WESTERN URANIUM & VANADIUM CORP.
Management's Discussion and Analysis
For the years ended December 31, 2024 and 2023
(Stated in USD)

Dated April 15, 2025

INTRODUCTION

Western Uranium & Vanadium Corp. (the "Company" or "Western", formerly Western Uranium Corporation) is the issuer. This Management's Discussion and Analysis ("MD&A") provides a review of corporate developments, results of operations and financial position for the years ended December 31, 2024 and 2023. The MD&A is intended to supplement the consolidated financial statements and notes thereto (the "Statements") of Western for the above-noted periods.

All amounts included in the MD&A are presented in US dollars, unless otherwise specified. This report is dated April 15, 2025, and the Company's filings can be reviewed on the SEDAR website at www.sedar.com and on the CSE website at www.cnsx.ca.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. Forward-looking statements can often be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, the ability of the Company to obtain necessary financing, the economy generally, anticipated and unanticipated costs and other risks and uncertainties referred to elsewhere in this MD&A. Such statements could also be materially affected by environmental regulation, taxation policies, competition, the lack of available and qualified personnel or management, stock market volatility and the ability to access sufficient capital from internal or external sources. Actual results, performance or achievement could differ materially from those expressed herein. While the Company anticipates that subsequent events and developments may cause its views to change, the Company specifically disclaims any obligation to update these forward-looking statements, except as required by applicable law. These forward-looking statements should not be relied upon Western Uranium & Vanadium Corp., as representing the Company's views as of any date subsequent to the date of this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted in this MD&A under "Risk Factors".

ABOUT THE COMPANY

Western Uranium & Vanadium Corp. ("Western" or the "Company", formerly Western Uranium Corporation) was incorporated in December 2006 under the Ontario Business Corporations Act. On November 20, 2014, the Company completed a listing process on the Canadian Securities Exchange ("CSE"). As part of that process, the Company acquired 100% of the members' interests of Pinon Ridge Mining LLC ("PRM"), a Delaware limited liability company. The transaction constituted a reverse takeover ("RTO") of Western by PRM. Subsequent to obtaining appropriate shareholder approvals, the Company reconstituted its board of directors and senior management team. Western is a Canadian domestic issuer and Canadian reporting issuer.

On August 18, 2014, the Company closed on the purchase of certain mining properties in Colorado and Utah from Energy Fuels Holding Corp. Assets purchased included both owned and leased lands in Utah and Colorado, and all represent properties that have been previously mined for uranium to varying degrees in the past. The acquisition included the purchase of the Sunday Mine Complex. The Sunday Mine Complex is located in western San Miguel County, Colorado. The complex consists of the following five individual mines: the Sunday mine, the Carnation mine, the Saint Jude mine, the West Sunday mine and the Topaz Mine. The operation of each of these mines requires a separate permit, and all such permits have been obtained by Western and are currently valid. In addition, each of the mines has good access to a paved highway, electric power to existing declines, office/storage/shop and change buildings, and an extensive underground haulage development with several vent shafts complete with exhaust fans. The Sunday Mine Complex is the Company's core resource property and in July 2021 was assigned "Active" status when mining operations were restarted.

On September 16, 2015, Western completed its acquisition of Black Range Minerals Limited ("Black Range"), an Australian company that was listed on the Australian Securities Exchange until the acquisition was completed. The acquisition terms were pursuant to a definitive Merger Implementation Agreement entered into between Western and Black Range. Pursuant to the agreement, Western acquired all of the issued shares of Black Range by way of Scheme of Arrangement ("the Scheme") under the Australian Corporation Act 2001 (Cth) (the "Black Range Transaction"), with Black Range shareholders being issued common shares of Western on a 1 for 750 basis. On August 25, 2015, the Scheme was approved by the shareholders of Black Range, and on September 4, 2015, Black Range received approval by the Federal Court of Australia. In addition, Western issued options to purchase Western common shares to certain employees, directors, and consultants. Such stock options were intended to replace Black Range stock options outstanding prior to the Black Range Transaction on the same 1 for 750 basis.

Under United States Securities and Exchange Commission ("Commission") rules, the Black Range transaction triggered the Company being deemed a United States domestic issuer and losing its foreign private issuer exemption. On April 29, 2016, the Company filed a Form 10 registration statement with the Commission after shifting its basis of accounting from IFRS to U.S. GAAP. On June 28, 2016, the Company's registration statement became effective and Western became a United States reporting issuer.

On June 30, 2023, Western re-qualified as a foreign private issuer as that term is defined in Rule 3b-4(c) promulgated under the Exchange Act. As a result, the Company may now utilize certain accommodations made to foreign private issuers, including (1) an exemption from complying with the Commission's proxy rules, (2) an exemption from the Company's insiders having to comply with the reporting and short-swing trading liability provisions of Section 16 under the Exchange Act, (3) the ability to make periodic filings with the Commission on the Form 20-F and Form 6-K foreign issuer forms, and (4) the ability to offer and sell unrestricted securities outside of the United States pursuant to Rule 903 of Regulation S. The Company plans to take advantage of these accommodations. However, the Company currently has decided to voluntarily continue to file periodic reports with the Commission using domestic issuer forms including filing annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. On the subsequent measurement date, June 30, 2024, Western reconfirmed its qualification as a foreign private issuer.

The Company has registered offices at 5 Church Street, Toronto, Ontario, Canada, M5E 1M2 and its common shares are listed on the CSE under the symbol "WUC" and are traded on the OTCQX Best Market under the symbol "WSTRF". Its principal business activity is the acquisition and development of uranium and vanadium resource properties in the states of Utah and Colorado in the United States of America ("United States").

GOING CONCERN

With the exception of the quarter ended June 30, 2022, the Company had incurred losses from its operations. During the years ended December 31, 2024 and 2023, the Company generated net losses of $10,112,037 and $4,942,594, respectively. The Company expects to generate operating losses for the foreseeable future as it incurs expenses to bring its mineral processing facilities online and further expand its mining operations. As of December 31, 2024 and 2023, the Company had an accumulated deficit of $28,929,894 and $18,817,857, respectively, and working capital of $5,240,584 and $8,970,434, respectively.

Since inception, the Company has met its liquidity requirements principally through the issuance of notes, the sale of its common shares and from limited revenue sources. During the year ended December 31, 2024, the Company received $4,605,458 in proceeds from the exercise of its common share warrants. During November 2024, the Company closed a brokered private placement of 4,142,906 units at a price of $0.94 (CAD $1.32) per unit. The aggregate net proceeds raised in the private placement amounted to $3,546,870 (CAD $4,975,966).

The Company's ability to continue its operations and to pay its obligations when they become due is contingent upon the Company obtaining additional financing. Management's plans include seeking to procure additional funds through debt and equity financings, to secure regulatory approval licenses to fully utilize its kinetic separation technology ("Kinetic Separation"), to permit and construct the Mustang Minerals Processing Plant for the processing of uranium and vanadium to generate operating cash flows. The Company will also require capital to fund the ongoing in-house mining operations at the Sunday Mine Complex.

