

### 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. On November 13, 2024, the Court issued an Order in the proceeding noting that the plaintiff had not brought the action to conclusion or set it down for trial, and accordingly the Court dismissed the action for delay. No further legal proceedings in this matter are anticipated.

#### **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 March 13, 2025, there were 66 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.

The Company did not sell any unregistered equity securities during the year ended December 31, 2024. Neither the Company nor any of our affiliated purchasers made any stock repurchases of our equity securities during 2024.

#### 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 years ended December 31, 2024 and 2023, 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., originally incorporated in 1977, is an energy technology company focused on developing battery-grade natural graphite materials through its two primary projects, the Kellyton Graphite Plant and the Coosa Graphite Deposit, both located in Coosa County, Alabama. Once operational, Westwater expects the Kellyton Graphite Plant to process natural flake graphite and, based on current studies and estimates, produce 12,500 mt per year of CSPG in Phase I of the Kellyton Graphite Plant, primarily for use in lithium-ion batteries. Westwater also holds mineral rights to explore and potentially mine the Coosa Graphite Deposit, which Westwater anticipates will eventually provide natural graphite flake concentrate to the Kellyton Graphite Plant.

## **SUMMARY OF RECENT DEVELOPMENTS**

### ***Customer Engagement Update***

On September 17, 2024, the Company entered into the Fines Offtake Agreement for the supply of the Company’s Graphite Fines material with Hiller Carbon, a leading supplier of pelletized materials to the steel and foundry industries. Pursuant to the terms of the Fines Offtake Agreement, the Company will supply natural Graphite Fines material from its Kellyton Graphite Plant to Hiller Carbon’s plants located within the U.S. Graphite Fines are produced as a byproduct during the CSPG spheroidizing process, one of the processing steps related to producing CSPG, which remains the Company’s main focus. The Company expects Graphite Fines production to be approximately 14,000 mt per year, based on the anticipated annual Phase I CSPG production of 12,500 mt per year, and delivery of the Graphite Fines to Hiller Carbon to occur when the Kellyton Graphite Plant begins production.

On July 17, 2024, the Company entered into the Offtake Agreement with FCA, an electric vehicle manufacturer and part of the Stellantis group of companies. Under the terms of the Offtake Agreement, FCA will be obligated to purchase CSPG natural graphite anode products (the “Product”) in amounts (the “Annual Offtake Volume”) and at prices described in the Offtake Agreement, upon Westwater providing CSPG in accordance with the terms of the contract. The anticipated Annual Offtake Volume in 2026 is 10,000 mt of Product, and 15,000 mt of Product in years 2027 through 2031, the final year of the Offtake Agreement.

On February 4, 2024, the Company entered into the Procurement Agreement with SK On. Pursuant to the terms of the Procurement Agreement, Westwater will supply CSPG natural graphite anode products from its Kellyton Graphite Plant to SK On battery plants located within the U.S. Under the terms of the Procurement Agreement, SK On will be obligated to purchase, on an annual basis, a quantity of CSPG equal to a percentage of the forecasted volume required by SK On (the “Minimum Purchase Amount”), provided that the Minimum Purchase Amount may be increased from time to time by the mutual agreement of the parties, upon Westwater providing CSPG in accordance with the terms of the contract. The forecasted volume required by SK On in the final year of the Procurement Agreement is 10,000 mt of CSPG.

As a result of entry into the Offtake Agreement with FCA and the Procurement Agreement with SK On, the Company has secured offtake agreements for 100% of its anticipated Phase I production capacity and partially committed a portion of anticipated Phase II production capacity from its Kellyton Graphite Plant during the term of the respective contracts.

Westwater continues to engage with these and other potential customers by providing samples of CSPG produced by the Company for testing and evaluation, hosting site tours of the Kellyton Graphite Plant, and having technical product development and commercial discussions. Feedback from certain potential customers indicates that Westwater’s material meets their initial specifications, and has resulted in the Company providing additional, or in some cases, larger product samples to these potential customers.

