WESTERN URANIUM CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Stated in $USD)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Western Uranium Corporation

We have audited the accompanying consolidated balance sheets of Western Uranium Corporation (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations and other comprehensive loss, shareholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. Western Uranium Corporation is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Western Uranium Corporation, as of December 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has incurred continuing losses from operations and is dependent upon future sources of equity or debt financing in order to fund its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding those matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

MNP LLP
Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
March 31, 2017

MNP LLP

WESTERN URANIUM CORPORATION
CONSOLIDATED BALANCE SHEETS
(Stated in $USD)

	As of December 31,	
	2016	2015
Assets		
Current assets:		
Cash	$ 791,814	$ 214,482
Prepaid expenses	80,734	119,656
Marketable securities	2,976	2,880
Restricted cash	215,976	-
Other current assets	22,047	15,774
Total current assets	1,113,547	352,792
Land, buildings and improvements	-	1,050,810
Restricted cash	820,357	1,036,286
Mineral properties	11,645,218	11,645,218
Ablation intellectual property	9,488,051	9,488,051
Total assets	$ 23,067,173	$ 23,573,157
Liabilities and Shareholders' Equity		
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 769,907	$ 825,101
Mortgage payable	-	1,051,000
Deferred contingent consideration, current	-	500,000
Subscription payable	-	198,298
Reclamation liability, current	215,976	-
Current portion of notes payable	183,125	490,193
Total current liabilities	1,169,008	3,064,592
Reclamation liability	187,663	220,129
Deferred tax liability	4,063,330	4,063,330
Deferred contingent consideration, non current	372,000	-
Notes payable, net of discount and current portion	468,368	449,984
Total liabilities	6,260,369	7,798,035
Shareholders' Equity		
Common stock, no par value, unlimited authorized shares, 18,886,497 and 16,230,733 shares issued and outstanding as of December 31, 2016 and 2015, respectively	20,927,360	17,658,042
Subscription receivable	(28,429)	-
Accumulated deficit	(4,125,855)	(1,951,564)
Accumulated other comprehensive income	33,728	68,644
Total shareholders' equity	16,806,804	15,775,122
Total liabilities and shareholders' equity	$ 23,067,173	$ 23,573,157

Approved on behalf of the Board:

"George Glasier"
Director

"Michael Skutezky"
Director

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

WESTERN URANIUM CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS AND OTHER COMPREHENSIVE LOSS
(Stated in $USD)

	For the Year Ended December 31, 2016	2015
Expenses		
Mining expenditures	$ 389,832	$ 457,212
Professional fees	704,837	379,093
General and administrative	546,607	403,993
Consulting fees	359,026	233,022
Unrealized foreign exchange gain	(128,000)	-
Loss from operations	(1,872,302)	(1,473,320)
Interest expense, net	301,989	114,639
Net loss	(2,174,291)	(1,587,959)
Other comprehensive (loss) income		
Foreign exchange	(34,916)	70,830
Comprehensive loss	$ (2,209,207)	$ (1,517,129)
Loss per share – basic and diluted	$ (0.13)	$ (0.12)
Weighted average shares outstanding, basic and diluted	17,045,568	13,206,726

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

WESTERN URANIUM CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Stated in $USD)

	Common Shares				Accumulated	
	Shares	Amount	Subscription	Accumulated Deficit	Comprehensive Income	Total
Balance at January 1, 2015	11,396,924	$ 1,634,582	-	$ (363,605)	$ (2,186)	$ 1,268,791
Sale of 640,000 common shares on February 4, 2015 in private placement, net of expenses of $99,809	640,000	1,353,793	-	-	-	1,353,793
Issuance of 4,193,809 common shares to sellers of Black Range	4,193,809	14,237,331	-	-	-	14,237,331
Issuance of options to purchase 271,996 shares of common stock, in connection with the acquisition of Black Range	-	432,336	-	-	-	432,336
Foreign exchange gain	-	-	-	-	70,830	70,830
Net loss for the year		-	-	(1,587,959)	-	(1,587,959)
Balance at December 31, 2015	16,230,733	$ 17,658,042	$ -	$ (1,951,564)	$ 68,644	$ 15,775,122
Sale of 101,009 common shares on January 4, 2016 in private placement	101,009	216,534	-	-	-	216,534
Sale of 465,357 units in April and May of 2016 in private placement	465,347	622,174	-	-	-	622,174
Sale of 1,078,458 units on September 2, 2016 in private placement	1,078,458	1,407,841	-	-	-	1,407,841
Sale of 1,010,950 units on December 30, 2016 in private placement	1,010,950	870,447	(28,429)	-	-	842,018
Stock based compensation - amortization of stock option expense	-	152,322	-	-	-	152,322
Foreign exchange loss	-	-	-	-	(34,916)	(34,916)
Net loss for the year	-	-	-	(2,174,291)	-	(2,174,291)
Balance at December 31, 2016	18,886,497	$ 20,927,360	$ (28,429)	$ (4,125,855)	$ 33,728	$ 16,806,804

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

WESTERN URANIUM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in $USD)

	For the Year Ended December 31, 2016	2015
Cash Flows From Operating Activities:		
Net loss	$ (2,174,291)	$ (1,587,959)
Reconciliation of net loss to cash used in operating activities:		
Impairment of property and equipment	-	94,000
Accretion of reclamation liability	183,510	30,674
Amortization of debt discount on notes payable	51,316	16,503
Stock based compensation	152,322	-
Change in foreign exchange on marketable securities	(96)	568
Change in operating assets and liabilities:		
Prepaid expenses and other current assets	32,602	6,821
Accounts payable and accrued liabilities	(55,384)	240,085
Deferred Contingent Consideration	(128,000)	-
Net cash used in operating activities	(1,938,021)	(1,199,308)
Cash Flows From Investing Activities:		
Purchases of property and equipment	-	(19,810)
Acquisition of Black Range - cash acquired	-	4,190
Advance on Credit Facility to Black Range	-	(363,074)
Net cash used in investing activities	-	(378,694)
Cash Flows From Financing Activities:		
Payment of Nueco Note	(90,000)	(253,346)
Payment of Siebels Note	(350,000)	-
Issuance of Common stock, net of offering costs	2,890,269	1,353,793
Proceeds from Subscription Payable	-	198,298
Proceeds from Siebels Note	100,000	250,000
Net cash provided by financing activities	2,550,269	1,548,745
Effect of foreign exchange rate on cash	(34,916)	70,830
Net increase in cash	577,332	41,573
Cash - beginning	214,482	172,909
Cash - ending	$ 791,814	$ 214,482

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

WESTERN URANIUM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in $USD)

	For the Year Ended December 31,	
	2016	2015
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 15,000	$ 15,000
Taxes	$ -	$ -
Supplemental disclosure of non-cash investing and financing activities:		
Purchase of Black Range and other mining assets:		
Net assets purchased:		
Current assets	$ -	$ 23,486
Mineral properties	-	10,100,000
Ablation intellectual property	-	9,488,051
Restricted cash	-	382,362
Land, buildings and improvements	-	1,125,000
Accounts payable and accrued liabilities	-	(396,145)
Mortgage and notes payable	-	(1,051,000)
Credit Facility - Western	-	(363,074)
Deferred tax liability	-	(4,063,330)
Reclamation liability	-	(75,683)
Deferred exercise price payable	-	(500,000)
Total purchase price consideration	$ -	$ 14,669,667
Less: cash paid to purchase the mining assets	-	-
Non-cash consideration	$ -	$ 14,669,667
Non-cash consideration consisted of:		
Fair value of 4,193,809 shares of Western common stock issued to the former stockholders of Black Range	$ -	$ 14,237,331
Fair value of options to purchase 271,996 shares of Western common stock issued to directors and consultants of Black Range	-	432,336
Non-cash consideration	$ -	$ 14,669,667

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

NOTE 1 - BUSINESS

Nature of operations

Western Uranium Corporation ("Western" or the "Company") 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. Effective September 16, 2015, Western completed its acquisition of Black Range Minerals Limited ("Black Range") (*see Note 5)*.