There are no assurances that the Company will be able to raise capital on terms acceptable to the Company or at all, or that cash flows generated from its operations will be sufficient to meet its current operating costs and required debt service. If the Company is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned product development, which could harm its financial condition and operating results, or it may not be able to continue to fund its ongoing operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern to sustain operations for at least one year from the issuance of the accompanying financial statements. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

HIGHLIGHTS AND SIGNIFICANT EVENTS

Ore Purchase Agreement

On April 8, 2025, PRM entered into an Ore Purchase Agreement (the "Ore Purchase Agreement") with subsidiaries of Energy Fuels Inc. ("Purchaser"). The Ore Purchase Agreement is for a one year period and provides for the delivery of up to 25,000 short tons of uranium bearing ore to the White Mesa Mill in Blanding, Utah. PRM shall make deliveries at its own cost and the purchase price per ton will be based upon the average grade of uranium within each lot, and other qualifying conditions. Within 30 days after each lot is closed, the Purchaser shall pay to PRM an 85% provisional payment calculated based upon the sampled grade and an agreed upon pricing schedule. Within 30 days after each lot is fed to processing, the Purchaser shall pay to PRM a final settlement payment calculated based upon the assayed grade and the agreed upon pricing schedule, net of a royalty, pursuant to a previously existing royalty agreement with the Purchaser.

Mustang Mineral Mill Site Acquisition

On October 1, 2024, Western, through its wholly owned subsidiary, Western Utah, executed a binding stock purchase agreement to purchase 100% of the shares of PRC from a private investor group and thereby acquire Mustang, which is a wholly owned subsidiary of PRC. Mustang owns an 880-acre property located in Montrose County, Colorado, where a uranium processing mill was previously licensed but never constructed. The acquisition becomes the second property that Western has acquired, in addition to the Maverick site in Utah. It also becomes part of Western's plans for developing and licensing one or more uranium and vanadium processing facilities to process production from its resource properties in Colorado and Utah.

The Company assumed an obligation to an unrelated third party to remit a royalty based on the volume of minerals processed through any mineral processing plant located on the property.

George Glasier, the President, CEO and a director of Western, and his wife Kathleen owned 50% of the shares of PRC and Andrew Wilder, a director of Western, indirectly owned 3% of the shares of PRC, and so the transaction was considered a related party transaction. The Company's Board of Directors established an independent committee of the Board comprised of directors who were not considered to have an interest in the transaction, and the independent committee oversaw the negotiation and approved the entering into the agreement on behalf of the Company.

The total purchase price of PRC was $1.98 million, which consisted of an aggregate of $829,167 in payments to former PRC shareholders for their equity interests and outstanding loans made to PRC and related accrued interest and a $1,148,125 payment for principal and interest to a third party in satisfaction of an assumed liability of Mustang. For the 53% ownership of PRC, $414,584 was paid to George Glasier and $24,875 was paid to an affiliate of Andrew Wilder.

The transaction was accounted for as a purchase of an asset.

Mustang Mineral Processing Plant

The Company's current plans call for the permitting and construction of a mineral processing plant at its newly acquired site in Colorado. Western expects to benefit from the prior site owner's completion of all phases of licensing and permitting of their Pinon Ridge Mill project. The Company's plans are to develop its initial mill at the Colorado location, which is much closer to the Sunday Mine Complex. This mill is expected to have a cost of approximately $75 million and is planned to start-up in 2029. This facility will be designed to recover uranium and vanadium both from conventional materials mined from Company mines and materials produced by other mining companies. The processing plant will utilize the latest processing technology, including Western's patented Kinetic Separation process. These technology advancements will result in lower overall capital and processing costs. After permitting and construction, and subject to available financing, the processing of uranium and vanadium materials is targeted to commence in 2029.

Bullen Property (Weld County)

In 2017, the Company entered into an oil and gas lease that became effective with respect to minerals and mineral rights owned by the Company of approximately 160 surface acres of the Company's mining property in Colorado. As consideration for entering into the lease, the lessee has agreed to pay the Company a royalty from the lessee's revenue attributed to oil and gas produced, saved, and sold attributable to the net mineral interest. The Company has also received cash payments from the lessee related to the easement that the Company is recognizing incrementally over the eight year term of the easement.

On June 23, 2020, the operator elected to extend the oil and gas lease easement for three additional years through July 2023. This was done to provide additional time in order to complete well construction and commence oil and gas production. During 2021, the operator completed a first set of eight (8) wells which commenced oil and gas production by August 2021. During 2022, the operator completed a second set of eight (8) wells which commenced oil and gas production by August 2022. All sixteen (16) wells remain in production and monthly royalty payments will be ongoing in perpetuity as long as oil and/or gas are produced from the pooled unit containing these sixteen (16) wells.

During the years ended December 31, 2024 and 2023, the Company recognized aggregate revenue of $183,803 and $431,065, respectively, under these oil and gas lease arrangements.

Kinetic Separation Licensing

On December 1, 2016 a determination was made by the CDPHE considering the NRC Advisory Opinion, the Colorado public meeting process, and the CDPHE regulatory and evaluation framework. This determination stated that the proposed Kinetic Separation operations at the Sunday Mine by Black Range Minerals must be regulated by the CDPHE through a milling license. Previously, the Company was unable to deploy Kinetic Separation as it was without a regulatory framework, but as a result of this determination the Company is now able to deploy Kinetic Separation under a milling license. The Colorado milling license that Western is currently seeking will likely incorporate Kinetic Separation via an amendment to the initial license – as Western's current plan is to submit a licensing application that is substantially identical to the application that was used previously for the Pinon Ridge Mill (which did not include the Company's Kinetic Separation technology).

Stockpiled Mined Materials Inventory

From December 2021 through March 2022, 3,140 tons of uranium/vanadium material was mined from the Sunday Mine Complex. The mining contractor calculated uranium grades based upon scintillometer sampling of each 10-ton truckload and vanadium quantities were derived by applying the 6:1 historical ratio. The estimated stockpiled inventory is 50,289 pounds of uranium and 301,736 pounds of vanadium. The value of this stockpile is not reflected as an asset on the balance sheet as the costs to produce the stockpiled inventory was expensed in accordance with Regulation SK-1300. The in-house mining team stockpiled limited quantities of additional mined material in the current year. It is Western's intent to sell some of this stockpiled material to Energy Fuels under the Ore Purchase Agreement.

November 2024 Private Placement

On November 20, 2024, the Company closed a private placement of 4,142,906 units at a price of $0.94 (CAD $1.32) per unit. The aggregate gross proceeds raised in the private placement amounted to $3,897,166 (CAD $5,468,636) and proceeds net of issuance costs were $3,546,870 (CAD $4,975,966). Each unit is comprised of one common share of Western and one common share purchase warrant. Each warrant is exercisable into one common share at a price of $1.27 (CAD $1.78) per share for a period of four years following the closing date of the private placement.

Incentive Stock Option Plan

The Company maintains an Incentive Stock Option Plan (the "Plan") that permits the granting of stock options as incentive compensation.

Stock Option Grants

On December 20, 2023, the Board of Directors granted options under the Plan for the purchase of an aggregate of 1,525,000 common shares to individuals consisting of directors and officers of the Company. Each of these options have a term which ends five years from the vesting date, an exercise price of $1.20 (CAD $1.60 as of December 31, 2023) and vest equally in thirds on January 31, 2024, July 31, 2024 and January 31, 2025.

On July 14, 2024, the Board of Directors granted an option under the Plan for the purchase of an aggregate of 100,000 common shares to a director of the Company. This option has a term which ends five years from the vesting date, an exercise price of $1.47 (CAD $2.00 as of July 14, 2024) and vests one half on each of July 31, 2024 and January 31, 2025.

On November 24, 2024, the Board of Directors granted options under the Plan for the purchase of an aggregate of 1,375,000 common shares to individuals consisting of directors and officers of the Company. Each of these options have a term which ends five years from the vesting date, an exercise price of $0.94 (CAD $1.32 as of November 29, 2024) and vest equally in thirds on January 31, 2025, July 31, 2025 and January 31, 2026.