### ***Kellyton Graphite Plant – Construction and Estimated Cost Update***

Westwater has lowered its estimate of Phase I cost to \$245 million, down from the previous estimate of \$271 million. This represents a decrease in estimated cost of \$26 million, or 9.6%. During the year, Westwater continued to evaluate its plant design, the construction schedule and the costs related thereto. The decrease in estimated costs primarily relates to savings as a result of further design optimization and savings in steel, piping and equipment installation. The revised estimate of \$245 million includes an 11% contingency and 2% escalation factor on the remaining uncommitted spend.

Construction activities in 2024 consisted of receipt of additional long-lead equipment components and installing equipment and structural steel. As of the end of the year, micronization (sizing) and spheroidization (shaping) mills were placed in the SPG building and the structural steel work is near completion. Installation of peripheral support equipment surrounding the micronization and spheroidization mills in the SPG building began during the second half of 2024. Westwater has constructed and continues to operate its R&D Lab. The R&D Lab allows Westwater to continue product development and optimization with potential customers, and to perform additional quality control tests. It also affords greater flexibility to optimize future samples in accordance with customer specifications.

Since inception of the project, and inclusive of liabilities as of December 31, 2024, the Company has incurred costs of approximately \$122.8 million, net of \$1.5 million recoupment of capital costs, related to construction activities for Phase I of the Kellyton Graphite Plant. Refer to *Note 5* of the consolidated financial statements in *Item 8* of this Annual Report on Form 10-K for further details. While the Company has continued construction activities related to Phase I of the Kellyton Graphite Plant during 2024, Westwater has reduced the level of construction activity from anticipated levels, including adjusting the timing of future work, until receipt of the additional funding needed to complete construction of Phase I of the Kellyton Graphite Plant.

Reducing the level of construction activity until financing is secured is expected to impact the overall schedule to complete Phase I of the Kellyton Graphite Plant. As a result of entry into the Offtake Agreement and Procurement Agreement, we expect to begin production in 2026, subject to securing financing to complete construction of Phase I of the Kellyton Graphite Plant.

### ***Qualification Line Development at Kellyton Graphite Plant***

As of December 31, 2024, Westwater has completed construction of its qualification line and started to produce larger bulk samples of CSPG for customer qualification. Once fully operational and put into service, the qualification line is expected to produce approximately 1 mt per day of CSPG and the samples produced on it will be representative of CSPG mass production at the Kellyton Graphite Plant. The Company expects that the operation of the qualification line will allow Westwater to supply its customers bulk samples of CSPG in 1 to 10 mt batches for cell qualification activities while the Company completes the construction of Phase I of the Kellyton Graphite Plant. The qualification line will also be used to train Westwater's operations team, which the Company expects will expedite the commissioning and startup of the Kellyton Graphite Plant.

### ***Construction Financing Update***

On September 4, 2024, the Company announced that it had executed a term sheet and agreed to exclusivity with the lead, or arranging, lender (a global financial institution) for a \$150.0 million secured debt facility, which would be used to complete the construction of Phase I of the Kellyton Graphite Plant. During the fourth quarter, Westwater continued to move through the due diligence and loan documentation processes related to the transaction. Those processes included hosting lenders at the Kellyton Graphite Plant site in Alabama, completing technical due diligence using an independent third-party engineering firm, completing legal and insurance due diligence using additional firms, and working with legal counsel to prepare and negotiate loan documents. In January of 2025, Westwater announced that it had received investment committee approval from the lead lender, and is working to finalize the overall syndication of the debt facility. Recently announced policy decisions by the federal government, primarily tariffs, by the U.S., EU, Canada, Mexico, and China have created general market uncertainty in the capital markets, which has negatively impacted the estimated timing of closing the proposed debt facility. The Company remains focused on completing the debt facility and will update investors as appropriate.

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The progression from signing the term sheet to loan closing is subject to customary agreement on completing the syndication, final due diligence by other potential lenders in the syndication, and final loan conditions and terms. No assurance can be given that the Company will ultimately enter into the secured debt facility, or that financing will be available in amounts sufficient to meet its needs, or on terms acceptable to the Company.

### ***Coosa Graphite Deposit***

Westwater commenced a strategic financing review process for the Coosa Graphite Deposit in the first quarter of 2024. This strategic financing review process seeks to identify investment sources and partners for the Coosa Graphite Deposit, and may include review of strategic investment partners or other strategic transactions. See *Item 2, Properties* for more detail on the Coosa Graphite Deposit.