The Company has registered offices at 10 King Street East, Suite 700, Toronto, Ontario, Canada, M5C 1C3 and its common shares are listed on the CSE under the symbol "WUC." On April 22, 2016, the Company's shares of common stock began trading on the OTC Pink Open Market, and on May 23, 2016, the Company's common stock was approved for the commencement of trading on the OTCQX Best Market. Its principal business activity is the acquisition and development of uranium resource properties in the states of Utah and Colorado in the United States of America ("United States").

On June 28, 2016, the Company's registration statement became effective and Western became a United States. reporting issuer. Thereafter, the Company was approved for Depository Trust Company eligibility through the Depository Trust and Clearing Corporation, which facilitates electronic book-entry delivery, settlement and depository services for shares in the United States.

Reverse Takeover Transaction

On November 20, 2014, Western, through its wholly-owned United States subsidiary Western Uranium Corporation, which was incorporated in Utah ("Western US"), acquired 100% of the members' interests of PRM. The transaction formed the basis for the Company obtaining a public listing on the CSE. To effect the transaction, Western issued 11,000,000 post-consolidation common shares in exchange for all the issued and outstanding securities of PRM.

PRM is a Delaware limited liability company with an indefinite term, which was formed on March 10, 2014 for the purpose of purchasing and operating uranium mines in Utah and Colorado. On August 18, 2014, the Company closed on the purchase of certain mining properties from Energy Fuels Holding Corp. ("EFHC").

The transaction constituted an RTO of Western and has been accounted for as PRM acquiring Western. It has been treated as an issuance of shares by PRM for the net monetary assets of Western.

The transaction therefore has been accounted for as a capital transaction, with PRM being identified as the accounting acquirer. The resulting consolidated financial statements have been presented as a continuance of PRM's financial statements. The results of operations, cash flows and the assets and liabilities of Western have been included in these consolidated financial statements since November 20, 2014, the acquisition date.

NOTE 2 – LIQUIDITY AND GOING CONCERN

The Company has incurred continuing losses from its operations and as of December 31, 2016 the Company had an accumulated deficit of $4,125,855 and a working capital deficiency of $55,461.

Since inception, the Company has met its liquidity requirements principally through the issuance of notes and the sale of its shares of common stock.

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 to fully utilize its ablation technology and to initiate the processing of ore to generate operating cash flows.

NOTE 2 – LIQUIDITY AND GOING CONCERN, CONTINUED

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. These consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

During the year ended December 31, 2016, the Company raised USD $3,088,567 in net proceeds from the issuance of 2,655,764 units in private placements. Each unit contains one common share and a warrant for the purchase of one common share with exercise prices ranging from CAD $2.60 to CAD $3.50 (USD $1.93 to USD $2.60 as of December 31, 2016) (*see Note 10*).

On March 31, 2017, the Company completed a private placement of 634,424 units at a price of CAD $1.75 (USD $1.35) per unit for gross proceeds of CAD $1,110,263 (USD $835,805). Each unit consists of one share of the Company's common stock and a warrant for the purchase of one share of the Company's common stock. Each warrant is immediately exercisable at a price of CAD $3.25 and expires five years from the date of issuance.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

These consolidated financial statements are presented in United States dollars and have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP").

The accompanying consolidated financial statements include the accounts of Western and its wholly-owned subsidiaries, Western US, PRM, Black Range, Black Range Copper Inc., Ranger Resources Inc., Black Range Minerals Inc., Black Range Minerals Colorado LLC, Black Range Minerals Wyoming LLC, Haggerty Resources LLC, Ranger Alaska LLC, Black Range Minerals Utah LLC, Black Range Minerals Ablation Holdings Inc. and Black Range Development Utah LLC. All significant inter-company transactions and balances have been eliminated upon consolidation.

The Company has established the existence of mineralized materials for certain uranium projects. The Company has not established proven or probable reserves, as defined by the United States Securities and Exchange Commission (the "SEC") under Industry Guide 7, through the completion of a "final" or "bankable" feasibility study for any of its uranium projects.

Exploration Stage

In accordance with U.S. GAAP, expenditures relating to the acquisition of mineral rights are initially capitalized as incurred while exploration and pre-extraction expenditures are expensed as incurred until such time the Company exits the Exploration Stage by establishing proven or probable reserves. Expenditures relating to exploration activities such as drill programs to search for additional mineralized materials are expensed as incurred. Expenditures relating to pre-extraction activities such as the construction of mine wellfields, ion exchange facilities and disposal wells are expensed as incurred until such time proven or probable reserves are established for that uranium project, after which subsequent expenditures relating to mine development activities for that particular project are capitalized as incurred.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Exploration Stage, continued

Companies in the Production Stage as defined under Industry Guide 7, having established proven and probable reserves and exited the Exploration Stage, typically capitalize expenditures relating to ongoing development activities, with corresponding depletion calculated over proven and probable reserves using the units-of-production method and allocated to future reporting periods to inventory and, as that inventory is sold, to cost of goods sold. The Company is in the Exploration Stage which has resulted in the Company reporting larger losses than if it had been in the Production Stage due to the expensing, instead of capitalizing, of expenditures relating to ongoing mill and mine development activities. Additionally, there would be no corresponding amortization allocated to future reporting periods of the Company since those costs would have been expensed previously, resulting in both lower inventory costs and cost of goods sold and results of operations with higher gross profits and lower losses than if the Company had been in the Production Stage. Any capitalized costs, such as expenditures relating to the acquisition of mineral rights, are depleted over the estimated extraction life using the straight-line method. As a result, the Company’s consolidated financial statements may not be directly comparable to the financial statements of companies in the Production Stage.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and revenues and expenses during the periods reported. By their nature, these estimates are subject to measurement uncertainty and the effects on the financial statements of changes in such estimates in future periods could be significant. Significant areas requiring management's estimates and assumptions include determining the fair value of transactions involving common stock, assessment of the useful life and evaluation for impairment of intangible assets, valuation and impairment assessments on mineral properties, deferred contingent consideration, and the reclamation liability, valuation of stock-based compensation, valuation of available-for-sale securities and valuation of long-term debt. Other areas requiring estimates include allocations of expenditures, depletion and amortization of mineral rights and properties. Actual results could differ from those estimates.

Foreign Currency Translation

The reporting currency of the Company, including its subsidiaries, is the United States dollar. The financial statements of subsidiaries located outside of the U.S. are measured in their functional currency, which is the local currency. The functional currency of the parent (Western Uranium Corporation (Ontario)) is the Canadian dollar. Monetary assets and liabilities of these subsidiaries are translated at the exchange rates at the balance sheet date. Income and expense items are translated using average monthly exchange rates. Non-monetary assets are translated at their historical exchange rates. Translation adjustments are included in accumulated other comprehensive loss in the consolidated balance sheets.

Segment Information

The Company determines its reporting units in accordance with FASB ASC 280, "*Segment Reporting*" ("ASC 280"). The Company evaluates a reporting unit by first identifying its operating segments under ASC 280. The Company then evaluates each operating segment to determine if it includes one or more components that constitute a business. If there are components within an operating segment that meet the definition of a business, the Company evaluates those components to determine if they must be aggregated into one or more reporting units. If applicable, when determining if it is appropriate to aggregate different operating segments, the Company determines if the segments are economically similar and, if so, the operating segments are aggregated. The Company has one operating segment and reporting unit. The Company operates in one reportable business segment; the Company is in the business of exploring, developing, mining and the production of its uranium and vanadium resource properties, including the utilization of the Company’s ablation technology in its mining processes. The Company is organized and operated as one business. Management reviews its business as a single operating segment, using financial and other information rendered meaningful only by the fact that such information is presented and reviewed in the aggregate.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Cash and Cash Equivalents

The Company considers all highly-liquid instruments with an original maturity of three months or less at the time of issuance to be cash equivalents. As of December 31, 2016 and 2015, the company had no cash equivalents.