Biden-Harris, Trump 1.0 and Trump 2.0 Administration Initiatives

During the first Trump Administration, the U.S. government focused on market distortions caused by foreign state-owned enterprises and the economic and geopolitical influence lost by allowing Russia and China to take the global lead in nuclear power. In support of the world's largest nuclear reactor fleet, the U.S. has implemented some of the recommendations of the Nuclear Fuel Working Group which followed the uranium Section 232 investigation. The Russia/Ukraine war has highlighted the nuclear fuel supply chain risks and the geopolitical risks of dependence on the direct and indirect sourcing of nuclear fuel from state owned enterprises in Russia and former Soviet Union republics. This led to the implementation of the Uranium Reserve Program where the U.S. Department of Energy ("DOE") purchased 1,100,000 lbs of U.S. domestic origin uranium in the first quarter of 2023.

Upon taking office, the Biden-Harris Administration team immediately rejoined the Paris Climate Accord, reversed a number of pro-fossil fuel energy policies, and gave all agencies climate change initiatives. The Administration continued to advance a national clean energy standard. U.S. utilities were expected to be required to produce an increasing proportion of electricity generation from clean energy power sources. On August 16, 2022, the Inflation Reduction Act was signed into law authorizing governmental investments of approximately $369 billion in climate and energy, a portion of which would benefit the U.S. domestic nuclear industry and battery technologies.

On November 5, 2024, the United States held a highly contested Presidential election between Republicans (Trump-Vance) and Democrats (Harris-Walz). The Trump-Vance Republican ticket won, returning former President Donald Trump to the Presidency on January 20, 2025. In addition, Republicans have achieved Congressional majorities in both the Senate and House of Representatives. As a result, President Trump's legislative priorities will likely face less resistance in Congress. Currently, nuclear energy enjoys bipartisan support. With the change in Presidential Administrations, we are already observing the climate change and clean energy initiatives of the Biden-Harris Administration being de-emphasized. In his first day in office, President Trump signed Executive Orders declaring a National Energy Emergency and a U.S. withdrawal from the Paris Climate Agreement for a second time. The new Administration is seeking a reduction in the federal government's size and regulatory power, and the newly-established Department of Government Efficiency (DOGE) has implemented workforce layoffs with the goal of a federal government headcount reduction. On February 14, 2025, President Trump signed an Executive Order creating the National Energy Dominance Council. On March 20, 2025 to boost domestic production of critical minerals and reduce reliance on foreign imports, President Trump signed an Executive Order titled "Immediate Measures to Increase American Mineral Production." On April 9, 2025, President Trump signed an Executive Order entitled "Zero-based Regulatory Budgeting to Unleash American Energy" to reduce costs on energy production by requiring conditional sunset dates for regulations. However, these positive developments for domestic energy have been overshadowed by the announcements of U.S. tariffs and reciprocal tariffs on the U.S.'s largest trading partners. Tariffs have been implicated as the driver of volatility across global capital markets. Subsequently, President Trump authorized a 90-day pause on reciprocal tariffs and instead implemented a flat 10% tariff while the pause is in effect. This action calmed markets. Most countries benefited from this pause; however, it was implemented in parallel with an increase on Chinese tariffs, and thus escalated a U.S. – China trade war.

Nuclear Fuel and Uranium Market Conditions

During the year ended December 31, 2024, the spot uranium price decreased $18 from $91 to ~$73. Notably, the long-term price increased from $68 to ~$81 during a period of rising conversion and enrichment services prices. However, this follows an extremely strong period in the market where spot uranium prices have reacted to supply/demand constraints and geopolitical risks. Since January 2024, spot uranium had a slow decline from a high of $100/lb level to $64/lb level at the end of March 2025. The events of 2022 have set in motion uranium market and nuclear fuel opportunities for the next decade and beyond. There are positive catalysts across multiple levels of the nuclear fuel and uranium markets. Underlying fundamentals are the strongest in decades. This is attributable to multiple factors, including climate change, energy security, supply chain and energy scarcity initiatives. The supply/demand imbalance has flipped from a market with excess supply into a market with excess future demand. With the reduced availability of secondary supplies, utilities have begun adding multi-year contracts with mining companies for primary supply. The drivers expanding the demand for nuclear fuel include non-nuclear nations adding nuclear power generation, nuclear nations expanding fleets and/or extending lives of existing reactors, idled nuclear reactors being redeployed, the reversal of phase-outs and shutdowns, and the deployment of advanced reactors / SMRs. However, the challenge is in meeting increasing demand simultaneously with supply constraints from the world's largest suppliers. We believe uranium equity prices will continue to strengthen and reflect the underlying positive fundamentals in the nuclear/uranium sector. Multiple market analysts have flagged low availability of mobile secondary inventories. We believe the continued draw down of inventories to be a market catalyst for uranium prices.

Positive nuclear energy news has continued to highlight the global growth of future nuclear electricity generation which will drive increased nuclear fuel demand. In terms of future supply, utility contracting has continued into 2024, and some uranium mining companies are moving toward restarting production. However, due to the lead time needed for future uranium production, we are entering a phase where the supply-demand fundamentals are in a deep multi-year structural supply deficit. The future is not clear as we believe some miners with available near-term production are waiting for higher price levels and/or project funding before making full start-up commitments. Utilities are also deferring contracting to understand how regulations and geopolitics will modify their future access to Russian uranium, conversion and enrichment services.

In the second quarter of 2024, investors began purchasing nuclear and uranium equities as a means to create long exposure for their positive view on Artificial Intelligence (AI), due to the vast energy requirements of data centers. Recent transactions have been announced as tech giants Microsoft, Amazon, and Google have sought deals to source nuclear power for their data centers from full scale reactors and SMRs. Microsoft most prominently signed an agreement with Constellation Energy to restart a Three Mile Island reactor in Pennsylvania and purchase 100% of the power generated for two decades.

Nuclear Fuel Supply Chain Concentration Risks

Russia's invasion of Ukraine and the ensuing global energy crisis has focused attention on security of supply and supply chain risks. This has caused most of the world to re-evaluate their dependence upon nuclear fuel exported by Russia. In spite of the dominant market position of Rosatom, future deliveries potentially could be at risk due to sanctions, legislation, or a Russian embargo. Customer dependence upon the Russian supply of uranium, conversion and enrichment are being addressed slowly by governments as alternative suppliers are not currently available. Both Urenco and Orano have announced that they will invest to expand their uranium enrichment capacity respectively in the United States and France, which represents a shift away from Russia. Utilities are demonstrating their desire for increased security of their nuclear fuel supply chains. Kazakhstan is also a concern because the world's largest uranium producing country has an unguarded and the second longest continuous land border in the world shared with Russia. The potential exists for Russia to exert influence over Kazakhstan. Additionally, Kazatomprom has put large long-term contracts in place with China. This supply is needed for China to fulfill its 15 year plan to deploy 150 new nuclear reactors. China National Nuclear Corp. (CNNC) has recently opened a uranium trading hub /warehouse facility, on the China / Kazakhstan border, with the capacity to store 60 million pounds of uranium. It has become evident that the nuclear fuel supply chain has become increasingly concentrated and interconnected in this very small area of the world. Expanding Kazakhstan uranium exports to Russia and China significantly reduces future supply for Western nuclear fuel buyers.

In July 2023, the government of Niger was overthrown by its military. This is significant because the new regime is opposed to Western interests and this landlocked West African country holds the 7th largest uranium resource in the world and was producing about 5% of global production. The conflict has an anti-French sentiment, and the Junta has initiated multiple actions that are counter to French interests. Most importantly, Niger's Junta has threatened the export of uranium to France which has serious implications because France acquires 20% of its natural uranium from Niger. In addition to the French evacuating/ being expelled from Niger, the U.S. military also departed the country. The Junta is utilizing Russian military support as a replacement. In addition, the Niger government has revoked operating permits from foreign uranium companies, including Orano in June 2024 and Goviex in July 2024. In November 2024, Orano further reported that it had lost operational control, to authorities in Niger, of another of its uranium mines. This mine was in production, but had been impacted by export restrictions imposed by the Junta.

