

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number **000-55626**

WESTERN URANIUM & VANADIUM CORP.
(Exact Name of Registrant as Specified in Its Charter)

Ontario, Canada

(State or Other Jurisdiction of
Incorporation or Organization)

98-1271843

(I.R.S. Employer
Identification Number)

**330 Bay Street, Suite 1400
Toronto, Ontario, Canada**

(Address of Principal Executive Offices)

M5H 2S8

(Zip Code)

(970) 864-2125

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
N/A		

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 17, 2023, 43,602,565 of the registrant's no par value common shares were outstanding.

WESTERN URANIUM & VANADIUM CORP.
FORM 10-Q
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS
(Stated in USD)
(Unaudited)

	As of	
	June 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash	\$ 6,596,184	\$ 9,682,133
Restricted cash, current portion	75,057	75,057
Prepaid expenses	139,460	254,105
Marketable securities	338	612
Other current assets	112,728	227,588
Total current assets	6,923,767	10,239,495
Restricted cash, net of current portion	676,367	676,348
Mineral properties and equipment, net	14,420,318	12,798,904
Kinetic separation intellectual property	9,488,051	9,488,051
Total assets	\$ 31,508,503	\$ 33,202,798
Liabilities and Shareholders' Equity		
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 662,227	\$ 551,615
Reclamation liability, current portion	75,057	75,057
Deferred revenue, current portion	11,550	43,860
Total current liabilities	748,834	670,532
Reclamation liability, net of current portion	230,763	225,219
Deferred tax liability	2,708,887	2,708,887
Deferred contingent consideration	333,211	340,252
Total liabilities	4,021,695	3,944,890
Commitments and Contingencies (Note 6)		
Shareholders' Equity		
Common shares, no par value, unlimited authorized shares, 43,602,871 shares issued as of June 30, 2023 and December 31, 2022, and 43,602,565 shares outstanding as of June 30, 2023 and December 31, 2022	43,745,203	43,394,303
Treasury shares, 306 shares held in treasury as of June 30, 2023 and December 31, 2022	-	-
Accumulated deficit	(16,055,453)	(13,875,263)
Accumulated other comprehensive loss	(202,942)	(261,132)
Total shareholders' equity	27,486,808	29,257,908
Total liabilities and shareholders' equity	\$ 31,508,503	\$ 33,202,798

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

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE LOSS
(Stated in USD)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues	\$ 102,789	\$ 7,346,646	\$ 268,764	\$ 7,502,872
Cost of revenues	-	4,044,083	-	4,044,083
Gross profit	102,789	3,302,563	268,764	3,458,789
Expenses				
Mining expenditures	656,545	122,588	1,261,649	411,626
Professional fees	171,834	212,459	258,930	348,519
General and administrative	405,754	655,757	1,019,119	1,518,819
Consulting fees	-	20,307	737	59,819
Total operating expenses	1,234,133	1,011,111	2,540,435	2,338,783
Operating (loss)/profit	(1,131,344)	2,291,452	(2,271,671)	1,120,006
Accretion and interest (income) expense, net	(52,185)	15,902	(87,481)	18,059
Other income	(2,500)	(4,000)	(4,000)	(4,000)
Net (loss)/income	(1,076,659)	2,279,550	(2,180,190)	1,105,947
Other comprehensive (loss)/income				
Foreign exchange gain/(loss)	51,876	(220,788)	58,190	(164,127)
Comprehensive (loss)/income	\$ (1,024,783)	\$ 2,058,762	\$ (2,122,000)	\$ 941,820
Net (loss)/income per share - basic	\$ (0.02)	\$ 0.05	\$ (0.05)	\$ 0.03
Net (loss)/income per share - diluted	\$ (0.02)	\$ 0.05	\$ (0.05)	\$ 0.02
Weighted average shares outstanding - basic	43,602,565	43,142,312	43,602,565	42,102,885
Weighted average shares outstanding - diluted	43,602,565	45,321,130	43,602,565	45,248,896

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

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Stated in USD)
(Unaudited)

	Common Shares		Treasury Shares		Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total
	Shares	Amount	Shares	Amount			
Balance as of January 1, 2023	43,602,565	\$43,394,303	306	\$ -	\$(13,875,263)	\$ (261,132)	\$29,257,908
Foreign exchange gain	-	-	-	-	-	6,314	6,314
Stock based compensation - stock options	-	252,742	-	-	-	-	252,742
Net loss	-	-	-	-	(1,103,531)	-	(1,103,531)
Balance as of March 31, 2023	<u>43,602,565</u>	<u>\$43,647,045</u>	<u>306</u>	<u>\$ -</u>	<u>\$(14,978,794)</u>	<u>\$ (254,818)</u>	<u>\$28,413,433</u>
Foreign exchange gain	-	-	-	-	-	51,876	51,876
Stock based compensation - stock options	-	98,158	-	-	-	-	98,158
Net loss	-	-	-	-	(1,076,659)	-	(1,076,659)
Balance as of June 30, 2023	<u>43,602,565</u>	<u>\$43,745,203</u>	<u>306</u>	<u>\$ -</u>	<u>\$(16,055,453)</u>	<u>\$ (202,942)</u>	<u>\$27,486,808</u>
Balance as of January 1, 2022	39,073,122	\$36,195,510	306	\$ -	\$(13,161,496)	\$ 63,478	\$23,097,492
Private placement - January 20, 2022, net of offering costs	2,495,575	3,011,878	-	-	-	-	3,011,878
Proceeds from exercise of warrants	268,204	341,850	-	-	-	-	341,850
Stock based compensation - stock options	-	502,145	-	-	-	-	502,145
Foreign exchange gain	-	-	-	-	-	56,661	56,661
Net loss	-	-	-	-	(1,173,603)	-	(1,173,603)
Balance as of March 31, 2022	<u>41,836,901</u>	<u>\$40,051,383</u>	<u>306</u>	<u>\$ -</u>	<u>\$(14,335,099)</u>	<u>\$ 120,139</u>	<u>\$25,836,423</u>
Proceeds from the exercise of warrants	1,477,743	1,989,427	-	-	-	-	1,989,427
Stock based compensation - stock options	-	251,074	-	-	-	-	251,074
Foreign exchange loss	-	-	-	-	-	(220,788)	(220,788)
Net income	-	-	-	-	2,279,550	-	2,279,550
Balance as of June 30, 2022	<u>43,314,644</u>	<u>\$42,291,884</u>	<u>306</u>	<u>\$ -</u>	<u>\$(12,055,549)</u>	<u>\$ (100,649)</u>	<u>\$30,135,686</u>