## **RESULTS OF OPERATIONS**

### ***Summary***

Our consolidated net loss from continuing operations for the year ended December 31, 2024 was \$12.7 million, or \$0.22 per share, as compared with a consolidated net loss from continuing operations of \$7.8 million, or \$0.15 per share for the same period in 2023. The \$4.9 million increase in our consolidated net loss from continuing operations was due primarily to the prior year recognition of a gain of \$3.1 million related to the legal settlement with the Republic of Turkey and a \$1.2 million write-off of estimated uranium royalty liabilities. Additionally, for the year ended December 31, 2024, Westwater recognized a \$1.5 million loss on the sale of graphite concentrate and had \$1.1 million less interest income on our investment account. These increases in net loss were partially offset by \$1.8 million less product development expenses.

### ***Product Development Expenses***

Product development expenses for the year ended December 31, 2024 were \$1.2 million, a decrease of \$1.8 million compared to the prior year. Product development expenses for the year ended December 31, 2024, related primarily to sample production of battery-grade natural graphite products for evaluation by potential customers. Since the third quarter of 2023, the Company has utilized its in-house R&D Lab for sample processing, resulting in lower costs for each batch of samples produced.

### ***Exploration Expenses***

Exploration expenses were less than \$0.1 million for the year ended December 31, 2024, a decrease of \$0.3 million compared to the prior year. The decrease in exploration expenses was the result of the Company completing its Preliminary Ecological Appraisal ("PEA") at the Coosa Graphite Deposit in November 2023 and lower personnel costs.

### ***General and Administrative Expenses***

General and administrative expenses for the year ended December 31, 2024, were \$10.0 million, an increase of approximately \$0.2 million as compared to the prior year. The increase was primarily due to \$0.5 million higher stock compensation expense resulting primarily from \$0.3 million of stock award forfeitures in the first quarter of 2023, and an increase in the number of stock awards granted in 2024. The impact of the increase in stock compensation expense was partially offset by an upfront \$0.2 million advisory fee, which was incurred in the first quarter of 2023.

### ***Mineral Property Expenses***

Mineral property expenses were less than \$0.1 million for the year ended December 31, 2024, remaining flat compared to the prior year. These costs include payments to land and surface owners.

### ***Settlement***

In the fourth quarter of 2023, the Company realized a \$3.1 million gain on the settlement of its arbitration against the Republic of Turkey upon receipt of payment.

### ***Other (Expense) Income, net***

Other expense for the year ended December 31, 2024 was \$1.2 million, as compared to other income of \$2.4 million for the same period in 2023. The \$3.6 million change is primarily due to a \$1.1 million decrease in interest income resulting from lower average cash balances during the year and a \$1.5 million loss on the sale of raw material inventory for the year ending December 31, 2024. Additionally, based on the completion of the voluntary disclosure of unclaimed property in 2023, the Company wrote off estimated uranium royalty liabilities and recognized other income of approximately \$1.2 million in the prior year.

## **FINANCIAL POSITION**

### ***Operating Activities***

Net cash used in operating activities of \$5.8 million for the year ended December 31, 2024, represents a decrease of \$5.6 million compared to the same period in 2023. The decrease in cash used in operating activities was primarily due to \$3.6 million of cash collected on sales of raw material inventory in 2024, a decrease in purchases of raw material inventory of \$2.4 million, and a decrease in third-party services related to product development of \$1.4 million in 2024 compared to 2023. These changes to operating cash flow were partially offset by \$3.1 million of cash received by the Company in the fourth quarter of 2023 related to the settlement of its arbitration against the Republic of Turkey and a reduction of interest income of \$1.1 million. The remaining change in operating cash flow was primarily due to other changes in working capital of \$2.6 million.

### ***Investing Activities***

Net cash used in investing activities decreased by \$53.7 million for the for the year ended December 31, 2024, as compared to the same period in 2023. The decrease was a result of lower capital expenditures as the Company reduced construction activity while seeking debt financing to fund the remaining construction of Phase I of the Kellyton Graphite Plant. This decrease was slightly offset by \$1.5 million of cash received from the sale of an asset during 2024. Refer to *Note 5* of the consolidated financial statements in *Item 8* of this Annual Report on Form 10-K for further details.