During October 2023, geopolitical instabilities spread further to the Middle East after a Hamas attack on Israel triggered a counterattack by Israel on the Gaza Strip. The Israel-Hamas hostilities have escalated over the Summer of 2024 and then spread to other countries in the Middle East. At the beginning of 2025, Israel and Hamas agreed to a ceasefire which ended in March 2025; the hostilities resumed in March and it's not clear when and if the combatants will be able to negotiate a new ceasefire or an end to military actions. This additional hot spot further increases volatility in the world and destabilizes the Middle East region that is highly influential on global energy prices.

Results of Operations

Year Ended December 31, 2024 as Compared to the Year Ended December 31, 2023

	For the Years Ended December 31,	
	2024	**2023**
Revenues	$ 183,803	$ 431,065
Expenses		
Mining expenditures	5,285,140	2,951,579
Professional fees	613,403	386,473
General and administrative	3,599,460	1,884,456
Consulting fees	1,020,577	304,457
Total operating expenses	10,518,580	5,526,965
Operating loss	(10,334,777)	(5,095,900)
Interest income, net	224,738	158,904
Other expense, net	(1,998)	(5,598)
Net loss	(10,112,037)	(4,942,594)
Other comprehensive (loss) income		
Foreign currency translation adjustment	(159,862)	187,123
Comprehensive Loss	$ (10,271,899)	$ (4,755,471)

Summary:

The Company's consolidated net loss for the years ended December 31, 2024 and 2023 was $10,112,037 and $4,942,594, respectively. The principal components of these year over year changes are discussed below.

The Company's comprehensive loss for the years ended Decembers 31, 2024 and 2023 was $10,271,899 and $4,755,471, respectively.

1. Revenues for the year ended December 31, 2024 were $183,803 as compared to $431,065 for the year ended December 31, 2023. The decrease in revenues of $247,262, or 57%, was primarily related to lower production volumes from the oil and gas wells due to short-term well-pad maintenance shutdown in the second quarter and lower well performance attributable to production decline curves during the year ended December 31, 2024 as compared to the year ended December 31, 2023.

2. Mining expenditures for the year ended December 31, 2024 were $5,285,140 as compared to $2,951,579 for the year ended December 31, 2023. The increase in mining expenditures of $2,333,561, or 79%, was principally attributable to the scaling up of mining activities at the Sunday Mine Complex, which involved the hiring of additional mining personnel, increased mining services and supplies costs, and increased maintenance and depreciation costs for mining equipment and vehicles placed into service.

3. Professional fees for the year ended December 31, 2024 were $613,403 as compared to $386,473 for the year ended December 31, 2023. The increase in professional fees of $226,930, or 59%, was primarily due to increased accounting and legal costs in connection with an elevated level of business, mining and acquisition activities.

4. General and administrative expenses for the year ended December 31, 2024 were $3,599,460 as compared to $1,884,456 for the year ended December 31, 2023. The increase in general and administrative expenses of $1,715,004, or 91%, is primarily due to increases in employee headcount and compensation, employee benefits, non-cash stock-based compensation and insurance costs in connection with increased mining activities.

5. Consulting fees for the year ended December 31, 2024 were $1,020,577 as compared to $304,457 for the year ended December 31, 2023. The increase in consulting fees of $716,120 was due to the costs incurred during the period for the licensing and permitting of the mineral processing plant sites in Utah and Colorado.

6. Interest income, net for the year ended December 31, 2024 was $224,738 as compared to $158,904 for the year ended December 31, 2023. The increase in interest income, net of $65,834, or 41%, was principally attributable to higher interest rates earned on higher cash balances during the year ended December 31, 2024 compared to the year ended December 31, 2023.

7. Other expense, net for the year ended December 31, 2024 was $1,998 as compared to $5,598 for the year ended December 31, 2023. The decrease in other expense, net was primarily due to a lower loss on the sale of a used vehicle during the year ended December 31, 2024 as compared to the year ended December 31, 2023.

8. Foreign currency translation adjustment for the year ended December 31, 2024 was a loss of $159,862 as compared to a gain of $187,123 for the year ended December 31, 2023. The change in foreign currency translation adjustment is primarily due to the weakening of the CAD against the USD.

Financial Position

Net cash (used in) provided by operating activities

Net cash used in operating activities was $8,297,043 for the year ended December 31, 2024, as compared with $4,089,495 used in operating activities for the year ended December 31, 2023. The increase of $4,207,548 in cash used in operating activities was principally driven by an increase in net loss of $5,169,443, offset by an increase of $713,112 in stock-based compensation and an increase of $350,778 in depreciation.

Net cash used in investing activities

Net cash used in investing activities was $3,391,888 for the year ended December 31, 2024, as compared with $2,404,440 for the year ended December 31, 2023. The increase in cash used in investing activities of $987,448 was principally due to the purchase of land for the Mustang mill site of $1,982,093 in connection with the acquisition of PRC.

Net cash provided by financing activities

Net cash provided by financing activities was $8,152,328 for the year ended December 31, 2024, as compared with $5,844,411 for the year ended December 31, 2023. The increase in cash provided by financing activities of $2,307,917 was principally due to a $3,601,414 increase in proceeds from warrant exercises, partially reduced by a $1,289,997 decrease in aggregate net proceeds from the private placement during the calendar year 2024 as compared to the calendar year 2023.

Liquidity and Capital Resources

The Company’s cash and cash equivalents and restricted cash balance as of December 31, 2024 was $6,295,624. The Company’s cash position is highly dependent on its ability to raise capital through the issuance of debt and equity and its management of expenditures for mining and for the development of its mineral processing mill and for the fulfillment of its public company reporting responsibilities. Management believes that in order to finance the development and mining operations of the mining properties, to construct its Kinetic Separation equipment and operations and to secure regulatory licenses for and to construct its uranium and vanadium minerals processing facilities, the Company will be required to raise additional capital by way of debt and/or equity. The Company will also require additional working capital to continue to scale-up its mining operations at the Sunday Mine Complex. This outlook is based on the Company’s current financial position and is subject to change if opportunities become available based on current exploration program results and/or external opportunities.

Asset Retirement Obligations

The Company's mines are subject to certain AROs, which the Company has recorded as liabilities. The AROs of the United States mines are subject to legal and regulatory requirements and estimates of the costs of asset retirement obligations are reviewed periodically by the applicable regulatory authorities. The ARO represents the Company's best estimate of the present value of future reclamation costs in connection with the mineral properties.

During the year ended December 31, 2024, in connection with its San Rafael Mine and Sunday Mine Complex, the Company incurred additional gross and discounted asset retirement obligations of $412,534 and $80,508, respectively. The Company determined the aggregate gross ARO of the mineral properties to be $1,163,978 and $751,444 as of December 31, 2024 and December 31, 2023, respectively. The portion of the asset retirement obligation related to the Van 4 Mine, which is in reclamation as of December 31, 2024, and its related restricted cash are included in current liabilities and current assets, respectively, at a value of $75,057. During the year ended December 31, 2024, the Company's internal mining operations team has been performing the Van 4 Mine reclamation work, and the State of Colorado has not yet reduced the associated asset retirement obligation amount.