Marketable Securities

The Company classifies its marketable securities as available-for-sale securities, which are carried at their fair value based on the quoted market prices of the securities with unrealized gains and losses reported as accumulated comprehensive income (loss), a separate component of shareholders' equity. Realized gains and losses on available-for-sale securities are included in net earnings in the period earned or incurred.

Restricted Cash

Certain cash balances are restricted as they relate to deposits with banks that have been assigned to state reclamation authorities in the United States to secure various reclamation guarantees with respect to mineral properties in Utah, Alaska and Colorado. As these funds are not available for general corporate purposes and secure the long term reclamation liability *(see Note 6)*, they have been separately disclosed and classified as long-term. The Company's performance bond posted against the company's reclamation liability in the state of Alaska has been reclassified to current assets, as it is expected that it will be used to satisfy the Company's reclamation liability in the near future.

Fair Values of Financial Instruments

The carrying amounts of cash and cash equivalents, marketable securities, accounts payable and accrued expenses, mortgage payable, and notes payable. The carrying amounts of cash and cash equivalents, accounts payable and accrued liabilities approximate fair value due to the short-term nature of these instruments. Marketable securities are adjusted to fair value at each balance sheet date based on quoted prices which are considered level 1 inputs. The reclamation deposits, which are reflected in restricted cash on the consolidated balance sheets, are deposits mainly invested in certificates of deposit at major financial institutions and their fair values were estimated to approximate their carrying values. The Company's operations and financing activities are conducted primarily in United States dollars and as a result, the Company is not subject to significant exposure to market risks from changes in foreign currency rates. The Company is exposed to credit risk through its cash and restricted cash, but mitigates this risk by keeping these deposits at major financial institutions.

ASC 820 "Fair Value Measurements and Disclosures" provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fair Values of Financial Instruments, continued

Fair value is defined as an exit price, representing the amount that would be received upon the sale of an asset or payment to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. A three-tier fair value hierarchy is used to prioritize the inputs in measuring fair value as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 Significant unobservable inputs that cannot be corroborated by market data.

The fair value of financial instruments in the Company's consolidated financial statements at December 31, 2016 and 2015 are as follows:

	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Quoted Prices for Similar Assets or Liabilities in Active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable securities at December 31, 2016	$ 2,976	$ -	$ -
Marketable securities at December 31, 2015	$ 2,880	$ -	$ -

Mineral Properties

Acquisition costs of mineral properties are capitalized as incurred while exploration and pre-extraction expenditures are expensed as incurred until such time the Company exits the Exploration Stage by establishing proven or probable reserves, as defined by the SEC under Industry Guide 7, through the completion of a "final" or "bankable" feasibility study. Expenditures relating to exploration activities are expensed as incurred and expenditures relating to pre-extraction activities are expensed as incurred until such time proven or probable reserves are established for that project, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

Where proven and probable reserves have been established, the project's capitalized expenditures are depleted over proven and probable reserves upon commencement of production using the units-of-production method. Where proven and probable reserves have not been established, such capitalized expenditures are depleted over the estimated production life upon commencement of extraction using the straight-line method. The Company has not established proven or probable reserves for any of its projects.

The carrying values of the mineral properties are assessed for impairment by management.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Impairment of Long-Lived Assets

The Company reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows or upon an estimate of fair value that may be received in an exchange transaction. Future cash flows are estimated based on estimated quantities of recoverable minerals, expected U_3O_8 prices (considering current and historical prices, trends and related factors), production levels, operating costs of production and capital and restoration and reclamation costs, based upon the projected remaining future uranium production from each project. The Company's long-lived assets (which include its mineral assets and ablation intellectual property) were acquired during the end of 2014 and in 2015 in arms-length transactions. As of December 31, 2016, the Company evaluated the total estimated future cash flows on an undiscounted basis for its mineral properties and ablation intellectual property and determined that no impairment was deemed to exist. Estimates and assumptions used to assess recoverability of the Company's long-lived assets and measure fair value of our uranium properties are subject to risk uncertainty. Changes in these estimates and assumptions could result in the impairment of its long-lived assets. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of future cash flows from other asset groups.

Income Taxes

The Company utilizes an asset and liability approach for financial accounting and reporting for income taxes. The provision for income taxes is based upon income or loss after adjustment for those permanent items that are not considered in the determination of taxable income. Deferred income taxes represent the tax effects of differences between the financial reporting and tax basis of the Company's assets and liabilities at the enacted tax rates in effect for the years in which the differences are expected to reverse.

The Company evaluates the recoverability of deferred tax assets and establishes a valuation allowance when it is more likely than not that some portion or all the deferred tax assets will not be realized. Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In management's opinion, adequate provisions for income taxes have been made. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in the Company's tax returns that do not meet these recognition and measurement standards. As of December 31, 2016 and 2015, no liability for unrecognized tax benefits was required to be reported.

The Company's policy for recording interest and penalties associated with tax audits is to record such items as a component of general and administrative expense. There were no amounts accrued for penalties and interest for the years ended December 31, 2016 and 2015. The Company does not expect its uncertain tax position to change during the next twelve months. Management is currently unaware of any issues under review that could result in significant payments, accruals or material deviations from its position.

The Company has identified its federal tax return and its state tax returns in Colorado and Utah as its "major" tax jurisdictions, and such returns for the years 2014 through 2016 remain subject to examination.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Restoration and Remediation Costs (Asset Retirement Obligations)

Various federal and state mining laws and regulations require the Company to reclaim the surface areas and restore underground water quality for its mine projects to the pre-existing mine area average quality after the completion of mining.

Future reclamation and remediation costs, which include extraction equipment removal and environmental remediation, are accrued at the end of each period based on management's best estimate of the costs expected to be incurred for each project. Such estimates are determined by the Company's engineering studies which consider the costs of future surface and groundwater activities, current regulations, actual expenses incurred, and technology and industry standards.

In accordance with ASC 410, Asset Retirement and Environmental Obligations, the Company capitalizes the measured fair value of asset retirement obligations to mineral properties. The asset retirement obligations are accreted to an undiscounted value until the time at which they are expected to be settled. The accretion expense is charged to earnings and the actual retirement costs are recorded against the asset retirement obligations when incurred. Any difference between the recorded asset retirement obligations and the actual retirement costs incurred will be recorded as a gain or loss in the period of settlement.

At each reporting period, the Company reviews the assumptions used to estimate the expected cash flows required to settle the asset retirement obligations, including changes in estimated probabilities, amounts and timing of the settlement of the asset retirement obligations, as well as changes in the legal obligation requirements at each of its mineral properties. Changes in any one or more of these assumptions may cause revision of asset retirement obligations for the corresponding assets.

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of debt. Once the associated debt instrument is issued, these costs would be recorded as a debt discount and amortized to interest expense using the effective interest method over the term of the related debt instrument. Upon the abandonment of a pending financing transaction, the related deferred financing costs would be charged to general and administrative expense.

The Company may also issue warrants or other equity instruments in connection with the issuance of debt instruments. The equity instruments are recorded at their relative fair market value on the date of issuance which results in a debt discount which is amortized to interest expense using the effective interest method.

Stock-Based Compensation

The Company follows ASC 718, Compensation - Stock Compensation, which addresses the accounting for stock-based payment transactions, requiring such transactions to be accounted for using the fair value method. Awards of shares for property or services are recorded at the more readily measurable of the fair value of the stock and the fair value of the service. The Company uses the Black-Scholes option-pricing model to determine the grant date fair value of stock-based awards under ASC 718. The fair value is charged to earnings depending on the terms and conditions of the award, and the nature of the relationship of the recipient of the award to the Company. The Company records the grant date fair value in line with the period over which it was earned. For employees and management, this is typically considered to be the vesting period of the award. For consultants the fair value of the award is recorded over the term of the service period, and unvested amounts are revalued at each reporting period over the service period. The Company estimates the expected forfeitures and updates the valuation accordingly.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Loss per Share

Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed using the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options and warrants (using the treasury stock method). The computation of basic loss per share for the years ended December 31 2016 and 2015 excludes potentially dilutive securities. The computations of net loss per share for each period presented is the same for both basic and fully diluted.