### ***Financing Activities***

Net cash provided by financing activities decreased by \$1.5 million for the year ended December 31, 2024, as compared to the same period in 2023. The decrease was primarily due to lower cash proceeds received related to sales of common stock under the 2020 and 2024 Lincoln Park PAs, the ATM Sales Agreement, and the ATM Offering Agreement, compared to the same period in 2023.

## **LIQUIDITY AND CAPITAL RESOURCES**

Since 2009, the Company has not recorded revenue from operations, and as such, Westwater is subject to all the risks associated with development stage companies. Management expects to continue to incur cash losses as a result of construction activity at the Kellyton Graphite Plant and general and administrative expenses until operations commence at the Kellyton Graphite Plant. Operations at the Kellyton Graphite Plant are dependent on securing the additional funding needed to complete construction of Phase I of the Kellyton Graphite Plant.

The Company has relied on equity and debt financings and asset sales to fund its operations. During the year ended December 31, 2024, and through the date the consolidated financial statements are issued, the Company continued construction activities related to the Kellyton Graphite Plant. However, while the Company has continued certain construction activities related to Phase I of the Kellyton Graphite Plant, those activities have been significantly reduced

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from anticipated levels until the additional funding needed to complete Phase I of the Kellyton Graphite Plant is in place. The Company's construction related contracts include termination provisions at the Company's election that do not obligate the Company to make payments beyond what is incurred by the third-party service provider through the date of such termination. In its going concern analysis, the Company considered construction activity and related costs through the date that the consolidated financial statements are issued. Based on this analysis, the Company's planned non-discretionary expenditures for one year past the issue date of the consolidated financial statements, exceed the cash on hand as of the date of the consolidated financial statements, excluding funding opportunities and the Company's current equity facility.

At December 31, 2024, the Company's cash balances were \$4.3 million. On August 29, 2024, the Company terminated the ATM Offering Agreement with Cantor, and on August 30, 2024, entered into a new ATM Sales Agreement with H.C. Wainwright. During the year ended December 31, 2024, the Company sold approximately 2.3 million shares of common stock for net proceeds of \$1.1 million pursuant to the ATM Offering Agreement with Cantor, and sold 4.8 million shares of common stock for net proceeds of \$2.7 million pursuant to the ATM Sales Agreement with H.C. Wainwright. As of December 31, 2024, the Company has approximately \$5.1 million remaining available for future sales under the ATM Sales Agreement with H.C. Wainwright. On August 30, 2024, the Company entered into the 2024 Lincoln Park PA, pursuant to which Lincoln Park PA has committed to purchase up to \$30.0 million of the Company's common stock. During the year ended December 31, 2024, the Company sold approximately 1.0 million shares of common stock for net proceeds of \$0.4 million pursuant to the 2024 Lincoln Park PA. As of December 31, 2024, the Company has approximately 9.5 million shares of common stock that are available for future sales pursuant to the 2024 Lincoln Park PA. See *Note 8* of the consolidated financial statements in *Item 8* of this Annual Report on Form 10-K for further details regarding the Company's equity financing agreements.

The Company expects to continue to incur losses as a result of costs and expenses related to construction activity and ongoing general and administrative expenses until operations commence at the Kellyton Graphite Plant. The Company has historically relied and expects to continue to rely on debt and equity financing to fund its operations and business plan. Along with evaluating the continued use of the ATM Sales Agreement and 2024 Lincoln Park PA, the Company is considering other forms of project financing to fund the construction of the Kellyton Graphite Plant, including both Phase I and Phase II. The alternative sources of project financing could include, but are not limited to, project debt, convertible debt, or pursuing a partnership or joint venture. The Company executed a term sheet with the lead, or arranging, lender (a global financial institution) for a secured debt facility and continues to work on completing the syndication of the debt facility.