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

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in USD)
(Unaudited)

	For the Six Months Ended June 30,	
	2023	2022
Cash Flows (Used In) Provided By Operating Activities:		
Net (loss)/income	\$ (2,180,190)	\$ 1,105,947
Reconciliation of net (loss)/income to cash (used in) provided by operating activities:		
Depreciation	97,337	5,908
Accretion of reclamation liability	5,544	19,862
Stock based compensation	350,900	753,219
Change in marketable securities	274	929
Change in operating assets and liabilities:		
Prepaid uranium concentrate inventory	-	4,085,723
Prepaid expenses and other current assets	229,505	53,332
Accounts payable and accrued liabilities	110,612	(24,778)
Subscription payable	-	(146,177)
Deferred revenue	(32,310)	(16,155)
Contingent consideration	(7,041)	(17,062)
Net cash (used in) provided by operating activities	(1,425,369)	5,820,748
Cash Flows Used In Investing Activities		
Purchase of mineral properties and equipment	(1,718,751)	(635,876)
Net cash used in investing activities	(1,718,751)	(635,876)
Cash Flows From Financing Activities		
Proceeds from warrant exercises	-	2,331,277
Issuances of common shares, net of offering costs	-	3,011,878
Net cash provided by financing activities	-	5,343,155
Effect of foreign exchange rate on cash	58,190	(164,127)
Net (decrease) increase in cash and restricted cash	(3,085,930)	10,363,900
Cash and restricted cash - beginning	10,433,538	1,621,267
Cash and restricted cash - ending	\$ 7,347,608	\$ 11,985,167
Cash	\$ 6,596,184	\$ 11,244,681
Restricted cash, current portion	75,057	75,057
Restricted cash, noncurrent	676,367	665,429
Total	\$ 7,347,608	\$ 11,985,167
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Stated in USD)

NOTE 1 – BUSINESS

Nature of operations

Western Uranium & Vanadium Corp. (“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”).

The Company’s registered office is located at 330 Bay Street, Suite 1400, Toronto, Ontario, Canada, M5H 2S8, and its common shares are listed on the CSE under the symbol “WUC.” On April 22, 2016, the Company’s common shares began trading on the OTC Pink Open Market, and on May 23, 2016, the Company’s common shares were approved for trading on the OTCQX Best Market. The Company’s 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”).

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.

NOTE 2 – LIQUIDITY AND GOING CONCERN

With the exception of the quarter ended June 30, 2022, the Company has incurred losses from its operations. During the three and six months ended June 30, 2023, the Company generated a comprehensive loss of \$1,024,783 and \$2,122,000, respectively. The Company expects to generate operating losses for the foreseeable future as it incurs expenses to bring its mineral processing facility online and further expand mining operations. As of June 30, 2023, the Company had an accumulated deficit of \$16,055,453 and working capital of \$6,174,933.

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

The Company’s ability to continue its planned 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 financing, to secure regulatory approval to fully utilize its kinetic separation (“Kinetic Separation”) technology, and to initiate the processing of ore to generate operating cash flows.

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. 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 these condensed interim consolidated financial statements. The accompanying condensed interim consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Stated in USD)

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying condensed interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Rule 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. However, in the opinion of management of the Company, all adjustments necessary for a fair presentation of the financial position and operating results have been included in these condensed interim consolidated financial statements. These condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed with the SEC on April 17, 2023. Operating results for the three and six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for any subsequent quarters or for the year ending December 31, 2023.

The accompanying condensed interim consolidated financial statements include the accounts of Western and its wholly-owned subsidiaries, Western Uranium Corp. (Utah), 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., Black Range Development Utah LLC and Maverick Strategic Minerals Corp. All 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”), through the completion of a “final” or “bankable” feasibility study for any of its uranium projects.

Exploration Stage and Mineral Properties

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, disposal wells, and mine development, are expensed as incurred until such time proven or probable reserves are established for that uranium project, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred. Expenditures relating to mining and ore production while the Company is in the exploration stage and while the ore is stockpiled underground are expensed as incurred.

Production stage issuers, as defined in subpart 1300 of Regulation S-K, having engaged in material extraction of established mineral reserves on at least one material property, 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 an exploration stage issuer, 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 mine development and extraction 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 condensed interim consolidated financial statements may not be directly comparable to the financial statements of companies in the production stage. Western will not be eligible to become a production stage issuer, and will remain an exploration stage issuer, until such time as mineral reserves are established on at least one material property.

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Stated in USD)

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Estimates

The preparation of these condensed interim 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 condensed interim consolidated financial statements of changes in such estimates in future periods could be significant. Significant areas requiring management's estimates and assumptions include the determination of the fair value of transactions involving common shares, assessment of the useful life and evaluation for impairment of Kinetic Separation intellectual property, valuation and impairment assessments of mineral properties and equipment, valuation of deferred contingent consideration, valuation of the reclamation liability, valuation of stock-based compensation, and valuation of available-for-sale securities. 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 & Vanadium Corp. (Ontario)) is the Canadian dollar. The functional currencies of the subsidiaries is the United States dollar. Monetary assets and liabilities of these subsidiaries are translated at the exchange rates at the balance sheet date. Transactions denominated in currencies other than the functional currency are recorded based on the exchange rates at the time of the transaction. 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 condensed interim consolidated balance sheets.