The Company's asset retirement obligations are subject to legal and regulatory requirements. Estimates of the costs of reclamation are reviewed periodically by the Company and the applicable regulatory authorities. The asset retirement obligations represent the Company's estimate of the present value of future reclamation costs, discounted using a credit adjusted risk-free interest rates of 5.4% for the years ended December 31, 2024 and 2023. The net discounted aggregated values as of December 31, 2024 and 2023 were $410,098 and $316,619, respectively. On September 17, 2024 and March 13, 2025, the Company remitted $61,403 and $351,131, respectively in connection with the aforementioned 2024 incremental AROs. Financial warranties to secure AROs as of December 31, 2024 and 2023 were $812,993 and $751,444, respectively.

Oil and Gas Lease and Easement

In 2017, the Company entered into an oil and gas lease that became effective with respect to minerals and mineral rights owned by the Company of approximately 160 surface acres of its property in Colorado. As consideration for entering into the lease, the lessee has agreed to pay the Company a royalty from the lessee's revenue attributed to oil and gas produced, saved, and sold attributable to the net mineral interest. The Company has also received cash payments from the lessee related to the easement that the Company is recognizing incrementally over the eight year term of the easement.

On June 23, 2020, the same entity as discussed above elected to extend the oil and gas lease easement for three additional years, through July 2023. This was done to provide additional time in order to complete well construction and commence oil and gas production. During 2021, the operator completed a first set of eight (8) wells which commenced oil and gas production by August 2021. During 2022, the operator completed a second set of eight (8) wells which commenced oil and gas production by August 2022. All sixteen (16) wells remain in production and monthly royalty payments will be ongoing in perpetuity as long as oil and/or gas are produced from the pooled unit containing these sixteen (16) wells.

During the years ended December 31, 2024 and 2023, the Company recognized aggregate revenue of $183,803 and $431,065, respectively, under these oil and gas lease arrangements.

Related Party Transactions

The Company has transacted with related parties pursuant to service arrangements in the ordinary course of business, as follows:

Prior to the acquisition of Black Range, Mr. George Glasier, the Company's CEO, who is also a director of the Company ("Seller"), transferred his interest in a former joint venture with Ablation Technologies, LLC to Black Range. In connection with the transfer, Black Range issued 25 million shares of Black Range common stock to Seller and committed to pay $309,138 (AUD $500,000) to Seller within 60 days of the first commercial application of the Kinetic Separation technology. The Company assumed this contingent payment obligation in connection with the acquisition of Black Range. At the date of the acquisition of Black Range, this contingent obligation was determined to be probable. Since the deferred contingent consideration obligation is probable and the amount is estimable, the Company recorded the deferred contingent consideration as an assumed liability in the amount of $309,138 and $340,650 as of December 31, 2024 and 2023, respectively.

On October 1, 2024, Western, through its wholly owned subsidiary, Western Utah, executed a binding stock purchase agreement (the "PRC Agreement") to purchase 100% of the shares of PRC from a private investor group and thereby acquire an 880 acre property located in Montrose County, Colorado, where a uranium processing plant was previously licensed but never constructed. George Glasier, the President, CEO and a director of Western, and his wife Kathleen owned 50% of the shares of PRC, and Andrew Wilder, a director of Western, indirectly owned 3% of the shares of PRC. Therefore, this transaction constitutes a related party transaction. The Company's Board of Directors established an independent committee of the Board, comprised of directors who are not considered to have an interest in the transaction. The independent committee of the Board oversaw the negotiation and approved the entering into the PRC Agreement on behalf of Western. Of the total cash paid to the sellers, $414,584 was paid to George Glasier and $24,875 was paid to an affiliate of Andrew Wilder.

The Company has multiple lease arrangements with Silver Hawk Ltd., an entity which is owned by George Glasier and his wife Kathleen Glasier. These leases, which are all on a month-to-month basis, are for the Company's rental of office, workshop, warehouse and employee housing facilities. The Company incurred rent expense of $106,500 and $71,700 in connection with these arrangement for the years ended December 31, 2024 and 2023, respectively.

During the years ended December 31, 2024 and 2023, the Company purchased equipment from Silver Hawk Ltd. for $9,000 and $25,800, respectively.

The Company is obligated to pay Mr. Glasier for reimbursable expenses in the amount of $83,554 and $84,040, included within accounts payable and accrued expenses, as of December 31, 2024 and 2023, respectively.

Going Concern

With the exception of the quarter ended June 30, 2022, the Company had incurred losses from its operations. During the years ended December 31, 2024 and 2023, the Company generated net losses of $10,112,037 and $4,942,594, respectively. The Company expects to generate operating losses for the foreseeable future as it incurs expenses to bring its mineral processing facilities online and further expand its mining operations. As of December 31, 2024 and 2023, the Company had an accumulated deficit of $28,929,894 and $18,817,857, respectively, and working capital of $5,240,584 and $8,970,434, respectively.

Since inception, the Company has met its liquidity requirements principally through the issuance of notes, the sale of its common shares and from limited revenue sources. During the year ended December 31, 2024, the Company received $4,605,458 in proceeds from the exercise of its common share warrants. During November 2024, the Company closed a brokered private placement of 4,142,906 units at a price of $0.94 (CAD $1.32) per unit. The aggregate net proceeds raised in the private placement amounted to $3,546,870 (CAD $4,975,966).

The Company's ability to continue its operations and to pay its obligations when they become due is contingent upon the Company obtaining additional financing. Management's plans include seeking to procure additional funds through debt and equity financings, to secure regulatory approval licenses to fully utilize its Kinetic Separation, to permit and construct the Mustang Minerals Processing Plant for the processing of uranium and vanadium to generate operating cash flows. The Company will also require capital to fund the ongoing in-house mining operations at the Sunday Mine Complex.

There are no assurances that the Company will be able to raise capital on terms acceptable to the Company or at all, or that cash flows generated from its operations will be sufficient to meet its current operating costs and required debt service. If the Company is unable to obtain sufficient amounts of additional capital, the Company may be required to reduce the scope of its planned product development, which could harm its financial condition and operating results, or the Company may not be able to continue to fund its ongoing operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern to sustain operations for at least one year from the issuance of the accompanying financial statements. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Off Balance Sheet Arrangements

As of December 31, 2024, there were no off-balance sheet transactions. The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk.

Critical Accounting Estimates and Policies

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, include, but are not limited to, the following: fair value of transactions involving common shares, assessment of the useful life and evaluation for impairment of intangible assets, valuation and impairment assessments of mineral properties and equipment, deferred contingent consideration, asset retirement obligations, valuation of stock-based compensation, and HST. Other areas requiring estimates include allocations of expenditures, depletion and amortization of mineral rights and properties.

Summary of Quarterly Results

The table below reflects a summary of certain key financial results for each of the company's previous four quarters ended December 31, 2024:

Description	**December 31, 2024** **$**	**September 30, 2024** **$**	**June 30, 2024** **$**	**March 31, 2024** **$**
Balance sheet				
Cash and cash equivalents	5,482,631	6,646,402	8,816,459	11,526,118
Property, plant & equipment and mineral properties, net	17,702,569	15,670,078	15,691,934	15,216,339
Kinetic separation intellectual property	9,488,051	9,488,051	9,488,051	9,488,051
Accounts payable and accrued liabilities	672,041	763,442	770,517	734,255
Shareholders' equity	29,816,074	28,752,265	30,827,517	33,279,117
Income statement				
Revenues	36,768	52,981	39,781	54,273
Mining expenditures	1,424,967	1,166,343	1,384,951	1,308,879
General and administrative	994,944	813,403	824,868	966,245
Comprehensive loss	(2,737,458)	(2,227,152)	(2,688,042)	(2,619,247)

RISKS

There are a number of factors that could negatively affect the Company's business and the value of its securities, including the factors listed below. The following information pertains to the outlook and conditions currently known to Western that could have a material impact on the financial condition of Western. Other factors may arise in the future that are currently not foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors.

