

## 15. SUBSEQUENT EVENT

### *Series B-1 Convertible Notes*

On August 7, 2025, the Company entered into a securities purchase agreement, under which the Company agreed to issue and sell in a registered public offering directly to the same institutional investors that participated in the Series A-1 Convertible Notes, convertible notes for an aggregate principal amount of \$5.0 million (“Series B-1 Convertible Notes”), which will be convertible into shares of the Company’s Common Stock.

The Series B-1 Convertible Notes have the same terms as the Series A-1 Convertible Notes, except that the Series B-1 Convertible Notes have a conversion price equal to \$0.83, which is subject to customary adjustments upon any stock split, stock dividend, stock combination, recapitalization, subsequent issuances, and other events. Starting on the closing date, the Series B-1 Convertible Notes amortize in installments, and we will make monthly payments on the first trading day of each monthly anniversary commencing on the closing date through the maturity date, payable in cash or shares of common stock. Upon the satisfaction of certain conditions, we may prepay outstanding Series B-1 Convertible Notes upon not less than 20 trading days’ written notice by paying an amount equal to the portion of the Series B-1 Convertible Notes being redeemed at a 115% premium.

The Company has agreed to seek stockholder approval for the issuance of conversion shares upon the future conversion of the Series A-1 and Series B-1 Convertible Notes, if any, that would exceed 19.99% of the Company’s issued and outstanding Common Stock, in order to comply with the rules and regulations of NYSE American.

## ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management’s discussion and analysis of the consolidated financial results and financial condition of Westwater for the three and six months ended June 30, 2025, has been prepared based on information available to us as of August 13, 2025. This discussion should be read in conjunction with the unaudited Interim Financial Statements and Notes thereto included herewith and the audited consolidated financial statements of Westwater for the period ended December 31, 2024, and the related notes thereto included in our Annual Report, which were prepared in accordance with U.S. GAAP. This management’s discussion and analysis contains forward-looking statements that are subject to risks, uncertainties and assumptions. Our 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 elsewhere in this report. See “Cautionary Note Regarding Forward-Looking Statements” herein.

### **INTRODUCTION**

Westwater Resources, Inc., originally incorporated in 1977, is an energy technology and critical minerals 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 metric tons (“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.

### **RECENT DEVELOPMENTS**

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

The global landscape for the U.S. supply of critical materials including natural graphite continues to evolve. One of the key benefits of moving to a domestic supply source for battery grade natural graphite – security of supply – appears to be resonating with U.S. cell makers and electric vehicle OEMs. Westwater is responding to outreaches from these

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companies as they weigh the impact of changes and potential changes to global tariffs and the Inflation Reduction Act, along with ongoing announcements declaring the importance of U.S.-based critical material supply chains.

As previously announced, the Company has secured offtake agreements for 100% of its anticipated Phase I production capacity and partially committed a portion of its anticipated Phase II production capacity from its Kellyton Graphite Plant.

Westwater is experiencing increased customer interest in Phase II production, which we believe is the result of tariffs and tariff uncertainty and a desire to secure domestic supply of CSPG. Westwater continues to engage with current 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. Most of these customers and potential customers are the largest lithium-ion battery suppliers or vehicle manufacturers in the world.

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

Total expected costs for Phase I of the Kellyton Graphite Plant remain at \$245 million. During the second quarter of 2025, construction activities at the Kellyton Graphite Plant consisted of installing equipment and electrical work to set up the power distribution center, moving off power generators, and tapping into the Alabama power grid. As of the end of the second quarter of 2025, we have received approximately 85% of the Phase I equipment, installed micronization (sizing) and spheroidization (shaping) mills in the SG building and commissioned and started up one micronization and spheroidization mill during the quarter. In addition, we continue to install peripheral support equipment surrounding the micronization and spheroidization mills in the SG building. 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 June 30, 2025, the Company has incurred costs of approximately \$124.4 million. The Company has continued construction activities related to Phase I of the Kellyton Graphite Plant at a measured pace during the second quarter of 2025 and expects to continue this approach to construction activities, until receipt of the additional funding needed to complete construction of Phase I of the Kellyton Graphite Plant. The Company expects to provide an update on construction timing once, and if, the additional funding is secured.