Revenue Recognition

The Company, from time to time, purchases prepaid uranium concentrate contracts for future delivery of uranium concentrate pursuant to supply agreements. The Company recognizes revenue upon the delivery of the uranium contract to the counterparty and charges to cost of revenues the purchase cost of the uranium concentrate contract upon such delivery.

The Company leases certain of its mineral properties for the exploration and production of oil and gas reserves. The Company accounts for lease revenue in accordance with the FASB ASC 842, *Leases*. Lease payments received in advance are deferred and recognized on a straight-line basis over the related lease term associated with the prepayment. Royalty payments are recognized as revenues based upon production.

Fair Values of Financial Instruments

The carrying amounts of cash, restricted cash, accounts payable, reclamation liability, contingent consideration and accrued liabilities approximate their 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 Company's operating and financing activities are conducted primarily in Canadian dollars, and as a result, the Company is subject to 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.

The FASB 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).

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Stated in USD)

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 and inputs that are derived principally from or corroborated by observable market data or correlation by other means.

The fair value of the Company's financial instruments 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 as of June 30, 2023	\$ 338	\$ -	\$ -
Marketable securities as of December 31, 2022	\$ 612	\$ -	\$ -

Stock-Based Compensation

The Company follows the FASB 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 fair value of the stock or the fair value of the service, whichever is more readily measurable. 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 consultants, this is typically considered to be the vesting period of the award.

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Stated in USD)

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Net (loss) income per Share

Basic net (loss) income per share is computed by dividing net (loss) income by the weighted average number of common shares 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 following is a reconciliation of the numerator and denominator used to calculate basic earnings per share and diluted earnings per share for the three and six months ended June 30, 2023 and 2022.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Numerator:				
Net (loss) income	\$ (1,076,659)	\$ 2,279,550	\$ (2,180,190)	\$ 1,105,947
Denominator:				
Weighted average shares outstanding, basic	43,602,565	43,142,312	43,602,565	42,102,885
Dilutive effect of options and warrants	-	2,178,818	-	3,146,011
Weighted average shares outstanding, diluted	43,602,565	45,321,130	43,602,565	45,248,896
Net (loss) income per share, basic	\$ (0.02)	\$ 0.05	\$ (0.05)	\$ 0.03
Net (loss) income per share, diluted	\$ (0.02)	\$ 0.05	\$ (0.05)	\$ 0.02

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Warrants to purchase common shares	9,362,076	2,970,826	9,362,076	2,970,826
Options to purchase common shares	4,098,000	1,883,000	4,098,000	983,000
Total potentially dilutive securities	13,460,076	4,853,826	13,460,076	3,953,826

Recent Accounting Standards

Management does not believe that any recently issued, but not yet effective accounting standards, when adopted, will have a material effect on the accompanying condensed interim consolidated financial statements.

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Stated in USD)

NOTE 4 – MINERAL ASSETS EQUIPMENT, KINETIC SEPARATION INTELLECTUAL PROPERTY, AND OTHER PROPERTY

The Company’s mining properties acquired on August 18, 2014 that the Company retains as of June 30, 2023 include: The 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 Sage Mine located in San Juan County, Utah, and San Miguel County, Colorado. These mining properties include leased land in the states of Colorado and Utah. None of these mining properties were operational at the date of acquisition.

The Company’s mining properties acquired on September 16, 2015 that the Company retains as of June 30, 2023 include Hansen, North Hansen and Hansen Picnic Tree located in Fremont and Teller Counties, Colorado. The Company also acquired the Keota project located in Weld County, Colorado and the Ferris Haggerty project located in Carbon County Wyoming. These mining assets include both owned and leased land in the states of Utah, Colorado, and Wyoming. 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 inherent uncertainty as to whether or not any mineralized material can be economically extracted as originally planned and anticipated.

The Company’s mineral properties and equipment, net and kinetic separation intellectual property are:

	As of June 30, 2023	As of December 31, 2022
Mineral properties and equipment, net	\$ 14,420,318	\$ 12,798,904
Kinetic separation intellectual property	\$ 9,488,051	\$ 9,488,051

Mineral Properties and Equipment

During the six months ended June 30, 2023 and 2022, Western made purchases of \$1,718,751 and \$635,876, which principally consisted of mining equipment and vehicles, to increase mining capacity and mineral processing facility property acquisitions. During the three months ended June 30, 2023 and 2022, depreciation expense was \$53,719 and \$0, which was included in mining expenditures and in general and administrative on the Company’s condensed interim consolidated statements of operations and other comprehensive loss, respectively. During the six months ended June 30, 2023 and 2022, depreciation expense was \$97,337 and \$5,908, which was included in mining expenditures and in general and administrative on the Company’s condensed interim consolidated statements of operations and other comprehensive loss, respectively.

Oil and Gas Lease and Easement

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 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.

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Stated in USD)

NOTE 4 – MINERAL ASSETS EQUIPMENT, KINETIC SEPARATION INTELLECTUAL PROPERTY, AND OTHER PROPERTY, CONTINUED

On June 23, 2020, the same entity, as discussed above, elected to extend the oil and gas lease easement for three additional years, commencing on the date the lease would have previously expired. 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. Monthly royalty payments are ongoing on the sixteen (16) wells.

During the three months ended June 30, 2023 and 2022, the Company recognized aggregate revenue of \$102,789 and \$123,037, respectively, and for the six months ended June 30, 2023 and 2022, the Company recognized aggregate revenue of \$268,764 and \$279,263, respectively, under these oil and gas lease arrangements.