The progression from signing the term sheet to loan closing is subject to customary agreement on final terms, completing the syndication, final due diligence by other potential lenders in the syndication, and loan conditions. No assurance can be given that the Company will ultimately enter into the secured debt facility, or that financing will be available in amounts sufficient to meet its needs, or on terms acceptable to the Company. If funds are not available to fund the construction of Phase I of the Kellyton Graphite Plant through the equity capital markets or alternative financing sources, the Company may be required to reduce or severely curtail operations, change its planned business development strategies related to the Coosa Graphite Deposit and Phase I of the Kellyton Graphite Plant, alter the construction and commissioning timeline of Phase I of the Kellyton Graphite Plant, put the construction of Phase I on hold until additional funding is obtained, or seek strategic alternatives. If the Company is required to abandon construction and development or alter its intended long-term plans related to the Kellyton Graphite Plant, the Company could be required to evaluate the recoverability of its long-lived assets.

While the Company has advanced its business plan and has been successful in the past 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. Recent volatility in the equity and debt capital markets, rising interest rates, inflation and generally uncertain economic conditions could significantly impact the Company's ability to access the necessary funding to advance its business plan. On July 3, 2024, the Company filed a new Registration Statement on Form S-3 (the "Registration Statement"), which was declared effective by the SEC on August 29, 2024. The Company is subject to General Instruction I.B. 6 of Form S-3, which limits the amount that the Company may sell under the Registration Statement. After giving effect to these limitations and the current public float of our common stock, and after giving effect to the terms of the ATM Offering Agreement with Cantor

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and the ATM Sales Agreement with H.C. Wainwright, the Company may offer and sell shares of our common stock having an aggregate offering price of up to approximately \$5.1 million under the ATM Sales Agreement with H.C. Wainwright as of December 31, 2024. The Company's ability to raise additional funds under the ATM Sales Agreement may be further limited by the Company's market capitalization, share price and trading volume. For additional disclosure, refer to *Note 2* of the consolidated financial statements in *Item 8* of this Annual Report on Form 10-K.

**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. The Company considers events or changes in circumstances such as, but not limited to, significant negative impacts in the market price or demand of graphite or potential graphite products, a significant adverse change in the extent or manner to which we will use our long-lived asset (or asset group), adverse social or political developments, accumulation of costs over projected budget or accumulation of costs in excess of potential future cash flows of a long-lived asset (or asset group).

***Graphite Processing Facilities and Equipment***

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 expected graphite prices, production levels, and operating and capital costs over the estimated useful life of the project. 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 estimate of future cash flows requires significant management judgement and is based on numerous assumptions. Actual future cash flows may be significantly different than the estimates, as actual future quantities of production, future changes in market price or demand of graphite, operating and capital costs, and availability and cost of capital are each subject to significant risks and uncertainties.

***Mineral Properties***

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, projected graphite prices, production levels, and operating and capital costs, based upon the projected remaining future graphite or vanadium production. 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 unit 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 estimate of future cash flows requires significant management judgement and is based on numerous assumptions. Actual future cash flows may be significantly different than the estimates, as actual future quantities of recoverable minerals, future changes in market price or demand of graphite,

production levels and operating costs of production and availability and cost of capital are each subject to significant risks and uncertainties.

No indicators of impairment were identified during 2024 nor 2023 and therefore, no impairment was recorded in either year.

***Inventory***

Inventory consisted of raw material of natural flake graphite concentrate purchased from a non-related third party to be used in the creation of additional samples for potential customers, the testing and commissioning of Phase I of the Kellyton Graphite Plant, and future operations. The Company values the natural flake graphite concentrate at the lower of cost or net realizable value. Net realizable value represents the estimated future sales price of the product based on current and long-term graphite prices, less the estimated costs to complete production and bring the product to sale. Write-downs of the natural flake graphite concentrate to net realizable value are reported as a component of costs applicable to sales. The Company determines the current portion of inventory, if any, based on the expected amounts to be processed within the next 12 months and utilize the short-term metal price assumption in estimating net realizable value. Inventory not expected to be processed within the next 12 months, if any, is classified as non-current within other long-term assets and the Company utilizes the long-term metal price assumption in estimating net realizable value. Costs are removed from raw materials using an average cost basis.

For the year ended December 31, 2024, the Company recognized a \$1.0 million write-down of inventory based on the net realizable value of committed sales of raw material inventory. For the year ended December 31, 2023, there was no write-down of the Company's inventory.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

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