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

During the first half of the year, Westwater operated its qualification line at the Kellyton Graphite Plant and produced and completed multiple samples of over 1 mt of CSPG for customers for pre-production cell trials and testing. In the second quarter, the Company continued to make improvements to the qualification line to improve cycle times and graphite flow rates to optimize the capability of the qualification line.

Samples produced on the qualification line are representative of CSPG mass production. 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 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. In the second quarter, Westwater started the onsite commissioning of one of the micronizer mills and one of the shaping mills that will be used in conjunction with the qualification line to produce additional samples for customers until the mills are eventually used in the mass production line when the Kellyton Graphite Plant is complete and operational.

### ***Debt Financing Update***

The Company, along with its investment banker, continues to work on completing the syndication of a secured debt facility for approximately \$150 million to finance the completion of construction of Phase I of the Kellyton Graphite Plant. The Company is progressing through each of the lenders' various due diligence and approval processes.

During the second quarter, Westwater continued the process to potentially syndicate the loan, which included advancing loan documentation, advancing the technical readiness level of Phase I, updating technical due diligence using an independent third-party engineering firm, responding to diligence requests from multiple lenders interested in joining the syndicate, hosting interested lenders at the Kellyton Graphite Plant site in Alabama, and advancing the identification and selection of a backup feedstock supplier.

During 2025, changes in government incentives and tariffs announced by the U.S. federal government, the EU, Canada, Mexico, and China have created concerns regarding domestic EV adoption rates, and general uncertainty in the capital markets, which has impacted the syndication process. Also, there were protests earlier this year at our feedstock supplier. Our feedstock supplier has since announced resolution of the protests and recommenced production in the second quarter of 2025. Westwater has continued progress, and is at an advanced stage in securing a backup feedstock supplier.

Closing a syndicated debt facility for Phase I of the Kellyton Plant is subject to customary agreement on completing the syndication, final due diligence and investment committee approval by other potential lenders in the syndicate, 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.

In April 2025, Westwater received a letter of interest from Export-Import Bank of the United States ("EXIM") related to its Kellyton Graphite Plant, under the "Make More in America Initiative" and the "China and Transformational Exports Program." The letter of interest is separate from the Phase I debt syndication process discussed above, but could be an additional source of funding. Following the receipt of the letter of interest, Westwater began further engagement with EXIM. After the end of the second quarter of 2025, Westwater formally submitted its EXIM loan application, which starts the due diligence process.

The progression from a letter of interest to a loan commitment from EXIM requires a formal application, and for EXIM to complete due diligence, underwriting and finalization of terms and conditions. No assurance can be given that the Company will ultimately enter into a loan transaction with EXIM.

Management remains focused on completing the debt facility and will continue to update investors as appropriate.

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

Through its wholly owned subsidiary, Alabama Graphite, Westwater holds mineral rights across 41,965 acres of the Alabama graphite belt in Coosa County, Alabama. During the fourth quarter of 2023, Westwater completed an IA, with an economic analysis for the Coosa Graphite Deposit. The IA was completed as a Technical Report Summary ("TRS") disclosing Mineral Resources, including an economic analysis, for the Coosa Graphite Deposit, in accordance with S-K 1300. The TRS was completed on behalf of Westwater by SLR International Corporation ("SLR") with an effective date of December 11, 2023, and filed with the SEC on Form 8-K/A on October 9, 2024. For further information regarding the IA and the Coosa Graphite Deposit, refer to Item 2, Properties, in the Annual Report and the aforementioned Form 8-K/A.

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. Since starting this strategic review process for the Coosa Graphite Deposit, Westwater has hosted several potential investment sources at the Coosa Graphite Deposit. We believe that further advancement and evaluation of sources of investment capital for Coosa will occur following the close of Phase I financing of the Kellyton Graphite Plant.