Uranium and Vanadium Price Fluctuations

The Company's activities are significantly affected by the market price of uranium and vanadium, which is cyclical and subject to substantial fluctuations. The Company's earnings and operating cash flow are and will be particularly sensitive to the change in the long and short term market price of uranium and vanadium. Among other factors, these prices also affect the value of the Company's resources, reserves and inventories, as well as the market price of the Company's common shares.

Market prices are affected by numerous factors beyond the Company's control. With respect to uranium, such factors include, among others: demand for nuclear power; political and economic conditions in uranium producing and consuming countries; public and political response to a nuclear incident; reprocessing of used reactor fuel, the re-enrichment of depleted uranium tails and the enricher practice of underfeeding; sales of excess civilian and military inventories (including from the dismantling of nuclear weapons; the premature decommissioning of nuclear power plants; and from the build-up of Japanese utility uranium inventories as a result of the Fukushima incident) by governments and industry participants; uranium supply, including the supply from other secondary sources; and production levels and costs of production. With respect to vanadium, such factors include, among others: demand for steel; the potential for vanadium to be used in advanced battery technologies; political and economic conditions in vanadium producing and consuming countries; world production levels; and costs of production. Other factors relating to both the price of uranium and vanadium include: levels of supply and demand for a broad range of industrial products; substitution of new or different products in critical applications for the Company's existing products; expectations with respect to the rate of inflation; the relative strength of the US dollar and of certain other currencies; interest rates; global or regional political or economic crises; regional and global economic conditions; and sales of uranium by holders in response to such factors. In the event the Company concludes that a significant deterioration in expected future uranium prices has occurred, the Company will assess whether an impairment allowance is necessary which, if required, could be material.

The recent fluctuations in the price of many commodities is an example of a situation over which the Company has no control and which could materially adversely affect the Company in a manner for which it may not be able to compensate. There can be no assurance that the price of any minerals that could be extracted from the Company's properties will be such that any deposits can be mined at a profit.

Global Economic Conditions

Recent political and economic shifts, both domestic and international, may create uncertainty and pose risks to the Company's operations and business. Government policies related to protectionism, economic nationalism and attitudes toward multinational corporations have recently resulted in, and could result in additional, regulatory changes, trade barriers, or investment restrictions. Additionally, international trade disputes – including tariffs, counter-tariffs, export controls, sanctions and currency regulations – may increase costs, further disrupt supply chains, and have other negative impacts on the Company's business and operating models. Furthermore, market volatility, driven by shifts in U.S. and foreign trade policies, fluctuating interest rates or currency controls, may affect commodity prices, capital availability and investor confidence. Even the perception of these risks could lead to reduced investment, higher production and operating costs, and other operational challenges. If such trends continue, they may have a material adverse effect on the Company's business and financial performance. It is difficult to estimate the potential impact on the Company's business. To the extent these conditions adversely affect the Company's business, they may also have the effect of heightening many of the other risks described in this report, such as those relating to cyber-security, supply chain, inflationary and other volatility in prices of goods and materials, and the condition of the markets including as related to the Company's ability to access additional capital, any of which could negatively affect its business.

Market Price of Shares

Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Company's securities is also likely to be significantly affected by short-term changes in the uranium spot price, changes in industry forecasts of uranium prices, other mineral prices, currency exchange fluctuation, or in its financial condition or results of operations as reflected in its periodic earnings reports. Other factors unrelated to the performance of the Company that may have an effect on the price of the securities of the Company include the following: the extent of analytical coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company; the size of the Company's public float and its inclusion in market indices may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of the Company does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Company may decline. If an active market does not exist, investors may lose their entire investment in the Company. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies in periods of volatility in the market price of their securities, and following major corporate transactions or mergers and acquisitions. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Governmental Regulation and Policy Risks

Exploration, development, mining and milling of minerals and the transportation and handling of the products produced are subject to extensive federal, state and local laws and regulations governing, among other things: acquisition of the mining interests; maintenance of claims; tenure; expropriation; prospecting; exploration; development; mining; milling and production; price controls; exports; imports; taxes and royalties; labor standards; occupational health; waste disposal; toxic substances; water use; land use; Native American land claims; environmental protection and remediation; endangered and protected species; mine and mill decommissioning and reclamation; mine safety; transportation safety and emergency response; and other matters. Compliance with such laws and regulations has increased the costs of exploring, drilling, developing, constructing, operating and closing the Company's mines. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact the Company's decision as to whether to proceed with exploration or development, or that such laws and regulations may result in the Company incurring significant costs to remediate or decommission properties that do not comply with applicable environmental standards at such time. The Company expends significant financial and managerial resources to comply with such laws and regulations. The Company anticipates it will have to continue to do so as the historic trend toward stricter government regulation may continue. There can be no assurance that future changes in applicable laws and regulations will not adversely affect the operations or financial condition of the Company. New laws and regulations, amendments to existing laws and regulations or more stringent implementation of existing laws and regulations, including through stricter license and permit conditions, could have a material adverse impact on the Company, increase costs, cause a reduction in levels of, or suspension of, production and/or delay or prevent the development of new mining properties.

Mining is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration, mining and production. Environmental liability may result from mining activities conducted by others prior to the Company's ownership of a property. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions. These actions may result in orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Companies engaged in uranium exploration operations may be required to compensate others who suffer loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Should the Company be unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect on the Company. To the extent that the Company is subject to uninsured environmental liabilities, the payment of such liabilities would reduce otherwise available earnings and could have a material adverse effect on the Company. In addition, the Company does not have coverage for certain environmental losses and other risks as such coverage cannot be purchased at a commercially reasonable cost. Compliance with applicable environmental laws and regulations requires significant expenditures and increases mine development and operating costs.

Worldwide demand for uranium is directly tied to the demand for electricity produced by the nuclear power industry, which is also subject to extensive government regulation and policies. The development of mines and related facilities is contingent upon governmental approvals that are complex and time consuming to obtain and which, depending upon the location of the project, involve multiple governmental agencies. The duration and success of such approvals are subject to many variables outside the Company's control. Any significant delays in obtaining or renewing such permits or licenses in the future could have a material adverse effect on the Company. In addition, the international marketing of uranium is subject to governmental policies and certain trade restrictions, such as those imposed by the suspension agreement between the United States and Russia. Changes in these policies and restrictions may adversely impact the Company's business.

Public Acceptance of Nuclear Energy and Competition from Other Energy Sources

Growth of the uranium and nuclear industry will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, including the risk of a nuclear incident, the industry is subject to public opinion risks that could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry. Nuclear energy competes with other sources of energy, including oil, natural gas, coal, hydro-electricity and renewable energy sources. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Sustained lower prices of oil, natural gas, coal and hydroelectricity may result in lower demand for uranium concentrates. Technical advancements in renewable and other alternate forms of energy, such as wind and solar power, could make these forms of energy more commercially viable and put additional pressure on the demand for uranium concentrates.

Uranium Industry Competition and International Trade Restrictions

The international uranium industry, including the supply of uranium concentrates, is competitive. The Company's market for uranium is in direct competition with supplies available from a relatively small number of uranium mining companies, from state-owned uranium companies, from uranium produced as a byproduct of other mining operations, from excess inventories, including inventories made available from decommissioning of nuclear weapons, from reprocessed uranium and plutonium, from used reactor fuel, and from the use of excess Russian enrichment capacity to re-enrich depleted uranium tails held by European enrichers in the form of UF6. A large quantity of current world production is inelastic, in that uranium market prices have little effect on the quantity supplied. The supply of uranium from Russia and from certain republics of the former Soviet Union is, to some extent, impeded by a number of international trade agreements and policies. These agreements and any similar future agreements, governmental policies or trade restrictions are beyond the control of the Company and may affect the supply of uranium available in the United States and Europe. The United States and China are also currently involved in a trade and tariff war, which could impact the Company's future sales as China is a globally large uranium and vanadium customer.