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 to be \$751,424 and \$751,405 as of June 30, 2023 and December 31, 2022, respectively. The Company expects to begin incurring the reclamation liability after 2054 for all mines that are not in reclamation and accordingly, has discounted the gross liabilities over their remaining lives using a discount rate of 5.4%. The net discounted aggregated values as of June 30, 2023 and December 31, 2022 were \$305,820 and \$300,276, respectively. The gross reclamation liabilities as of June 30, 2023 and December 31, 2022 are secured by financial warranties in the amount of \$751,424 and \$751,405, respectively.

Reclamation liability activity for the six months ended June 30, 2023 and 2022 consists of:

	For the Six Months Ended June 30,	
	2023	2022
Beginning balance at January 1	\$ 300,276	\$ 271,620
Accretion	5,544	19,862
Ending Balance at June 30	<u>\$ 305,820</u>	<u>\$ 291,482</u>

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4 – MINERAL ASSETS EQUIPMENT, KINETIC SEPARATION INTELLECTUAL PROPERTY, AND OTHER PROPERTY, CONTINUED

Sunday Mine Complex Permitting Status

On February 4, 2020, the Colorado DRMS sent a Notice of Hearing to Declare Termination of Mining Operations related to the status of the mining permits issued by the state of Colorado for the Sunday Mine Complex. At issue was the application of an unchallenged Colorado Court of Appeals Opinion for a separate mine (Van 4) with very different facts that are retroactively modifying DRMS rules and regulations. The Company maintains that it was timely in meeting existing rules and regulations. The hearing was scheduled to be held during several monthly MLRB Board meetings, but this matter was delayed several times. The permit hearing was held during the MLRB Board monthly meeting on July 22, 2020. At issue was the status of the five existing permits which comprise the Sunday Mine Complex. Due to COVID-19 restrictions, the hearing took place utilizing a virtual-only format. The Company prevailed in a 3 to 1 decision which acknowledged that the work completed at the Sunday Mine Complex under DRMS oversight was timely and sufficient for Western to maintain these permits. In a subsequent July 30, 2020 letter, the DRMS notified the Company that the status of the five permits (Sunday, West Sunday, St. Jude, Carnation, and Topaz) had been changed to “Active” status effective June 10, 2019, the original date on which the change of the status was approved. On August 23, 2020, the Company initiated a request for Temporary Cessation status for the Sunday Mine Complex as the mines had not been restarted within a 180-day window due to the direct and indirect impacts of the COVID-19 pandemic. Accordingly, a permit hearing was scheduled for October 21, 2020 to determine Temporary Cessation status. In a unanimous vote, the MLRB approved Temporary Cessation status for each of the five Sunday Mine Complex permits (Sunday, West Sunday, St. Jude, Carnation, and Topaz). On October 9, 2020, the MLRB issued a board order which finalized the findings of the July 22, 2020 permit hearing. On November 10, 2020, the MLRB issued a board order which finalized the findings of the October 21, 2020 permit hearing. On November 6, 2020, the MLRB signed an order placing the five Sunday Mine Complex mine permits into Temporary Cessation. On November 12, 2020, a coalition of environmental groups (the “Plaintiffs”) filed a complaint against the MLRB seeking a partial appeal of the July 22, 2020 decision by requesting termination of the Topaz Mine permit. On December 15, 2020, the same coalition of environmental groups amended their complaint against the MLRB seeking a partial appeal of the October 21, 2020 decision requesting termination of the Topaz Mine permit. The Company has joined with the MLRB in defense of their July 22, 2020 and October 21, 2020 decisions. On May 5, 2021, the Plaintiffs in the Topaz Appeal filed an opening brief with the Denver District Court seeking to overturn the July 22, 2020 and October 21, 2020 MLRB permit hearing decisions on the Topaz Mine permit. The MLRB and the Company were to respond with an answer brief within 35 days on or before June 9, 2021, but instead sought a settlement. The judicial review process was delayed as extensions were put in place until August 20, 2021. A settlement was not reached, and the MLRB and the Company submitted answer briefs on August 20, 2021. The Plaintiff submitted a reply brief on September 10, 2021. On March 1, 2022, the Denver District Court reversed the MLRB’s orders regarding the Topaz Mine and remanded the case back to MLRB for further proceedings consistent with its order. The Company and the MLRB had until April 19, 2022 to appeal the Denver District Court’s ruling. Neither the Company nor the MLRB appealed the Denver District Court ruling. Subsequently on March 20, 2023, the MLRB issued a board order for the Company to commence final reclamation, which upon completion will terminate mining operations at the Topaz Mine. Reclamation is to commence immediately at the Topaz Mine and is to be completed within five years by March 2028. The Company is currently working toward the completion of an updated Topaz Mine Plan of Operations which is a separate federal requirement of the BLM for the conduct of mining activities on the federal land at the Topaz Mine and needed to re-permit the Topaz Mine with Colorado’s DRMS.

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
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NOTE 4 – MINERAL ASSETS EQUIPMENT, KINETIC SEPARATION INTELLECTUAL PROPERTY, AND OTHER PROPERTY, CONTINUED

Kinetic Separation Intellectual Property

The Kinetic Separation intellectual property was acquired in Western’s acquisition of Black Range on September 16, 2015. Previously Black Range acquired its Kinetic Separation assets in the dissolution of a joint venture on March 17, 2015, through the acquisition of all the assets of the joint venture and received a 25-year license to utilize all of the patented and unpatented technology owned by the joint venture. The technology license agreement for patents and unpatented technology became effective as of March 17, 2015, for a period of 25 years, until March 16, 2040. There are no remaining license fee obligations, and there are no future royalties due under the agreement. The Company has the right to sub-license the technology to third parties. The Company may not sell or assign the Kinetic Separation license; however, the license could be transferred in the case of a sale of the Company. The Company has developed improvements to Kinetic Separation during the term of the license agreement and retains ownership of, and may obtain patent protection on, any such improvements developed by the Company.