### ***Graphite and Vanadium as Critical Materials***

Presently, the United States is almost 100% dependent on imports for battery-grade graphite, which is currently the primary anode material in the lithium-ion batteries that power electric vehicles, smartphones, and laptops, and store power generated from intermittent renewable energy sources. Westwater intends to process natural flake graphite into battery-grade graphite, primarily for lithium-ion batteries.

The U.S. currently relies on imports of at least 15 critical minerals, including graphite which is currently supplied almost entirely by companies located in China. The new executive order effective March 20, 2025, names the Defense Production Act and the U.S. International Development Finance Corporation as mechanisms for supporting an effort to provide financing, loans and other investment support to domestically process critical minerals.

Approximately 77% of the global natural flake graphite and approximately 97% of global anode active material is supplied by China (Mining Technology, 2024), which causes China to pose a geopolitical risk, particularly to the EU and U.S. regions. China and the United States have imposed tariffs and export controls on critical minerals, including graphite, indicating the potential for further trade barriers between China and the United States. During April 2025, there was an executive order signed that imposes an additional ad valorem duty on all imports from all trading partners. Evident by the executive orders signed during 2025, while subject to continuing uncertainty, import tariffs on battery natural graphite produced anywhere outside the U.S. are likely to persist. In addition, tariffs are also now in place on CSPG shipped from other countries including Indonesia, South Korea and Japan.

Further, the U.S. Department of Commerce (“DOC”) issued a preliminary determination in the anti-dumping investigation of graphite-based anode materials imported from the People’s Republic of China. The July 2025 preliminary determination concluded that Chinese producers have been selling graphite-based anode materials into the U.S. market at unfairly low prices, and as a result, proposed an anti-dumping duty of 93.5% on Chinese graphite-based anode materials. This ruling followed a May 2025 ruling addressing countervailing duties which has been subsequently amended to add a countervailing duty rate of 11.55%. Westwater believes these tariffs, duties and export restrictions continue to highlight the supply-chain risk for the U.S. and other countries related to natural graphite products and could provide an opportunity for Westwater.

Westwater has developed graphite-purification technology and advanced product-development processes designed to meet the demands of potential customers for battery-grade graphite materials. Westwater is developing methodologies and constructing facilities intended to produce high purity, battery-grade graphite products at its Kellyton Graphite Plant. These products are being designed to serve all major battery sectors. In addition, we believe 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.

Westwater has and will continue to support the efforts by the relevant United States governmental agencies, the State of Alabama and local municipalities to ensure that they remain aware of the importance of natural battery-grade graphite, its importance to the nation’s security, and how the Kellyton Graphite Plant and the Coosa Graphite Deposit fit into the critical minerals-equation.

### ***Equity Financings***

#### ***Capital Raises during the three and six months ended June 30, 2025***

During the three and six months ended June 30, 2025, the Company sold 4.6 million and 7.1 million shares of Common Stock for net proceeds of \$2.4 million and \$4.4 million, respectively, pursuant to the ATM Sales Agreement, and sold 1.3 million and 5.1 million shares of Common Stock for net proceeds of \$0.6 million and \$3.2 million, respectively, pursuant to the 2024 Lincoln Park PA.

See *Note 9 Common Stock* to the Interim Financial Statements for additional information.

## **RESULTS OF OPERATIONS**

### ***Summary***

Our net loss for the three months ended June 30, 2025, was \$3.9 million, or \$0.05 per share, as compared with a net loss of \$3.8 million, or \$0.07 per share for the same period in 2024. The \$0.1 million increase in our net loss was primarily due to an increase in stock compensation expense, issuance costs related to the Series A-1 Convertible Notes issued in the second quarter of 2025, and more depreciation expense resulting from the qualification line, which was placed in service in January of 2025. These increases were offset by other expenses in the prior comparable period related to a loss on sales and a write-down of raw material inventory.