Additional Funding Requirements

The Company will need additional financing in connection with the implementation of its business and strategic plans. The exploration and development of mineral properties, the ongoing operation of mines and the permitting and construction of mineral processing mills requires a substantial amount of capital and will depend on the Company's ability to obtain financing through joint ventures, debt financing, equity financing or other means. The Company may accordingly need further capital in order to take advantage of further opportunities or acquisitions. The Company's financial condition, general market conditions, volatile uranium markets, volatile interest rates, a claim against the Company, a significant disruption to the Company's business or operations or other factors may make it difficult to secure financing necessary for the expansion of mining activities or to take advantage of opportunities for acquisitions. Further, continuing volatility in the credit markets may increase costs associated with debt instruments due to increased spreads over relevant interest rate benchmarks, or may affect the ability of the Company, or third parties it seeks to do business with, to access those markets. There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms, if at all.

Dilution from Further Equity Financing

If the Company raises additional funding by issuing additional equity securities or securities convertible, exercisable or exchangeable for equity securities, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

Nature of Exploration and Development, Expansion Projects and Restarting Projects

The exploration and development of mineral deposits, the expansion of projects and restarting projects involves significant financial risks. The exploration and development of mineral deposits involve significant financial risks over an extended period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral resources and mineral reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed programs on the Company's mineral resource properties will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, among other things: the accuracy of resource estimates; the particular attributes of the deposit, such as its size and grade; ability to economically recover commercial quantities of the minerals; proximity to infrastructure; financing costs and governmental regulations, including regulations relating to prices, taxes, royalties; infrastructure; land use; importing and exporting and environmental protection. The development, expansion and restarting of projects are also subject to the successful completion of engineering studies, the issuance of necessary governmental permits, the availability of adequate financing, that the correct estimation of engineering and construction timetables and capital costs for the Company's development and expansion projects, including restarting projects on standby, and such construction timetables and capital costs not being affected by unforeseen circumstances. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

It is possible that actual costs and economic returns of current and new mining operations may differ materially from the Company's best estimates. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase, take much longer than originally anticipated to bring into a producing phase, and to require more capital than anticipated.

The Company's Mineral Resources Are Estimates

Mineral resources are statistical estimates of mineral content, based on limited information acquired through drilling and other sampling methods, and require judgmental interpretations of geology. Successful extraction requires safe and efficient mining and processing. The Company's mineral resources are estimates, and no assurance can be given that the estimated resources are accurate or that the indicated level of uranium or vanadium will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change.

Mineral resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill-hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as actual production experience is gained. It should not be assumed that all or any part of the Company's mineral resources constitute or will be converted into reserves. Market price fluctuations of uranium or vanadium as applicable, as well as increased production and capital costs or reduced recovery rates, may render the Company's proven and probable reserves unprofitable to develop at a particular site or sites for periods of time or may render mineral reserves containing relatively lower grade mineralization uneconomic.

Environmental Regulatory Requirements and Risk

The Company is required to comply with environmental protection laws and regulations and permitting requirements promulgated by federal agencies and various states and counties in which the Company operates, in connection with mining and milling operations. The uranium industry is subject not only to the worker health and safety and environmental risks associated with all mining businesses, but also to additional risks uniquely associated with uranium mining and milling. The Company expends significant resources, both financial and managerial, to comply with these laws and regulations. The possibility of more stringent regulations exists in the areas of worker health and safety, storage of hazardous materials, standards for heavy equipment used in mining or milling, the disposition of wastes, the decommissioning and reclamation of exploration, mining, milling and in-situ sites, climate change and other environmental matters, each of which could have a material adverse effect on the cost or the viability of a particular project.

The Company cannot predict what environmental legislation, regulations or policies will be enacted or adopted in the future or how future laws and regulations will be administered or interpreted. The recent trend in environmental legislation and regulation is generally toward stricter standards, and this trend is likely to continue in the future. This recent trend includes, without limitation, laws and regulations relating to air and water quality, mine reclamation, waste handling and disposal, the protection of certain species and the preservation of certain lands. These regulations may require the acquisition of permits or other authorizations for certain activities. These laws and regulations may also limit or prohibit activities on certain lands. Compliance with more stringent laws and regulations, as well as potentially more vigorous enforcement policies, stricter interpretation of existing laws and stricter permit and license conditions, may necessitate significant capital outlays, may materially affect the Company's results of operations and business or may cause material changes or delays in the Company's intended activities. There can be no assurance of the Company's continued compliance or ability to meet stricter environmental laws and regulations and permit or license conditions. Delays in obtaining permits and licenses could impact expected production levels or increases in expected production levels.

The Company's operations may require additional analysis in the future, including environmental, cultural and social impact and other related studies. Certain activities require the submission and approval of environmental impact assessments. The Company cannot provide assurance that it will be able to obtain or maintain all necessary permits that may be required to continue operations or exploration and development of its properties or, if feasible, to commence construction or operation of mining facilities at such properties on terms that enable operations to be conducted at economically justifiable costs. If the Company is unable to obtain or maintain, licenses, permits or other rights for development of its properties, or otherwise fails to manage adequately future environmental issues, its operations could be materially and adversely affected.

Opposition to Mining May Disrupt Business Activity

In recent years, governmental and non-governmental agencies, individuals, communities and courts have become more vocal and active with respect to their opposition to certain mining and business activities. This opposition may take on forms such as road blockades, applications for injunctions seeking work stoppages, refusals to grant access to lands or to sell lands on commercially viable terms, lawsuits for damages or to revoke or modify licenses and permits, issuances of unfavorable laws and regulations, and other rulings contrary to the Company's interest. These actions can occur in response to current activities or in respect of mines that are decades old. In addition, these actions can occur in response to activities of the Company or the activities of other unrelated entities. Opposition to the Company's activities may also result from general opposition to nuclear energy and/or mining. Opposition to the Company's business activities are beyond the Company's control. Any opposition to the Company's business activities may cause a disruption to the Company's business activities and may result in increased costs and this could have a material adverse effect on the Company's business and financial condition.

Competition for Properties and Experienced Employees

The Company competes with other mining companies and individuals for capital, mining interests on exploration properties and undeveloped lands, acquisitions of mineral resources and reserves and other mining assets, which may increase its cost of acquiring suitable claims, properties and assets, and the Company also competes with other mining companies to attract and retain key executives and employees.

There can be no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties and assets or in attracting and retaining skilled and experienced employees. The mining industry has been impacted by increased worldwide demand for critical resources such as input commodities, drilling and other equipment, supplies and skilled labor, and these shortages have caused unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and production schedules.

Litigation and Other Legal Proceedings

The Company is not currently involved in any litigation, potential claims or other legal proceedings. The causes of potential future litigation and legal proceedings cannot be known and may arise from, among other things, business activities, environmental laws, permitting and licensing activities, volatility in stock prices or failure to comply with disclosure obligations. The results of litigation and proceedings cannot be predicted with certainty, and may include potential injunctions pending the outcome of such litigation and proceedings. If the Company is unable to resolve these disputes favorably, it may have a material adverse impact on the Company's financial performance, cash flow and results of operations.

Decommissioning and Reclamation

As owner and operator of numerous uranium mines located in the United States and certain exploration properties, and for so long as the Company remains an owner thereof, the Company is obligated to eventually reclaim or participate in the reclamation of such properties. Most, but not all, of the Company's reclamation obligations are bonded, and cash and other assets of the Company have been reserved to secure a portion but not all of this bonded amount. Although the Company's financial statements will record a liability for the asset retirement obligation, and the bonding requirements are generally periodically reviewed by applicable regulatory authorities, there can be no assurance or guarantee that the ultimate cost of such reclamation obligations will not exceed the estimated liability to be provided on the Company's financial statements. Further, to the extent the bonded amounts are not fully collateralized, the Company will be required to come up with additional cash to perform its reclamation obligations when they occur.