The Kinetic Separation patent was filed on September 13, 2012 and granted on February 14, 2014 by the United States Patent Office. The patent is effective for a period of 20 years until September 13, 2032. This patent is supported by two provisional patent applications. The provisional patent applications expired after one year but were incorporated in the U.S. Patent by reference and claimed benefit prior to their expirations. The status of the patent and two provisional patent applications has not changed subsequent to the 2014 patent grant. The Company has the continued right to use any patented portion of the Kinetic Separation technology that enters the public domain subsequent to the patent expiration.

The Company anticipates Kinetic Separation will improve the efficiency of the mining and processing of the sandstone-hosted ore from Western’s conventional mines through the separation of waste from mineral bearing-ore, potentially reducing transportation, mill processing, and mill tailings costs. Kinetic Separation is not currently in use or being applied at any Company mines. The Company views Kinetic Separation as a cost saving technology, which it will seek to incorporate into ore production subsequent to commencing scaled production levels. There are also alternative applications, which the Company has explored.

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of:

	As of	
	June 30, 2023	December 31, 2022
Trade accounts payable	\$ 498,326	\$ 403,705
Accrued liabilities	163,901	147,910
Total accounts payable and accrued liabilities	\$ 662,227	\$ 551,615

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
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NOTE 6 – COMMITMENTS AND CONTINGENCIES

Supply Contract

In December 2015, the Company signed a uranium concentrates supply agreement with a major United States utility company for delivery commencing in 2018 and continuing for a five-year period through 2022. On March 8, 2021, the Company entered into an agreement with a third party to complete the Year 4 (2021) uranium concentrate delivery. The Company paid \$78,000 in April 2021 to the assignee for which the assignee made the delivery in May 2021. In April 2022, in satisfaction of the Year 5 delivery under its supply contract, the Company delivered 125,000 lbs of uranium concentrate from its prepaid uranium concentrate inventory. Accordingly, during the three and six months ended June 30, 2022, the Company recorded revenue of \$7,223,609 (at a price of approximately \$57 per pound) and cost of revenue of \$4,044,083, related to the delivery of the uranium. In May 2022, the Company received the cash proceeds from this sale.

Strategic Acquisition of Physical Uranium

In May 2021, the Company executed a binding agreement to purchase 125,000 pounds of natural uranium concentrate at approximately \$32 per pound. In December 2021, the Company paid \$4,044,083, in connection with its full prepayment of the purchase price for 125,000 pounds of natural uranium concentrate. This uranium concentrate was subsequently delivered under the terms of the aforementioned uranium concentrates supply agreement in April 2022.

NOTE 7 – SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS

Authorized Capital

The holders of the Company's common shares are entitled to one vote per share. Holders of common shares are entitled to ratably receive such dividends, if any, as may be declared by the board of directors, out of legally available funds. Upon the liquidation, dissolution, or winding down of the Company, holders of common shares are entitled to share ratably in all assets of the Company that are legally available for distribution. As of June 30, 2023 and December 31, 2022, an unlimited number of common shares were authorized for issuance.

Warrant Exercises

There were no warrant exercises during the three and six months ended June 30, 2023. During the three and six months ended June 30, 2022, an aggregate of 1,477,743 and 1,745,947 warrants were exercised for total gross proceeds of \$1,989,427 and \$2,331,277, respectively.

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. The board of directors approved additional changes to the Plan on September 12, 2015. On October 1, 2021, the Company further amended the Plan. On May 24, 2023, the Board of Directors approved and on June 29, 2023 the shareholders approved an amendment to the Plan.

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. As of June 30, 2023, a total of 43,602,565 common shares were outstanding, and at that date the maximum number of stock options eligible for issue under the Plan was 4,360,256.

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
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NOTE 7 – SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS, CONTINUED

Shareholder Rights Plan

On May 24, 2023, the Company adopted and on June 29, 2023, the shareholders approved a shareholder rights plan, which is designed to ensure the fair treatment of shareholders in connection with any take-over bid for the Company and to provide the Board of Directors and shareholders with sufficient time to fully consider any unsolicited takeover bid (the “Shareholder Rights Plan”). The Shareholder Rights Plan also provides the Board of Directors with time to pursue, if appropriate, other alternatives to maximize shareholder value in the event of a takeover bid.

Pursuant to the terms of the Shareholder Rights Plan subject to a triggering event as defined in the Shareholder Rights Plan and as determined by the Board of Directors, rights (the “Rights”) will be issued to holders of Common Shares at a rate of one Right for each Share outstanding.

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, 2023	4,306,334	\$ 1.24	3.35	\$ 0.61	\$ 60,965
Granted	-	-	-	-	-
Expired	(208,334)	1.21	-	0.17	-
Exercised	-	-	-	-	-
Outstanding – June 30, 2023	<u>4,098,000</u>	<u>\$ 1.26</u>	<u>3.02</u>	<u>\$ 0.65</u>	<u>\$ 9,447</u>
Exercisable – June 30, 2023	<u>4,098,000</u>	<u>\$ 1.26</u>	<u>3.02</u>	<u>\$ 0.65</u>	<u>\$ 9,447</u>

The Company’s stock-based compensation expense related to stock options for the three months ended June 30, 2023 was \$98,158, of which \$16,087 and \$82,071 was included in mining expenditures and general and administrative expenses, respectively, on the Company’s condensed interim consolidated statements of operations and other comprehensive loss. The Company’s stock-based compensation expense related to stock options for the three months ended June 30, 2022 was \$251,074, which was included in general and administrative expenses on the Company’s condensed interim consolidated statements of operations and other comprehensive loss. The Company’s stock-based compensation expense related to stock options for the six months ended June 30, 2023 was \$350,900, of which \$57,417 and \$293,483 was included in mining expenditures and general and administrative expenses, respectively, on the Company’s condensed interim consolidated statements of operations and other comprehensive loss. The Company’s stock-based compensation expense related to stock options for the six months ended June 30, 2022 was \$753,219, which was included in general and administrative expenses on the Company’s condensed interim consolidated statements of operations and other comprehensive loss. As of June 30, 2023, there was no unamortized stock option expense.

WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES
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NOTE 7 – SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS, CONTINUED

Warrants

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Life (Years)	Intrinsic Value
Outstanding – January 1, 2023	9,362,076	\$ 1.19	1.43	\$ 27,227
Issued	-	-	-	-
Exercised	-	-	-	-
Expired/Forfeited	-	-	-	-
Outstanding – June 30, 2023	<u>9,362,076</u>	<u>\$ 1.22</u>	<u>0.93</u>	<u>\$ 12,779</u>
Exercisable – June 30, 2023	<u>9,362,076</u>	<u>\$ 1.22</u>	<u>0.93</u>	<u>\$ 12,779</u>

NOTE 8 – MINING EXPENDITURES

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Mining costs	\$ 344,983	\$ 92,045	\$ 621,122	\$ 351,915
Permits	26,732	28,390	54,678	56,157
Labor and related benefits	284,388	-	583,254	-
Royalties	442	2,153	2,595	3,554
Total mining expenses	<u>\$ 656,545</u>	<u>\$ 122,588</u>	<u>\$ 1,261,649</u>	<u>\$ 411,626</u>

NOTE 9 – RELATED PARTY TRANSACTIONS AND BALANCES

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 (“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 AUD \$500,000 (USD \$333,211 as of June 30, 2023) to Seller within 60 days of the first commercial application of the kinetic separation technology. Western 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 \$333,211 and \$340,252 as of June 30, 2023 and December 31, 2022, respectively.

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 \$17,925 and \$13,125 in connection with these arrangement for the three months ended June 30, 2023 and 2022, respectively. The Company incurred rent expense of \$35,850 and \$25,323 in connection with these arrangement for the six months ended June 30, 2023 and 2022, respectively.

In May 2023, the Company purchased mining equipment from Silver Hawk Ltd. for \$22,000.

The Company also owed Mr. Glasier reimbursable expenses in the amount of \$50,010 and \$87,221 as of June 30, 2023 and December 31, 2022, respectively, which are recorded in accounts payable and accrued liabilities.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

The information disclosed in this quarterly report, and the information incorporated by reference herein, include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements include, but are not limited to, statements regarding our or our management’s expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained or incorporated by reference in this quarterly report are based on our current expectations and beliefs concerning future developments and their potential effects on us and speak only as of the date of each such statement. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in this Item 2 of Part I and Item 1A of Part II of this quarterly report. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

The following discussion should be read in conjunction with our condensed interim consolidated financial statements and footnotes thereto contained in this quarterly report.

Overview

General

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. Effective September 16, 2015, Western completed its acquisition of Black Range Minerals Limited (“Black Range”).

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, 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.

The Company has registered offices at 330 Bay Street, Suite 1400, Toronto, Ontario, Canada, M5H 2S8, 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”).

Recent Developments

Bullen Property (Weld County)

The Bullen Property is an oil and gas property located in Weld County Colorado. The Company acquired this non-core property in 2015 in the Black Range Minerals Limited acquisition, and Black Range purchased the property in 2008 for its Keota Uranium Project.

In 2017, the Company signed a three year oil and gas lease which in 2020 was extended for an additional three year term or until the end of continuous operations. The consideration was in the form of upfront bonus payments and a backend production royalty payment. Additional right-of-way easement agreements were signed which allowed for the development of a pipeline. The lease agreement allows the Company to retain property rights to vanadium, uranium, and other mineral resources.

In early 2020 Bison Oil & Gas (“Bison”) traded this lease to Mallard Exploration (“Mallard”). Mallard subsequently filed an application with the Colorado Oil & Gas Conservation Commission (COGCC) to update the permitting to create a new pooled unit.

In late 2020 Mallard began development of the pooled unit. These DJ-Basin wells target the Niobrara formation. During 2021, the operator completed all well development stages and eight (8) wells commenced oil and gas production by August 2021. The first royalty payment was made in January 2022. During 2022, the operator completed all well development stages on a second set of eight (8) wells which commenced oil and gas production by August 2022. The first monthly royalty payment including production from the new wells was made in January 2023. Monthly royalty payments are ongoing.

In January 2023, Mallard was acquired by Bison.

During the three months ended June 30, 2023 and 2022, we recognized aggregate revenue of \$102,789 and \$123,037, respectively, and for the six months ended June 30, 2023 and 2022, we recognized aggregate revenue of \$268,764 and \$279,263, respectively, under these oil and gas lease arrangements.

Kinetic Separation Licensing

During 2016, the Company submitted documentation to the Colorado Department of Public Health and Environment (“CDPHE”) for a determination ruling regarding the type of license which may be required for the application of Kinetic Separation at the Sunday Mine Complex within the state of Colorado. During May and June of 2016, CDPHE held four public meetings in several cities in Colorado as part of the process. On July 22, 2016, CDPHE closed the comment period. In connection with this matter, the CDPHE consulted with the NRC. In response, the CDPHE received an advisory opinion, dated October 16, 2016, which did not contain support for the NRC’s opinion and with which the Company’s regulatory counsel does not agree. NRC’s advisory opinion recommended that Kinetic Separation should be regulated as a milling operation but did recognize that there may be exemptions to certain milling regulatory requirements because of the benign nature of the non-uranium bearing sands produced after Kinetic Separation is completed on uranium-bearing ores. On December 1, 2016, the CDPHE issued a determination that the proposed Kinetic Separation operations at the Sunday Mine Complex must be regulated by the CDPHE through a milling license. Beginning in 2017, the Company’s regulatory counsel prepared significant documentation in preparation for a prospective submission. On September 13, 2019, the Company’s regulatory counsel submitted a white paper to the NRC entitled “Recommendations on the Proper Legal and Policy Interpretation for Using Kinetic Separation Processes at Uranium Mine Sites.” On July 24, 2020, the NRC staff responded with a letter in support of the original conclusion. Western’s regulatory counsel proposed alternatives. However, management has decided not to proceed at this time, given its present opportunity set.