Our net loss for the six months ended June 30, 2025, was \$6.5 million, or \$0.09 per share, as compared with a net loss of \$6.7 million, or \$0.12 per share for the same period in 2024. The \$0.2 million decrease in our net loss was primarily due to other expenses recorded in the prior comparable period related to a loss on sales and a write-down of raw material inventory and less product development expenses in the current period. The decreases were partially offset by an increase in stock compensation expense, issuance costs related to the Series A-1 Convertible Notes issued in the second quarter of 2025, more depreciation expense resulting from the qualification line, which was placed in service in January 2025, and less interest income.

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

Product development expenses for the three months ended June 30, 2025, were \$0.3 million and remained essentially flat compared to the same period in 2024. Product development expenses for the six months ended June 30, 2025, were \$0.5 million, a decrease of \$0.1 million compared to the same period in 2024. Product development expenses for the three and six months ended June 30, 2025 and 2024, related primarily to sample production of battery-grade natural graphite products for evaluation by current and potential customers.

### ***Exploration Expenses***

Exploration expenses for the three and six months ended June 30, 2025, remained essentially flat compared to the same periods in 2024.

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

General and administrative expenses for the three and six months ended June 30, 2025, increased by \$0.6 million and \$0.3 million, respectively, compared to the same periods in 2024, primarily due to an increase in stock compensation expense and a decrease in capitalized payroll costs resulting from reduced levels of construction activity, partially offset by cost saving initiatives enacted while the Company is working to complete the syndication of a loan to fund the remaining construction of Phase I of the Kellyton Graphite Plant.

### ***Other Expense, net***

Other expense, net for the three months ended June 30, 2025, was \$0.3 million, compared to other expense, net of \$1.0 million for the same period in 2024. Other expense, net for the six months ended June 30, 2025, was \$0.3 million, compared to other expense, net of \$0.9 million for the same period in 2024. The change in other expense, net for both periods is primarily due to other expenses in the prior comparable periods related to a loss on sales and a write-down of raw material inventory; partially offset by issuance costs related to the Series A-1 Convertible Notes issued in the second quarter of 2025.

## **FINANCIAL POSITION**

### ***Operating Activities***

Net cash used in operating activities of \$4.7 million for the six months ended June 30, 2025, represents a decrease of \$0.5 million compared to the same period in 2024. The decrease in cash used in operating activities was primarily due to changes in other working capital.

### ***Investing Activities***

Net cash used in investing activities increased by \$1.6 million for the six months ended June 30, 2025, as compared to the same period in 2024. For both periods, the investing activity represents construction capital expenditures as the Company continues a managed approach to construction activity while seeking debt financing to fund the remaining construction of Phase I of the Kellyton Graphite Plant, slightly offset by cash received from sales of assets. See *Note 5 Property, Plant and Equipment* for further details.

### ***Financing Activities***

Net cash provided by financing activities increased by \$11.2 million for the six months ended June 30, 2025, as compared to the same period in 2024. The increase was primarily due to net cash proceeds received for the Series A-1 Convertible Notes issued in the second quarter of 2025 and an increase in shares of Common Stock sold under the ATM Sales Agreement and 2024 Lincoln Park PA during the six months ended June 30, 2025, compared to the same period in 2024.

## **LIQUIDITY AND CAPITAL RESOURCES**

Since 2009, the Company has not recorded revenue from operations and, as of June 30, 2025, current liabilities exceeded current assets. As such, Westwater is subject to 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. If financing is not available to fund the construction of Phase I of the Kellyton Graphite Plant through the equity and debt 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 of the Kellyton Graphite Plant 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.

The Company has relied on equity financings, debt financings and asset sales to fund its operations. During the six months ended June 30, 2025, and through the date that the Interim Financial Statement were issued, the Company continued construction activities related to the Kellyton Graphite Plant. However, those construction activities have been significantly reduced 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 Interim Financial Statements were issued. Based on this analysis and excluding potential external funding opportunities and the Company's current equity facility, the Company's planned non-discretionary expenditures for one year past the issue date of these Interim Financial Statements exceed the cash on hand as of the date of these Interim Financial Statements. See *Note 2 Liquidity and Going Concern* to the Interim Financial Statements for additional information.