Decommissioning plans for the Company's properties have been filed with applicable regulatory authorities. These regulatory authorities have accepted the decommissioning plans in concept, not upon a detailed performance forecast, which has not yet been generated. As the Company's properties approach or go into decommissioning, further regulatory review of the decommissioning plans may result in additional decommissioning requirements, associated costs and the requirement to provide additional financial assurances. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulatory authorities. Further, the applicable regulatory authorities could require the Company to decommission and reclaim its inactive mines at any time, which could have a negative effect on the Company's operations.

Technical Innovation and Obsolescence

Requirements for the Company's products and services may be affected by technological changes in nuclear reactors, enrichment and used uranium fuel reprocessing as well as advances in technologies for the processing of uranium and vanadium minerals. These technological changes could reduce the demand for uranium. In addition, the Company's competitors may adopt technological advancements that give them an advantage over the Company.

Property Title Risk

The Company has investigated its rights to explore and exploit all of its properties and, to the best of its knowledge, those rights are in good standing. However, no assurance can be given that such rights will not be revoked, or significantly altered, to the Company's detriment. There can also be no assurance that the Company's rights will not be challenged or impugned by third parties, including by local governments.

The validity of unpatented mining claims on US public lands is sometimes difficult to confirm and may be contested. Due to the extensive requirements and associated expense required to obtain and maintain mining rights on US public lands, the Company's US properties are subject to various title uncertainties which are common to the industry or the geographic location of such claims, with the attendant risk that there may be defects in its title.

Foreign Currency Risks

The Company's operations are subject to foreign currency fluctuations. The Company's operating expenses and revenues are primarily incurred in US dollars, while some of its cash balances and expenses are measured in Canadian dollars. The fluctuation of the Canadian dollar in relation to the US dollar will consequently have an impact upon the profitability of the Company and may also affect the value of the Company's assets and shareholders' equity.

Dependence on Issuances of Mine and Mill Licenses and Permits

The Company maintains regulatory mine licenses and permits, all of which are subject to renewal from time to time and are required in order for the Company to operate in compliance with applicable laws and regulations. The Company plans to obtain a permit and construct a mineral processing mill. In addition, depending on the Company's business requirements, it may be necessary or desirable to seek amendments to one or more of its licenses or permits from time to time. While the Company has been successful in renewing its licenses and permits on a timely basis in the past and in obtaining such amendments as have been necessary or desirable, there can be no assurance that such license and permit renewals and amendments will be issued by applicable regulatory authorities on a timely basis or at all in the future.

Realization of Benefits of Kinetic Separation

In order to utilize Kinetic Separation to process uranium/vanadium bearing ore, there are uncertainties that must be addressed. Currently, to utilize Kinetic Separation the Company plans to apply for its own milling license for a processing facility. If this is not practical or feasible the Company would need to arrange to utilize a third party's mill. There are substantial costs and risks associated with both of these alternatives. The Company is open to continuing to seek an alternative path forward that would allow the use of Kinetic Separation either inside a uranium mine or on the surface outside of the underground workings to further reduce transportation costs. There is no assurance that such an alternative approach will be approved for Western or other companies with comparable processes pursuing regulatory remedies.

In addition, although the Company has conducted initial tests of its Kinetic Separation technology with what appear to be positive results, those results have not been validated by a qualified person.

Access to Mills

In the event that there is not a buying program in place for uranium/vanadium ore, the Company would need to arrange with a third party for conventional milling services. Because the number of mills permitted for processing of uranium and vanadium is very limited, it may be difficult for us to gain access to a mill on favorable terms, or at all. This could result in increased costs and/or significant delays in, interruption of, or cessation of the Company's business activities. The practice of selling uranium/vanadium ore without first processing into yellowcake (U3O8) or Vanadium Pentoxide (V2O5) would likely generate lower revenues.

Permitting and Constructing Mineral Processing Mill

The construction of a facility for the processing of uranium ore is both a capital-intensive and regulatory intensive endeavor. Obtaining a license to construct and operate a processing plant to mill uranium and vanadium is subject to a number of risks, including local, state and national regulations, and political and environmental influences. Furthermore, we must raise sufficient capital to fund the permitting efforts and construction of the mill. We are subject to the risks that adequate capital in general may not be available at the levels needed and risks that adequate capital may not be available for investments in the front-end of the nuclear fuel cycle. If we are not able to address these risks and build a processing plant/mill, then we would need to arrange with a third party for conventional milling services. It may be difficult for the Company to gain access to a third party's mill on favorable terms, or at all. This could result in increased costs and/or significant delays in, interruption of, or cessation of the Company's business activities.

Mining, Milling and Insurance

The current and future operations of the Company are subject to all of the hazards and risks normally incidental to exploration, development and mining of mineral properties, and milling, including: environmental hazards; industrial accidents; labor disputes, disturbances and unavailability of skilled labor; encountering unusual or unexpected geologic formations; rock bursts, pressures, cave-ins, and flooding; periodic interruptions due to inclement or hazardous weather conditions; technological and processing problems, including unanticipated metallurgical difficulties, ground control problems, process upsets and equipment malfunctions; the availability and/or fluctuations in the costs of raw materials and consumables used in the Company's production processes; the ability to procure mining equipment and operating supplies in sufficient quantities and on a timely basis; and other mining, milling and processing risks, as well as risks associated with the Company's dependence on third parties in the provision of transportation and other critical services. Many of the foregoing risks and hazards could result in damage to, or destruction of, the Company's mineral properties or processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of production from the Company's mines or processing facilities or in its exploration or development activities, delay in or inability to receive regulatory approvals to transport its uranium concentrates, or costs, monetary losses and potential legal liability and adverse governmental action. In addition, due to the radioactive nature of the materials handled in uranium mining and processing, additional costs and risks are incurred by the Company on a regular and ongoing basis.

While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure.

The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings, financial position and competitive position of the Company. No assurance can be given that such insurance will continue to be available or will be available at economically feasible premiums or that it will provide sufficient coverage for losses related to these or other risks and hazards. This lack of insurance coverage could result in material economic harm to the Company.

Credit Risk

The Company's sales of uranium and vanadium products expose the Company to the risk of non-payment. The Company manages this risk by monitoring the creditworthiness of its customers and requiring pre-payment or settlement at a conversion facility.

Dependence on Key Personnel and Qualified and Experienced Employees

The Company's success will largely depend on the efforts and abilities of certain senior officers and key employees, some of which are approaching retirement. Certain of these individuals have significant experience in the uranium industry. The number of individuals with significant experience in this industry is small. While the Company does not foresee any reason why such officers and key employees will not remain with the Company if for any reason they do not, the Company may be adversely affected. The Company has not purchased key man life insurance for any of these individuals.

The Company's success will also depend on the availability of qualified and experienced employees to work in the Company's operations and the Company's ability to attract and retain such employees. The number of individuals with relevant mining and operational experience in this industry is small.

Labor Relations

None of the Company's operations directly employ unionized workers who work under collective agreements. However, there can be no assurance that employees of the Company or its contractors do not become unionized in the future, which may impact mill and mining operations. Any lengthy work stoppages may have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Infrastructure

Mining, processing, development and exploration activities depend, to a substantial degree, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants affecting capital and operating costs. The Company considers the existing infrastructure to be adequate to support its proposed operations. However, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of the Company.