Potentially dilutive securities outlined in the table below have been excluded from the computation of diluted net loss per share because the effect of their inclusion would have been anti-dilutive.

	For the Year Ended December 31,	
	2016	2015
Warrants to purchase shares of common stock	2,655,764	-
Options to purchase shares of common stock	1,346,996	271,996
Total potentially dilutive securities	4,002,760	271,996

NOTE 4 – RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers" (Topic 606) ("ASU 2014-09"), which supersedes the revenue recognition requirements in ASC Topic 605, "Revenue Recognition," and most industry-specific guidance. ASU No. 2014-09 is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. The amendments in the ASU must be applied using one of two retrospective methods and are effective for annual and interim periods beginning after December 15, 2016. On July 9, 2015, the FASB modified ASU 2014-09 to be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. As modified, the FASB permits the adoption of the new revenue standard early, but not before the annual periods beginning after December 15, 2016. A public organization would apply the new revenue standard to all interim reporting periods within the year of adoption. The Company does not yet have revenues. The Company is currently evaluating the impact the adoption of this ASU will have on the Company's consolidated financial position and results of operations.

On February 25, 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This update will require organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The new guidance will also require additional disclosures about the amount, timing and uncertainty of cash flows arising from leases. The provisions of this update are effective for annual and interim periods beginning after December 15, 2018. The Company is currently evaluating the impact the adoption of this ASU will have on the Company's consolidated financial position and results of operations.

NOTE 4 – RECENT ACCOUNTING PRONOUNCEMENTS, CONTINUED

On March 30, 2016, the FASB issued ASU No. 2016-09, “Compensation – Stock Compensation (Topic 718)”. This update requires that all excess tax benefits and tax deficiencies arising from share-based payment awards should be recognized as income tax expense or benefit on the income statement. The amendment also states that excess tax benefits should be classified along with other income tax cash flows as an operating activity. In addition, an entity can make an entity-wide accounting policy election to either estimate the number of awards expected to vest or account for forfeitures as they occur. The provisions of this update are effective for annual and interim periods beginning after December 15, 2016. The Company has determined that the adoption of this standard will not have a material impact on its consolidated financial statements. The Company is currently evaluating the impact the adoption of this ASU will have on the Company’s consolidated financial position and results of operations.

In April 2016, the FASB issued ASU No. 2016-10 “Revenue from Contracts with Customers (Topic 606)”, “Identifying Performance Obligations and Licensing” (“ASU 2016-10”). ASU 2016-10 clarifies the following two aspects of Topic 606: identifying performance obligations and the licensing implementation guidance, while retaining the related principles for those areas. The provisions of this update are effective for annual and interim periods beginning after December 15, 2017, with early application permitted. The Company will evaluate the effects, if any, that adoption of this guidance will have on its consolidated financial statements. The Company is currently evaluating the impact the adoption of this ASU will have on the Company’s consolidated financial position and results of operations.

In May 2016, the FASB issued Topic ASU No. 2016-12 “Revenue from Contracts with Customers (Topic 606)”, “Narrow-Scope Improvements and Practical Expedients” (“ASU 2016-12”). The core principal of ASU 2016-12 is the recognition of revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The provisions of this update are effective for annual and interim periods beginning after December 15, 2017, with early application permitted. The Company will evaluate the effects, if any, that adoption of this guidance will have on its consolidated financial statements. The Company is currently evaluating the impact the adoption of this ASU will have on the Company’s consolidated financial position and results of operations.

In June 2016 the FASB issued Topic ASU No. 2016-13 “Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments (Topic 326)” (“ASU 2016-13”). ASU 2016-13 changes the impairment model for most financial assets. The new model uses a forward-looking expected loss method, which will generally result in earlier recognition of allowances for losses. ASU 2016-13 is effective for annual and interim periods beginning after December 15, 2019 and early adoption is permitted for annual and interim period beginning after December 15, 2018. The Company is currently evaluating the impact the adoption of this ASU will have on the Company’s consolidated financial position and results of operations.

In August 2016 the FASB issued Topic ASU No. 2016-15 “Statement of Cash Flows (Topic 230) – Classification of Certain Cash Receipts and Cash Payments” (“ASU 2016-15”). ASU 2016-15 clarifies diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The update to the standard is effective for the Company beginning January 1, 2018, with early application permitted. The Company is currently evaluating the effect the guidance will have on its consolidated financial statements. The Company is currently evaluating the impact the adoption of this ASU will have on the Company’s consolidated financial position and results of operations.

In November 2016, the FASB issued ASU No. 2016-18, “Statement of Cash Flows (Topic 230): Restricted Cash” (“ASU 2016-18”). ASU 2016-18 amends the classification and presentation of changes in restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 is effective for the Company’s fiscal year beginning January 1, 2018. Early adoption is permitted. The Company is currently evaluating the effect the guidance will have on its consolidated financial statements. The Company is currently evaluating the impact the adoption of this ASU will have on the Company’s consolidated financial position and results of operations.

NOTE 4 – RECENT ACCOUNTING PRONOUNCEMENTS, CONTINUED

In December 2016, the FASB issued ASU No.2016-19, "Technical Corrections and Improvements", to clarify the codification, correct unintended application of guidance, or make minor improvements to the accounting standards codification that are not expected to have a significant effect on current accounting practice or create a significant administrative cost to most entities. For public companies, the standard is effectively immediately for amendments that do not have transition guidance. Amendments that are subject to transition guidance, the effective date is interim and annual reporting periods beginning after December 15, 2016. The Company adopted the standard immediately upon issuance for amendments that do not have transition guidance. The adoption of the standard did not have an impact on the Company's consolidated financial statements.

In December 2016, the FASB issued ASU No. 2016-20. "Technical Corrections and Improvements to Topic 606. Revenue from Contracts with Customers". This update is a comprehensive revenue recognition standard that applies to all entities that have contracts with customers, except for those that fall within the scope of other standards, such as insurance contracts. The amendment also clarifies narrow aspects of ASC 606 or corrects unintended application of the guidance. The update is now effective for interim and annual reporting periods beginning after December 15, 2017.

In January 2017, the FASB issued ASU No. 2017-01. "Business Combinations (Topic 805):, Clarifying the Definition of a Business ("ASU 2017-01"). ASU 2017-01 provides a more robust framework to use in determining when a set of assets and activities is a business. Also the amendments provide more consistency in applying the guidance, reducing the costs of application, and make the definition of a business more operable. The guidance is effective for public companies for annual periods beginning after December 15, 2017, including interim periods within those periods. The Company is currently evaluating the impact the adoption of this ASU will have on the Company's consolidated financial position and results of operations.

NOTE 5 - ACQUISITION OF BLACK RANGE

On September 16, 2015 ("Black Range Acquisition Date"), Western completed its acquisition of 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 under the Australian *Corporation Act 2001 (Cth)* (the "Black Range Transaction"), with Black Range shareholders being issued shares of Western on a 1 for 750 basis. On August 25, 2015, the Black Range Transaction 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 to certain employees, directors and consultants options to purchase Western common stock. 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.

In connection with the Black Range Transaction, Western acquired the net assets of Black Range. These net assets consist principally of interests in a complex of uranium mines located in Colorado (the "Hansen-Taylor Complex") and a 100% interest in a license expiring March 16, 2040 for ablation mining technologies and related patents from Ablation Technologies, LLC ("Ablation Technologies"). The Hansen-Taylor Complex is principally a sandstone-hosted deposit that was discovered in 1977 which was permitted for mining in 1981. Ablation is a low cost, purely physical method of concentrating mineralization of uranium ore by applying a grain-size separation process to ore slurries.