On June 30, 2025, the Company's cash balance was approximately \$6.7 million. During the six months ended June 30, 2025, the Company sold 7.1 million shares of Common Stock for net proceeds of \$4.4 million pursuant the ATM Sales Agreement and sold 5.1 million shares of Common Stock for net proceeds of \$3.2 million pursuant to the 2024 Lincoln Park PA. As of June 30, 2025, the Company has approximately \$47.3 million remaining available for future sales

under the ATM Sales Agreement and \$26.3 million remaining available for future sales under the 2024 Lincoln Park PA, subject to certain limitations contained with the Series A-1 Convertible Notes.

On June 13, 2025, the Company entered into the June Securities Purchase Agreement pursuant to which the Company sold the Series A-1 Convertible Notes for up to an aggregate principal amount of \$5.0 million. In addition, on August 7, 2025, the Company entered into the August Securities Purchase Agreement pursuant to which the Company sold the Series B-1 Convertible Notes for an aggregate principal amount of \$5.0 million. As of August 11, 2025, the Company's cash balance was approximately \$12.5 million.

While the Company has advanced its business plan and has been successful in the past raising funds through equity 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, higher interest rates, inflation, electric vehicle production and adoption rates, generally uncertain economic conditions and regulatory policy and enforcement, and unstable geopolitical conditions, including tariffs, could significantly impact the Company's ability to access the necessary funding to advance its business plan. The Company's ability to raise additional funds under the ATM Sales Agreement may be limited by the Company's market capitalization, share price and trading volume.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

We have no off-balance sheet arrangements.

#### **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, statements regarding the adequacy of funding, liquidity, access to capital, financing activities, the timing or occurrence of any future drilling or production from the Company's properties, economic conditions, the strategic goals of the business, costs of any phase of development or operational line at the Kellyton Graphite Plant and estimated construction and commissioning timelines and completion dates, the start date for the mining of the Coosa Graphite 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," "target" 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;
- our ability to obtain or maintain contracts or other agreements 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 Kellyton Graphite Plant;
- the ability to construct and operate the Kellyton Graphite Plant in accordance with the requirements of permits and licenses and the requirements of tax credits and other incentives;

- the effects of inflation, including labor shortages and supply chain disruptions;
- rising interest rates and the associated impact on the availability and cost of financing sources;
- uncertainty in debt and equity capital markets and the associated impact on the availability and cost of financing sources;
- the availability and supply of equipment and materials needed to construct the Kellyton Graphite Plant;
- stock price volatility;
- changes in the U.S. administration or government regulation of the mining and manufacturing industries in the U.S.;
- unanticipated geopolitical, 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 minerals;
- our ability to finance growth plans;
- our ability to obtain and maintain rights of ownership or access to our mining properties;
- currently pending or new litigation or arbitration;
- recent changes in legislation, regulations and economic conditions regarding tariffs, the implementation of the new U.S. Department of Governmental Efficiency (“DOGE”) and related DOGE budget and spending cuts and the potential that this affects the demand for our products or our cost or ability to produce or sell them;
- the potential impact that foreign country tariffs may have on our construction costs or ability to (i) source and procure necessary raw materials for the manufacture and provision of our products and services; and (ii) sell and deliver our products to such foreign countries; and
- our ability to maintain and timely receive mining, manufacturing, and other permits from regulatory agencies.

In addition, other factors are described in our Annual Report, and the other reports we file with the SEC. Most of these factors are beyond our ability to predict or control. Future events and actual results could differ materially from those set forth herein, contemplated by or underlying the forward-looking statements. Forward-looking statements speak only as of the date on which they are made. We disclaim any obligation to update any forward-looking statements made herein, except as required by law.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As a smaller reporting company, we are not required to provide this information in our Quarterly Reports.