Sunday Mine Complex Permitting Status

On February 4, 2020, the Colorado DRMS sent a Notice of Hearing to Declare Termination of Mining Operations related to the status of the mining permits issued by the state of Colorado for the Sunday Mine Complex. At issue was the application of an unchallenged Colorado Court of Appeals Opinion for a separate mine (Van 4) with very different facts that are retroactively modifying DRMS rules and regulations. The Company maintains that it was timely in meeting existing rules and regulations. The hearing was scheduled to be held during several monthly MLRB Board meetings, but this matter was delayed several times. The permit hearing was held during the MLRB Board monthly meeting on July 22, 2020. At issue was the status of the five existing permits which comprise the Sunday Mine Complex. Due to COVID-19 restrictions, the hearing took place utilizing a virtual-only format. The Company prevailed in a 3 to 1 decision which acknowledged that the work completed at the Sunday Mine Complex under DRMS oversight was timely and sufficient for Western to maintain these permits. In a subsequent July 30, 2020 letter, the DRMS notified the Company that the status of the five permits (Sunday, West Sunday, St. Jude, Carnation, and Topaz) had been changed to “Active” status effective June 10, 2019, the original date on which the change of the status was approved. On August 23, 2020, the Company initiated a request for Temporary Cessation status for the Sunday Mine Complex as the mines had not been restarted within a 180-day window due to the direct and indirect impacts of the COVID-19 pandemic. Accordingly, a permit hearing was scheduled for October 21, 2020 to determine Temporary Cessation status. In a unanimous vote, the MLRB approved Temporary Cessation status for each of the five Sunday Mine Complex permits (Sunday, West Sunday, St. Jude, Carnation, and Topaz). On October 9, 2020, the MLRB issued a board order which finalized the findings of the July 22, 2020 permit hearing. On November 10, 2020, the MLRB issued a board order which finalized the findings of the October 21, 2020 permit hearing. On November 6, 2020, the MLRB signed an order placing the five Sunday Mine Complex mine permits into Temporary Cessation. On November 12, 2020, a coalition of environmental groups (the “Plaintiffs”) filed a complaint against the MLRB seeking a partial appeal of the July 22, 2020 decision by requesting termination of the Topaz Mine permit. On December 15, 2020, the same coalition of environmental groups amended their complaint against the MLRB seeking a partial appeal of the October 21, 2020 decision requesting termination of the Topaz Mine permit. The Company has joined with the MLRB in defense of their July 22, 2020 and October 21, 2020 decisions. On May 5, 2021, the Plaintiffs in the Topaz Appeal filed an opening brief with the Denver District Court seeking to overturn the July 22, 2020 and October 21, 2020 MLRB permit hearing decisions on the Topaz Mine permit. The MLRB and the Company were to respond with an answer brief within 35 days on or before June 9, 2021, but instead sought a settlement. The judicial review process was delayed as extensions were put in place until August 20, 2021. A settlement was not reached, and the MLRB and the Company submitted answer briefs on August 20, 2021. The Plaintiff submitted a reply brief on September 10, 2021. On March 1, 2022, the Denver District Court reversed the MLRB’s orders regarding the Topaz Mine and remanded the case back to MLRB for further proceedings consistent with its order. The Company and the MLRB had until April 19, 2022 to appeal the Denver District Court’s ruling. Neither the Company nor the MLRB appealed the Denver District Court ruling. Subsequently on March 20, 2023, the MLRB issued a board order for the Company to commence final reclamation, which upon completion will terminate mining operations at the Topaz Mine. Reclamation is to commence immediately at the Topaz Mine and is to be completed within five years by March 2028. The Company is currently working toward the completion of an updated Topaz Mine Plan of Operations which is a separate federal requirement of the BLM for the conduct of mining activities on the federal land at the Topaz Mine and needed to re-permit the Topaz Mine with Colorado’s DRMS.

Sunday Mine Complex Project

The SMC project entailed the development of multiple SMC ore bodies and involves a shift in the base of operations from the St. Jude Mine (2019) to the Sunday Mine (2021). The Sunday Mine Complex is the Company’s core resource property and in July 2021 was assigned “Active” status when mining operations were restarted. Underground development began in August 2021 following mine ventilation, power upgrades, and increasing explosive capabilities. The first target was the extension of the drift (tunnel) 150 feet to reach the first surface exploration drill hole to access the GMG Ore Body (GMG). Early results were positive as drilling toward the GMG resulted in the location of ore-grade material within thirty feet of the existing mine workings. Notably, only limited exploration drilling has been done in this area due to the mountainous terrain on the surface above. As drifting proceeded, very high-grade ore continued to be intersected through the drift path and on both sides of the drift. As a result, the team shifted from development to mining.

At the end of March 2022, the mining contractor engaged by Western decided to retire from contract mining operations. Thereafter, Western began the acquisition of a full complement of mining equipment and personnel to take over mining operations. Western's transition from employing a mining contractor to building an in-house mining operation has now been completed. Since this transition began in spring 2022, additional employees have been hired to support mining operations and mining equipment and vehicles have been acquired to support deployment of two (2) fully equipped mining teams. The equipment has been prepared for operations and readied for deployment; site infrastructure upgrades have been finished. In early 2023, the mines were reopened for ventilation and infrastructure upgrades. Mining operations restarted in April 2023 and initially focused on additional development of the GMG Ore Body, where high-grade uranium ore was continuously intersected. Western's in-house mining team has continued to drive this drift and calculates less than 30 feet remaining before reaching the target ore hole. The GMG Ore Body is now ready for full-scale production. As a result of the encouraging results to date, the in-house mining crew has expanded its underground drilling capability with the purchase of a drill rated for a distance of over 2,500 feet. Underground exploration drilling will explore areas of the SMC project site that were never drilled due to the mountainous terrain limiting surface exploration drilling. The current exploration focus is on the definition of additional production zones.