As Black Range did not qualify as a business, the Black Range Transaction did not constitute a business combination. It was treated as an issuance of shares and stock options by Western for the net monetary assets of Black Range.

NOTE 5 - ACQUISITION OF BLACK RANGE

The transaction therefore was accounted for as an asset purchase, with Western being identified as the accounting acquirer and the equity consideration measured at fair value. The results of operations, cash flows and the assets and liabilities of Black Range have been included in these consolidated financial statements since September 16, 2015, the acquisition date.

The following details the allocation of the purchase price consideration to the assets and liabilities acquired:

Cash	$	4,190
Prepaid permit and other costs		19,296
Mineral properties		10,100,000
Ablation intellectual property		9,488,051
Land, buildings and improvements		1,125,000
Restricted cash		382,362
Accounts payable and accrued liabilities		(396,145)
Mortgage payable		(1,051,000)
Credit Facility		(363,074)
Deferred contingent consideration		(500,000)
Deferred tax liability		(4,063,330)
Reclamation liability		(75,683)
Total	$	14,669,667
Purchase price consideration:		
Fair value of 4,173,299 shares of Western common stock issued to the former stockholders of Black Range	$	14,167,703
Fair value of 20,510 shares of Western common stock issued to directors and consultants of Black Range		69,628
Fair value of 271,996 Western stock options issued to directors and consultants of Black Range		432,336
	$	14,669,667

Mortgage

In connection with the Black Range Transaction, Western assumed a mortgage secured by land, building and improvements at 1450 North 7 Mile Road, Casper, Wyoming, with interest payable at 8.00% and payable in monthly payments of $11,085 with the final balance of $1,044,015 due as a balloon payment on January 16, 2016. The Company did not pay the mortgage on its due date. On May 26, 2016, the Company executed agreements with the mortgage holder whereby in an equal exchange the mortgage was exchanged for the land, building and improvements with which it was secured (*see Note 9*).

NOTE 5 - ACQUISITION OF BLACK RANGE, CONTINUED

Credit facility

In March 2015, Western agreed to provide a secured credit facility to Black Range providing for loans up to AUD $450,000 (the "Credit Facility"). On September 1, 2015, the Credit Facility was increased by $100,000 to $550,000 and the term was extended to October 1, 2015. The terms of which included the following:

(1) Interest accrued at 8.00% per annum;
(2) loans under the Credit Facility were secured by Black Range's assets to the extent permitted by law and subject to any requisite third party consents; and
(3) The loans under the Credit Facility were deemed satisfied in connection with the consummation of the Black Range Transaction.

On September 16, 2015, upon consummation of the Black Range Transaction, the Company assumed and subsequently settled the outstanding obligations under the Credit Facility.

Deferred Contingent Consideration

Prior to the Black Range Transaction, George Glasier, the Company's CEO, who is also a director ("Seller"), transferred his interest in a former joint venture with Ablation Technologies 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 AUD $500,000 (USD $372,000) to Seller within 60 days of the first commercial application of the ablation technology. Western assumed this contingent payment obligation in connection with the Black Range Transaction. At the Black Range Acquisition Date, this contingent obligation was determined to be probable. Since the deferred contingent consideration obligation is probable and the amount estimable, the Company recorded the deferred contingent consideration as an assumed liability.

Reclamation Liabilities

In connection with the Black Range Transaction, the Company assumed the reclamation liabilities imposed by law on the mineral properties. The Company has estimated that the gross reclamation liability as of September 16, 2015 was $382,386, and expects to begin incurring the liability after 2055. The Company discounted the liability for time at a discount rate of 5.4% and calculated the net discounted value to be $75,683, such amount is subject to revisions. The gross reclamation liability is secured by certificates of deposit.

Options to Acquire Additional Interests within the Hansen-Taylor Complex

In connection with the Black Range Transaction, the Company assumed two options to acquire additional mineral interests within the Hansen-Taylor Complex.

Pursuant to the option and exploration agreement between Black Range and STB Minerals LLC ("STB") dated February 18, 2011, and as amended and extended, expiring on July 28, 2017, an exclusive option to acquire STB's 51% mineral interest in the Hansen Deposit requiring upon exercise, a payment of $2,000,000 in cash and the issuance of shares of the Company's common stock equal in value to $3,750,000. 180 days following this initial cash payment and issuance of shares, the Company is required to issue additional shares of the Company's common stock equal in value to $3,750,000. Additionally, the Company will pay STB a perpetual royalty of 1.5%.

Pursuant to an amended and restated option agreement dated July 17, 2009, between Black Range and NZ Minerals, LLC ("NZ"), the Company has the right to acquire NZ's 24.5% mineral interest in the Hansen Deposit. At any time before the earlier of twenty years from the date of the option agreement or commencement of commercial scale production, the Company is required to pay $2,000,000 in cash and to issue shares of the Company's common stock equal in value to $2,000,000. Additionally, the Company will pay to NZ a perpetual royalty of 1.176%.

NOTE 6 - MINERAL ASSETS, ABLATION INTELLECTUAL PROPERTY AND OTHER PROPERTY

On August 18, 2014, the Company purchased mining assets in an arm's length transaction. The mining assets include both owned and leased land in the states of Utah and Colorado. All of the mining assets represent properties which have previously been mined to different degrees for uranium. As the Company has not formally established proven or probable reserves on any of its properties, there is greater inherent uncertainty as to whether or not any mineralized material can be economically extracted as originally planned and anticipated.

The Company's mining properties acquired on August 18, 2014, include: San Rafael Uranium Project located in Emery County, Utah; The Sunday Mine Complex located in western San Miguel County, Colorado; The Van 4 Mine located in western Montrose County, Colorado; The Yellow Cat Project located in eastern Grand County, Utah; The Farmer Girl Mine project located in Montrose County, Colorado; The Sage Mine project located in San Juan County, Utah, and San Miguel County, Colorado.

On September 16, 2015, in connection with the Black Range Transaction, the Company acquired additional mineral properties. The mining properties acquired through Black Range include leased land in the states of Colorado, Utah, Wyoming and Alaska. None of these mining properties were operational at the date of acquisition. As these properties have not formally established proven or probable reserves, there may be greater inherent uncertainty as to whether or not any mineralized material can be economically extracted as originally planned and anticipated.

The Company's mining properties acquired on September 16, 2015, include Hansen, North Hansen, High Park, Hansen Picnic Tree, Taylor Ranch, Boyer Ranch, located in Fremont County, Colorado. The Company also acquired Jonesville Coal located in Palmer Recording District, Alaska and Keota located in Weld County, Wyoming.

On June 1, 2016, Black Range entered into an agreement with Ferris-Haggarty Mining Corporation to transfer all available data, information, materials, reports, assay analysis, or other regarding the Ferris-Haggarty Copper Project in Carbon County, WY from 2006 through 2009. In exchange Black Range Minerals Inc. received 100,000 Common Class A Voting shares of Ferris-Haggarty Mining Corporation. The transaction is deemed to lack commercial substance because neither the fair value of the data relinquished nor the fair value of the shares are determinable within reasonable limits, given that there is no market for the data and that the Company does not have enough information to reliably determine a value for the shares. Since the exchange of data for shares of Ferris-Haggarty lacks commercial substance, the value of the exchange will be based on the recorded value of the asset relinquished (the data), which is $0.

During July and October 2016, the Company elected not to renew leases relating to four projects that were obtained through either the acquisition of mining properties from Energy Fuels Holding Corp. or the acquisition of Black Range. The decision to not renew the four leases was based upon a number of factors, the most significant of which were the location of the projects, the development stage of each project, and the amount of uranium and vanadium resources identified at each of these projects. The forfeiture of these leases has no material adverse impact on the fair value of the Company's mining assets.

