2 years
	-0-	-0-	-0-	$74.9 mln	Sustained operations, life of mine
Coosa County Graphite Project	$3.5 mln				Pilot Plant; low-volume production
		$3.5 mln	$12.0 mln		Purification Facility; commercial scale
				$27.0 mln	Mine permit, equipment, infrastructure
Total	**$3.5 mln**	**$3.5 mln**	**$12.0 mln**	**$149.8 mln**	
Operating cash requirement	$12.0 mln	$12.0 mln	$12.0 mln		
Cumulative cash requirement	$15.5 mln	$31.0 mln	$55.0 mln		

Source: Crystal Equity Research Estimates

The capital budget scenario depicted in Table II on page 8, wherein Westwater pursues the graphite materials project as a top priority in the near-term, suggests the Company could reach low-volume commercial graphite materials production by the end of 2019 with existing financing arrangements. In this scenario there is also the potential for positive cash flows from the sale of battery-grade graphite materials as early as the year 2021. Future cash investment needs could be met in part with those cash flows.

Wildcards in this scenario could come from either the lithium or uranium markets. There could be significant changes in lithium demand that could encourage a faster exploration timetable, putting lithium projects on the list. Alternatively, uranium selling prices could trigger a resumption of existing operations and acceleration in exploration of undeveloped assets.

PRICE TARGET AND OUTLOOK

We continue to rate WWR at Speculative Buy with a $1.50 price target. The shares have come under sustained price pressure even as trading volumes have declined. Even though supply has not been significant, demand has failed to gain control of trading. Instead, buyers appear to have taken a wait and see attitude to fully evaluate the implications of Westwater's strategic plans.

We suspect the graphite story may have overtaken discussion of both uranium and lithium projects in the near-term. Some shareholders may be questioning the shift in priorities. Additionally, Westwater's various adjustments to plans originally developed by Alabama Graphite management before the acquisition by Westwater may present reasons for both relief and caution. On one hand, it appears that Westwater's plans may reduce near-term cash requirements even if long-term capital spending requirements are now less certain. On the other hand, with an established business pipeline there is an embedded set of expectations originating from samples already delivered using graphite from the Coosa County project. Additionally, there could be delays as the Westwater team calibrates its alternative process design to deliver acceptable results from different graphite concentrate. Both present new risks in the graphite development plan that require considerable blocking and tackling by a management team. Equity markets typically only appreciate the winning play with little patience for the long game required to set it up.

News on new customer interest or movement forward with the battery manufacturer that recently signed a letter of interest in the Company's *PMG* graphite material could be strong catalysts for the stock. Quarter reports during the 2018 could also provide valuable updates on pilot plant construction progress and implementation plans for the graphite purification facility. Such news could serve to reduce uncertainty and flip the supply/demand balance in favor of demand.

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST.

Resistance and Support Levels

Table III: Historic and Projected Quarter Financial Results

Dollars in Thousands	2017A	1Q18A	2Q18E	3Q18E	4Q18E	2018E	2019E
Total revenue	-	-	-	-	-	-	-
Operating expenses:							
Mineral property expenses	4,584	782	1,250	1,250	1,250	*4,532*	*5,500*
General and administrative	6,614	1,805	1,800	1,800	1,800	*7,205*	*7,600*
Accretion of asset retirement obligations	1,039	134	250	250	250	*884*	*1,000*
Depreciation and amortization	142	34	40	40	40	*154*	*160*
Impairment of mineral assets	11,436	-	-	-	-	-	-
Other	1,003	-	-	-	-	-	-
Total operating expenses	24,818	3,510	3,340	3,340	3,340	*13,530*	*13,760*
Operating income (loss)	(24,818)	(3,510)	(3,340)	(3,340)	(3,340)	*(13,530)*	*(13,760)*
Other income (expenses), net	5,817	(846)					
Income available to shareholders	(19,001)	(4,356)	(3,340)	(3,340)	(3,340)	*(14,376)*	*(13,760)*
Net EPS (loss), available to shareholders	($0.77)	($0.16)	($0.08)	($0.06)	*($0.06)*	*($0..28)*	*($0.22)*
Weighted shares outstanding, diluted	24,737	27,967	39,554	60,607	*60,607*	*47,212*	*63,145*

Dollars in Thousands	2017A	Pro Forma 2017 with AGC Acquisition	2018E	2019E
BALANCE SHEET				
Cash and equivalents	4,054	4,054	*366*	*964*
Available for sale securities	1,361	1,361	*424*	*1,361*
Note receivable, net	1,750	1,750	*1,750*	*750*
Other	668	1,268	*668*	*668*
Current assets	7,833	8,433	*3,208*	*3,221*
Property, plant and equipment	34,409	40,501	*46,347*	*47,938*
Restricted cash	3,668	3,668	*3,668*	*3,668*
Notes receivable	3,328	3,328	*2,425*	*328*
Total assets	50,238	56,330	*55,648*	*56,677*
Accounts payable	538	538	*600*	*1,000*
Accrued liabilities	2,352	2,352	*2,500*	*3,000*
Current liabilities	3,968	3,968	4,344	5,432
Asset retirement obligation, net	4,653	4,653	5,371	6,183
Paid-in capital	297,250	303,350	*315,914*	*325,904*
Retained earnings (deficit)	(256,190)	(256,190)	*(269,389)*	*(283,389)*
Total shareholder equity	41,117	47,209	*45,433*	*41,673*