The Company's mining and mining related assets consist of the following:

	As of December 31,	
	2016	2015
Land, building and improvements	$ -	$ 1,050,810
Mineral properties	$ 11,645,218	$ 11,645,218
Ablation intellectual property	$ 9,488,051	$ 9,488,051

NOTE 6 - MINERAL ASSETS, ABLATION INTELLECTUAL PROPERTY AND OTHER PROPERTY, CONTINUED

Reclamation Liabilities

The Company's mines are subject to certain asset retirement obligations, which the Company has recorded as reclamation liabilities. The reclamation liabilities of the United States mines are subject to legal and regulatory requirements, and estimates of the costs of reclamation are reviewed periodically by the applicable regulatory authorities. The reclamation liability represents the Company's best estimate of the present value of future reclamation costs in connection with the mineral properties. The Company determined the gross reclamation liabilities of the mineral properties at December 31, 2016 and, 2015 to be approximately $1,036,333 and $1,036,333, respectively. During the years ended December 31, 2016 and 2015, the accretion of the reclamation liabilities was $183,510 and $34,674, respectively. Except in regard to its Alaska coal mine property (as discussed below), the Company expects to begin incurring the reclamation liability after 2054 and accordingly, has discounted the gross liabilities over their remaining life using a discount rate of 5.4% to a net discounted value as of December 31, 2016 and 2015 of $403,639 and $220,129, respectively. The gross reclamation liabilities as of December 31, 2016 are secured by certificates of deposit in the amount of $1,036,333.

During the second quarter of 2016, the Company initiated actions to cancel its coal mining leases in Alaska. In connection therewith, the Company notified the state of Alaska of its intent to forfeit the posted bond in satisfaction of the reclamation liabilities at the site. In response to the Company's notification, the Company received notification that the state of Alaska was initiating forfeiture of the Company's performance bond for reclamation. However, the notice indicated an additional surety bond of $150,000 in excess of the $210,500 cash bond which had been posted by the Company upon purchase of the property. The Company and its advisors do not believe that it is obligated for this additional amount of claimed reclamation obligation. The Company is working with its legal counsel and the State of Alaska to resolve this matter. The Company has not recorded an additional $150,000 obligation as the Company does not expect, based on the advice of legal counsel, to be obligated to an amount greater than that presently reflected in the reclamation liability. During the year ended December 31, 2016, the Company adjusted the fair value of its reclamation obligation and for the Alaska mine, accreted an incremental change of $172,543 to bring its reclamation liability to face value. The portion of the reclamation liability related to the Alaska mine, and its related restricted cash are included in current liabilities and current assets respectively, at values of $215,976 and $215,976. On January 20, 2017, the state of Alaska notified the Company that its reclamation bond had been forfeited and that it was unlikely that any additional amount would be due to Alaska pursuant to the Company's reclamation obligations.

	For the years ended December 31,	
	2016	2015
Beginning balance	$ 220,129	$ 113,772
Acquisition of Black Range	-	75,683
Accretion	183,510	30,674
Ending Balance	$ 403,639	$ 220,129

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As of December 31,	
	2016	2015
Trade accounts payable	$ 547,254	$ 520,530
Accrued liabilities	222,653	304,571
	$ 769,907	$ 825,101

NOTE 8 - NOTES PAYABLE

EFHC Note

On August 18, 2014, in connection with the purchase of the mining properties, the Company entered into a note payable with Energy Fuels Holding Corporation ("EFHC") (the "EFHC Note") for $500,000. The EFHC Note bears interest at a rate of 3.0% per annum and is secured by a first priority interest in certain of the Company's mining assets. On the date of the purchase, the Company recorded the EFHC Note net of a discount for interest of $73,971 at a rate of 4% per annum, resulting in a total effective interest rate of 7% per annum. The discount is being amortized using the effective interest method over the life of the loan. All principal on the EFHC Note is due and payable on August 18, 2018 and interest on the EFHC Note is due and payable annually beginning August 18, 2015.

Nueco Note

On August 18, 2014, also in connection with the purchase of the mining properties, the Company entered into a Note Assumption Agreement with EFHC and Nuclear Energy Corporation ("Nueco"), whereby the Company assumed all of the obligations of EFHC under its note payable with Nueco (the "Nueco Note"). The Nueco Note bears no stated interest rate and is secured by certain of the Company's mining assets. On the date of the purchase, the Company recorded the Nueco Note net of a discount for interest of $23,724 at a rate of 7% per annum. The discount is being amortized using the effective interest method over the life of the loan. The Nueco payment due on December 20, 2014 in the amount of $250,180 was made on January 5, 2015 without penalty other than additional interest at 6% per annum. As of December 31, 2015, the Nueco Note had a remaining obligation outstanding of $250,180, the due date of which was extended to January 13, 2016. In connection with the extension, the Company agreed to add interest from the date of October 13, 2015 until the date paid at the annual rate of one percent (1%) per annum.

On February 8, 2016, the Company and the lender agreed to further extend the maturity of the Nueco Note to June 2016. In consideration for the extension the Company increased the principal amount by 10% (or $25,384), increased the interest rate to 6% per annum and paid a $5,000 fee that did not reduce the interest or principal. On June 20, 2016, the Company further extended the maturity of the Nueco Note to July 31, 2016. In consideration for the extension, the Company paid a $5,000 fee that did not reduce the interest or principal on the Nueco Note.

On August 8, 2016, accrued interest was paid in the amount of $13,477. On August 16, 2016, the Company further extended the maturity of the Nueco Note to November 16, 2016. In consideration for the extension, the Company paid a fee of $10,000 which did not reduce the interest or principal on the Nueco Note. Further, a principal payment of $90,000 was made on August 23, 2016, which reduced the outstanding principal amount to $185,564. The August 16, 2016 extension was accounted for as a modification, and as such, the extension fees were accounted for as additional debt discount and were amortized over the remaining extended term of the note.

On November 29, 2016, the Company and the lender agreed to further extend the maturity of the Nueco Note to January 31, 2017. In consideration for the extension, the Company paid a $5,000 fee that did not reduce the principal or interest on the Nueco Note. The Company also made a payment of $5,155, which represented interest on the Nueco Note through January 31, 2017.

NOTE 8 - NOTES PAYABLE, CONTINUED

Nueco Note, Continued

On February 1, 2017, the Company and lender agreed to further extend the maturity of the Nueco Note to the earlier of (a) five days after the next closing of a private placement; or (b) April 15, 2017. In consideration for the extension, the Company paid to the lender a payment in the amount of $100,000 which represented (i) a principal reduction of $85,564; (ii) $1,186 for a prepayment of interest through April 15, 2017; and (iii) a payment of $13,250 which is a fee which does not reduce the principal or interest on the Nueco Note.

On March 31, 2017, the Company repaid the Nueco Note in full.

Siebels Note

On September 30, 2015 the Company entered into a note payable (“Siebels Note”) with The Siebels Hard Asset Fund, Ltd. (“Siebels”) for $250,000, which was fully funded on October 14, 2015. The Siebels Note bears interest at a rate of 16.0% per annum and was to mature on December 15, 2015. On December 16, 2015 the Company and the lender agreed to extend the maturity of the Siebels Note until June 16, 2016. In consideration for the extension of the repayment, the accrued interest at the time of extension of $8,333 was reclassified to principal, bringing the principal of the Siebels Note to $258,423. Also in consideration for such extension the interest rate was increased to 18% per annum. The Company did not repay the note upon its maturity on June 16, 2016. On July 29, 2016, a partial principal payment in the amount of $100,000 was made and on September 9, 2016, a partial principal payment in the amount of $50,000 was made. After the remittance of the aforementioned principal payments, the balance remaining outstanding was $108,423. On December 29, 2016, the Company repaid the Siebels Note in full.

On February 22, 2016, the Company entered into a second note payable with Siebels for $100,000. The note bore interest at a rate of 18.0% per annum and matured on April 22, 2016. On April 28, 2016, the Company repaid this note in full.

Notes payable consisted of:

	As of December 31, 2016				
	Principal	Discount	Balance, Net of Discount	Current	Non-Current
EFHC	$ 500,000	$ 31,632	$ 468,368	$ -	$ 468,368
Nueco	185,564	2,439	183,125	183,125	-
Total	$ 685,564	$ 34,071	$ 651,493	$ 183,125	$ 468,368

	As of December 31, 2015				
	Principal	Discount	Balance, Net of Discount	Current	Non-Current
EFHC	$ 500,000	$ 50,016	$ 449,984	$ -	$ 449,984
Nueco	250,180	-	250,180	250,180	-
Siebels	240,013	-	240,013	240,013	-
Total	$ 990,193	$ 50,016	$ 940,177	$ 490,193	$ 449,984

NOTE 8 - NOTES PAYABLE, CONTINUED

Siebels Note, Continued

The Company's total interest expense, net, consisted of:

	For the Years Ended December 31,	
	2016	2015
Interest expense, notes payable	$ 71,301	$ 58,067
Amortization of discount on notes payable	51,316	28,872
Accretion of reclamation liabilities	183,510	27,700
Interest income	(4,138)	-
Interest expense, net	$ 301,989	$ 114,639

NOTE 9 - MORTGAGE

In connection with the acquisition of Black Range, Western assumed a mortgage secured by land, building and improvements at 1450 North 7 Mile Road, Casper, Wyoming, with interest payable at 8.00% and payable in monthly payments of $11,085 with the final balance of $1,044,015 due as a balloon payment on January 16, 2016. The Company did not make the final balloon payment as scheduled. On May 26, 2016, the Company executed agreements with the mortgage holder whereby in an equal exchange the mortgage was exchanged for the land, building and improvements with which it was secured, and pursuant to which no future financial consideration is required.

NOTE 10 - SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS

Authorized Capital

The holders of the Company's common stock are entitled to one vote per share. Holders of common stock are entitled to receive ratably such dividends, if any, as may be declared by the board of directors out of legally available funds. Upon the liquidation, dissolution, or winding up of the Company, holders of common stock are entitled to share rateably in all assets of the Company that are legally available for distribution. As of December 31, 2016 and 2015, an unlimited number of common shares were authorized for issuance.

Private Placements

On January 4, 2016, the Company completed a private placement raising gross proceeds of CAD $300,000 (USD $216,534) through the subscription for 101,009 common shares at a price of CAD $2.97 (USD $2.14) per common share, and warrants to purchase an aggregate of 101,009 common shares at an exercise price of CAD $3.50 (USD $2.60 as of December 31, 2016). The warrants are exercisable immediately upon issuance and have a term of five years. Of the total amount received, CAD $275,000 (USD $198,298) was received in December of 2015 while the remainder CAD $25,000 (USD $18,236) was received in the three months ended March 31, 2016. As of December 31, 2015, the Company accounted for the proceeds of $198,298 as subscriptions payable.

During April 2016, the Company initiated a private placement offering for the sale of units of its securities for a price per unit of CAD $1.70 (USD $1.34). Each unit consists of one share of the Company's common stock and one warrant to purchase a share of common stock at CAD $2.60 (USD $1.93 as of December 31, 2016) per share, with a term of five years. During April and May 2016 the Company raised gross and net proceeds of CAD $791,090 (USD $622,174) through the issuance of 465,347 units.

On September 2, 2016 the Company completed a private placement issuing 1,078,458 units at CAD $1.70 (USD $1.32) per unit for total gross proceeds of CAD $1,833,378 (USD $1,423,618) and net proceeds of CAD $1,830,029 (USD $1,407,841). Each unit consists of one common share of the Company and one warrant at an exercise price of CAD $2.80 (USD $2.08 as of December 31, 2016) which expire five years after the date of issuance.

NOTE 10 - SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS, CONTINUED

Private placements, Continued

During December 2016, the Company completed a private placement and issued 1,010,950 units at CAD $1.20 (USD $.90) per unit for total gross proceeds of CAD $1,213,140 (USD $909,855) and total net proceeds of CAD $1,129,922 (USD $870,447). Each unit consists of one common share of the Company and one warrant at an exercise price of CAD $2.80 (USD $2.08 as of December 31, 2016) which expires five years after the date of issuance. In connection with this private placement, the Company issued 40,276 broker warrants with identical terms to the warrants included in the units issued in the private placement.

During the year ended December 31, 2016, the Company issued 2,655,764 shares of common stock in connection with these private placements.

Incentive Stock Option Plan

The Company maintains an Incentive Stock Option Plan (the "Plan") that permits the granting of stock options as incentive compensation. Shareholders of the Company approved the Plan on June 30, 2008 and amendments to the Plan on June 20, 2013, and the Board of Directors approved additional changes to the Plan on September 12, 2015.

The purpose of the Plan is to attract, retain and motivate directors, management, staff and consultants by providing them with the opportunity, through stock options, to acquire a proprietary interest in the Company and benefit from its growth.

The Plan provides that the aggregate number of common shares for which stock options may be granted will not exceed 10% of the issued and outstanding common shares at the time stock options are granted. At December 31, 2016, a total of 18,886,497 common shares were outstanding, and at that date the maximum number of stock options eligible for issue under the Plan was 1,888,650. At December 31, 2015, a total of 16,230,733 common shares were outstanding, and at that date the maximum number of stock options eligible for issue under the Plan was 1,623,073 (10% of the issued and outstanding common shares).

Stock Option Grants

In connection with the acquisition of Black Range on September 16, 2015, the Board of Directors granted options under the Plan for the purchase of 271,996 shares of common stock to certain of the former directors, employees and consultants of Black Range. On the date of grant, these options were fully vested, had a weighted average exercise price of CAD $6.39 (USD $4.82) and a weighted average remaining contractual life of 3.52 years and had a grant date fair value of $1.59 per share.

On October 4, 2016, the Company granted options under the Plan for the purchase of an aggregate of 1,075,000 shares of common stock to ten individuals consisting of officers, consultants, directors and employees of the Company. The options have a five year term, an exercise price of CAD $2.50 (USD $1.90), and vest equally in thirds commencing initially on the date of grant and thereafter on October 31, 2016, and March 31, 2017.

NOTE 10 - SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS, CONTINUED

Stock Options

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Life (years)	Weighted Average Grant Date Fair Value	Intrinsic Value
Outstanding - January 1, 2016	271,996	$4.82		$1.59	
Granted	1,075,000	$1.90		$0.27	
Expired, forfeited, or cancelled	-	-			
Exercised	-	-			
Outstanding December 31, 2016	1,346,996	$ 2.37	4.28	$0.53	$ -
Exercisable, December 31, 2016	988,663	$2.57	4.11	$0.63	$ -

The Company's stock based compensation expense related to stock options for the years ended December 31, 2016 and 2015 was $152,322 and $0, respectively.

The Company utilized the Black-Scholes option pricing model to determine the fair value of these stock options, using the assumptions as outlined below.

	For the Year Ended December 31,	
	2016	2015
Stock Price	$1.74	$3.39
Exercise Price	$1.90	$4.82
Number of Options Granted	1,075,000	271,996
Dividend Yield	0%	0%
Expected Volatility	75%	75%
Weighted Average Risk-Free Interest Rate	1.22%	0.82 – 1.38%
Expected life (in years)	2.59	2.3 – 4.2

Warrants

As of December 31, 2016, there were warrants outstanding to purchase an aggregate of 2,696,040 shares of the Company's common stock at a weighted average exercise price of CAD $2.79 (USD $2.08) per share. These warrants have a weighted average remaining life of 4.71 years and were fully exercisable on date of grant.

As of December 31, 2015, there were no warrants issued or expired.