Source: Company reports and Crystal Equity Research estimates

Table IV: Historic and Projected Annual Financial Performance

Dollars in Thousands	2014 Year	2015 Year	2016 Year	2017 Year	*2018 Year*	*2019 Year*	*2020 Year*	*2021 Year*	*2022 Year*
Total revenue	-	-	-	-	-	-	*900*	*16,900*	*84,750*
Operating expenses:									
Mineral property expenses	3,502	4,470	3,248	4,584	*5,000*	*5,000*	*5,500*	*6,000*	*6,500*
General and administrative	9,132	7,488	7,650	6,614	*7,200*	*7,600*	*8,500*	*9,000*	*10,500*
Accretion of asset retirement obligations	425	450	480	1,039	*1,000*	*1,000*	*1,000*	*1,000*	*1,000*
Depreciation and amortization	331	336	247	142	*160*	*160*	*160*	*160*	*160*
Impairment of mineral properties	160	960	1,673	11,436	-	-	-	-	-
Other	-	3,048	-	1,003	-	-	-	-	-
Total operating expenses	13,550	16,752	13,298	24,818	*13,360*	*13,760*	*15,160*	*16,160*	*18,160*
Operating income (loss)	(13,550)	(16,752)	(13,298)	(24,818)	*(13,360)*	*(13,760)*	*(14,710)*	*(13,710)*	*6,040*
Other income (expense)									
Interest income	-	-	-	614	-	-	-	-	-
Interest expense	(2,368)	(2,645)	(2,800)	-	-	-	-	-	-
Gain on derivatives	2,919	-	-	-	-	-	-	-	-
Gain on uranium properties	2,313	4,268	-	4,927	-	-	-	-	-
Loss on extinguishment of convertible debt	-	-	(3,322)	(39)	-	-	-	-	-
Other, net	2	(14)	(185)	28	-	-	-	-	-
Total other income (expense)	2,866	1,609	(6,307)	5,530	-	-	-	-	-
Income (loss) before income taxes	(10,684)	(15,143)	(19,605)	(19,288)	*(13,360)*	*(13,760)*	*(14,710)*	*(13,710)*	*6,040*
Provision for income taxes (benefit from)	-	-	-	-	-	-	-	-	*1,812*
Unrealized change in value, mkt. securities	-	(67)	(49)	287	-	-	-	-	-
Realized loss on sale securities	-	-	116	-	-	-	-	-	-
Net income (loss)	(10,684)	(15,210)	(19,538)	(19,001)	*(13,360)*	*(13,760)*	*(17,710)*	*(13,710)*	*4,228*
Net EPS (LPS), comprehensive	$ (5.28)	$ (5.65)	$ (3.72)	$ (0.77)	*$ (0.28)*	*$ (0.22)*	*$ (0.19)*	*$ (0.16)*	*$ 0.05*
Wtd shares outstanding, diluted in 000s	2,023	2,691	5,252	24,737	*47,174*	*63,107*	*79,107*	*84,857*	*87,357*

CRYSTAL EQUITY RESEARCH, LLC

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ANALYST

Debra Fiakas, CFA is a seasoned, credentialed investment professional with a diversified and successful track record as a research analyst and as an investment banker. Her decade-plus career includes solid experience in all aspects of the equity capital markets with particular emphasis on emerging growth companies operating in the technology sectors. Ms. Fiakas is also the principal member of Crystal Equity Research, LLC.

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RATING SYSTEM

Buy	Price appreciation expected 10% or more over a 12-month period.
Hold	Price appreciation/depreciation expected between 10% and –10% over 12 months.
Sell	Price depreciation expected 10% or more over a 12-month period.

CRYSTAL RESEARCH UNIVERSE

Buys	60%
Holds	10%
Sells	30%
Total	100%

HISTORICAL RECOMMENDATIONS AND TARGET PRICE: Westwater Resources / WWR

Report	Date	Price	Rating	Target Price
Initial	4/10/18	$0.53	Buy	$1.50
Update	5/24/18	$0.42	Buy	$1.50

DISCLOSURES

Name	Symbol: Exchange	Disclosures
Westwater Resources, Inc.	WWR: Nasdaq	D*

Disclosure Key

A A member or employee of Crystal Equity Research, LLC serves on the board of directors of the company.

B A controlling member of Crystal Equity Research, LLC has a beneficial interest in the common stock of the company.

C A person or persons preparing this report or an immediate family member of the preparer has a beneficial interest in the common stock of the company.

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E The company has a convertible issue outstanding.

F The securities covered in this report can be optioned.

G The securities covered in this report can be margined.

* *Crystal Equity Research previously published research on Alabama Graphite and received compensation from the company.*

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