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Life (years)	Intrinsic Value
Outstanding - January 1, 2016	-			
Granted	2,696,040	$2.08		
Expired, Forfeited, or Cancelled	-			
Exercised	-			
Outstanding December 31, 2016	2,696,040	$2.08	4.71	$ -
Exercisable, December 31, 2016	2,696,040	$2.08	4.71	$ -

NOTE 11 - MINING EXPENDITURES

	For the Year Ended December 31,	
	2016	2015
Permits	$ 127,430	$ 122,397
Maintenance	238,047	319,482
Lease abandonment	-	-
Contract Labor	7,805	5,003
Royalties	16,550	10,330
	$ 389,832	$ 457,212

NOTE 12 - INCOME TAXES

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	As of December 31,	
Deferred tax assets:	2016	2015
Net operating loss carryovers	$ 4,729,737	$ 3,739,799
Marketable securities	23,473	23,298
Accrued expenses	91,925	91,526
Deferred tax assets, gross	4,845,135	3,854,623
Less: valuation allowance	(1,578,784)	(531,983)
Deferred tax assets, net	3,266,351	3,322,640
Deferred tax liabilities:		
Property and equipment	(7,329,681)	(7,385,970)
Deferred tax assets (liabilities), net	$ (4,063,330)	$ (4,063,330)

The change in the Company's valuation allowance is as follows:

	For the Years Ended December 31,	
	2016	2015
Beginning of year	$ 531,983	$ 5,197,981
(Decrease) increase in valuation allowance	1,046,801	(4,665,998)
End of year	$ 1,578,784	$ 531,983

A reconciliation of the provision for income taxes with the amounts computed by applying the statutory Federal income tax rate to income from operations before the provision for income taxes is as follows:

	For the Years Ended December 31,	
	2016	2015
U.S. federal statutory rate	(34.0)%	(34.0)%
State and foreign taxes	(3.2)%	(3.2)%
Permanent differences		
Non-deductible expenses	2.7%	3.6%
Valuation allowance	48.1%	33.6%
True-up of prior year deferred tax assets	(13.6)%	0%
Effective income tax rate	0.0%	0.0%

NOTE 12 - INCOME TAXES, CONTINUED

The Company has net operating loss carryovers of approximately $12,717,346 for federal and state income tax purposes, which begin to expire in 2026. The ultimate realization of the net operating loss is dependent upon future taxable income, if any, of the Company. Based on losses from inception, the Company determined that as of December 31, 2016 it is more likely than not that the Company will not realize benefits from the deferred tax assets. The Company will not record income tax benefits in the financial statements until it is determined that it is more likely than not that the Company will generate sufficient taxable income to realize the deferred income tax assets. As a result of the analysis, the Company determined that a valuation allowance against the deferred tax assets was required of $1,578,784 and $531,983 as of December 31, 2016 and 2015, respectively.

Internal Revenue Code ("IRC") Section 382 imposes limitations on the use of net operating loss carryovers when the stock ownership of one or more 5% stockholders (stockholders owning 5% or more of the Company's outstanding capital stock) has increased on a cumulative basis over a period of three years by more than 50 percentage points. Management cannot control the ownership changes occurring. Accordingly, there is a risk of an ownership change beyond the control of the Company that could trigger a limitation of the use of the loss carryover. The Company has analyzed the issuances of shares of common stock during the years ended December 31, 2016 and 2015 and does not believe such change of control occurred. If such ownership change under IRC section 382 had occurred, such change would substantially limit the Company's ability in the future to utilize its net operating loss carryforwards

NOTE 13 - RELATED PARTY TRANSACTIONS (INCLUDING KEY MANAGEMENT COMPENSATION)

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

Entities controlled by a member of the Board of Directors earned consulting fees totaling $47,660 and $49,192 for the years ended December 31, 2016 and 2015, respectively. The same director earned director fees totaling $3,021 and $6,325 during the years ended December 31, 2016 and 2015, respectively. As of December 31, 2016 and 2015, the Company has $0 and $5,074, respectively, in accounts payable and accrued liabilities owing to this director.

Pursuant to a consulting agreement, a United States limited liability company owned by a person who is a director and until October 19, 2016, was the Company's CFO, entered into a contract with the Company effective January 1, 2015 ("January 2015 Agreement") to provide financial and consulting services at an annual consultant fee of $100,000. The contract had a term of one year. On October 21, 2015, the Company entered into an additional agreement with this same company to provide additional services to the Company, for the term of October through December 2015 for a monthly fee of $6,500. On January 1, 2016, the Company entered into an agreement with a different United States limited liability company owned by the same director ("January 2016 Agreement") to provide financial and other consulting services at $8,333 per month. Pursuant to a consulting agreement, the January 2016 Agreement was cancelled and a new agreement was entered into between the Company, a United States limited liability company owned by the same director as the January 2016 Agreement and Robert Klein ("October 2016 Agreement") to provide financial operating services and to have Mr. Klein serve as the Chief Financial Officer. The term of the October 2016 Agreement runs through July 31, 2017 and has an annual fee of $162,000 payable monthly, starting on October 1, 2016. On March 26, 2017, the Company provided notice that it would be cancelling the October 2016 Agreement, effective April 30, 2017. During the years ended December 31, 2016 and 2015, the Company incurred fees of $94,351 and $119,500, respectively, to these companies. At December, 2016 and 2015, the Company had $0 and $14,833, respectively, included in accounts payable and accrued liabilities payable to these companies.

In connection with the acquisition of Black Range on September 16, 2015, Western assumed an obligation in the amount of AUS $500,000 (USD $372,000) payable to Western's CEO and director contingent upon the commercialization of the ablation technology. As of December 31, 2016, the obligation of USD $372,000 is included in deferred contingent consideration on the consolidated balance sheet. During the year ended December 31, 2016, the Company recorded a gain $128,000 on the translation of the obligation and such gain was reflected within the "unrealized foreign exchange gain" in the statement of operations and comprehensive loss.

NOTE 13 - RELATED PARTY TRANSACTIONS (INCLUDING KEY MANAGEMENT COMPENSATION), CONTINUED

Pursuant to a consulting agreement, a United States limited liability company owned by a person who is a director entered into a consulting contract with the Company effective April 1, 2016 to provide financial, advisory, and consulting services, including representing the Company to a variety of stakeholders for a six month term ending on September 30, 2016. On October 1, 2016 the Company extended this agreement through January 31, 2017. Professional fees for the year ended December 31, 2016 were $149,244, related to this agreement. As of December 31, 2016 and December 31, 2015, the Company had $0 and $0, respectively, included in accounts payable and accrued expenses payable to this entity.

NOTE 14 - SUBSEQUENT EVENTS

Shares Issued For Accounts Payable

On February 2, 2017, the Company issued 53,788 shares of its common stock in exchange for approximately $82,640 of its accounts payable outstanding with certain creditors.

Employment Agreement

On February 8, 2017, the Company entered into an employment agreement with Mr. George Glasier, its Chief Executive Officer. The employment agreement is for the term of January 1, 2017 through December 31, 2018, with automatic annual renewals unless the Company or Mr. Glasier were to provide 90 days written notice of their desire to not renew the agreement. The employment agreement provides for a base salary of $180,000 per annum and a discretionary annual cash bonus to be determined by the board of directors.

Private Placement

On March 31, 2017, the Company completed a private placement of 634,424 units at a price of CAD $1.75 (USD $1.35) per unit for gross proceeds of CAD $1,110,263 (USD $835,805). Each unit consists of one share of the Company's common stock and a warrant for the purchase of one share of the Company's common stock. Each warrant is immediately exercisable at a price of CAD $3.25 and expires five years from the date of issuance.

Nueco Note Extension and Repayment

On February 1, 2017, the Company extended the maturity of the Nueco Note. See Note 8 for a description of the extension.

On March 31, 2017, the Company repaid the Nueco Note in full.

Boyer Lease

On February 16, 2017, the Company's Boyer lease reached its expiration date and the Company elected not to negotiate a renewal.