Stockpiled Ore Inventory

From December 2021 to March 2022, 3,140 tons of uranium/vanadium ore 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 ore 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 ore inventory was expensed in accordance with Regulation SK-1300.

Uranium Section 232 Investigation/Nuclear Fuel Working Group Process

An investigation under Section 232 of the Trade Expansion Act of 1962 was undertaken by the DoC in 2018 to assess the impact to national security of the importation of the vast majority of uranium utilized by the approximately 100 operative civilian nuclear reactors within the United States. In response to the Section 232 report, the White House disseminated a Presidential Memoranda in July 2019. At that time, President Trump formed the Nuclear Fuel Working Group ("NFWG") to find solutions for reviving and expanding domestic nuclear fuel production and reinvigorating recommendations.

In April 2020, the DoE released the NFWG report entitled "Restoring America's Competitive Nuclear Energy Advantage – A strategy to assure U.S. national security." The report outlines a strategy for the reestablishment of critical capabilities and direct support to the front end of the U.S. domestic nuclear fuel cycle. The undertaking of some NFWG findings and recommendations was a positive outcome for the U.S. nuclear industry and U.S. uranium miners.

The Russian Suspension Agreement was extended for an additional 20 years until 2040. Existing categories of quotas on imports of Russian uranium into the U.S. were reduced by a graduated scale, and additional provisions were modified to eliminate loopholes. Also, the DoE made multiple investment awards to companies advancing new nuclear technologies. TerraPower and X-energy received awards to build demonstration models of their advanced reactor designs, and NuScale received support to deploy the first U.S. small modular reactor ("SMR") plan comprised of 12 modules at the Idaho National Laboratory. The International Development Finance Corp. signed a letter of intent to finance NuScale's development of 42 SMR modules in South Africa. In an acknowledgement of the future growth potential of new nuclear technologies, the U.S. government has increased its industry support.

In December 2020, U.S. Congress passed the "COVID-Relief and Omnibus Spending Bill," which included \$75 million for the establishment of a strategic U.S. Uranium Reserve. The Biden-Harris Administration has rolled the 2021 funding into its 2022 fiscal year budget to continue this initiative. In July 2021, the uranium Section 232 report was publicly released. The report concluded that uranium imports were "weakening our internal economy" and "threaten to impair the national security" and recommended immediate actions to "enable U.S. producers to recapture and sustain a market share of U.S. uranium consumption".

The Russian invasion of Ukraine has fast tracked the Uranium Reserve Program. On May 5, 2022, the U.S. Secretary of Energy Jennifer Granholm testified before the Senate Committee on Energy and Natural Resources that the DoE "would make direct purchases of domestically mined and converted uranium this calendar year to establish a strategic uranium reserve". Secretary Granholm's comments make clear that the U.S. is thinking larger. Granholm stated that "We should not be sending any money to Russia for any American energy or for any other reason," and "if we move away from Russia right away, we want to make sure we have the ability to continue to keep the fleet afloat." To accomplish this she further disclosed that the DoE is "developing a full-on uranium strategy that's going through the interagency process."

Subsequently in June 2022, the U.S. Department of Energy (“DOE”) released program guidelines to initiate purchases of up to \$75 million of U.S. domestic origin uranium inventory from existing storage at the Honeywell Metropolis Works uranium conversion facility in Metropolis, Illinois. The DOE awarded contracts in December 2022 for the purchase of 1,100,000 lbs of uranium that were delivered in the first quarter of 2023. Five uranium companies disclosed receiving contract awards within a price range from \$59.50 to \$70.50 per pound. Western did not hold qualifying inventory, and as such did not submit a bid proposal. An expansion of the U.S. Uranium Reserve program continues to be discussed. As originally proposed, the program contemplated \$150M in annual purchases for a 10 year period which would aggregate to \$1.5 billion over its lifetime.

Biden-Harris Administration Initiatives

The positive momentum has continued for the nuclear and uranium mining sector due to the Biden-Harris Administration’s emphasis on climate change. Upon taking office, the Biden team immediately rejoined the Paris Agreement and continued its pursuit of campaign promises of investments in clean energy, creating jobs, producing clean electric power, and achieving carbon-pollution free energy in electricity generation by 2035. Since taking office, President Biden has given all agencies climate change initiatives and has started a climate change working group. The existing U.S. nuclear reactor fleet currently produces in excess of 50% of U.S. clean energy, and new, advanced nuclear technologies promise to generate additional clean energy. A White House national climate advisor told the media in a press briefing that the Biden-Harris Administration intends to seek a national clean energy standard that includes nuclear energy. The Company believes that nuclear energy will be increasingly able to compete on a level playing field with renewable energy technologies. The Harris-Biden DoE has been a supporter of new nuclear technologies and invested in next generation demonstration reactors due to its pro-climate agenda.

On August 16, 2022, President Biden signed into law the Inflation Reduction Act, which is a significantly reduced version of the Build Back Better plan. This Act provides for \$369 billion in climate and energy investments, a portion of which will significantly benefit the U.S. domestic nuclear industry. Notably, while protecting the climate, there is a leveling of the playing field with renewable energy, which has long benefited from government support. We see the benefits to nuclear split across existing reactors, new advanced reactors, low enriched uranium and high-assay low enriched uranium nuclear fuels, and in multiple stages of the domestic nuclear fuel cycle. We believe that each of these benefits increase future aggregate uranium demand. While this represents the largest funding support of the U.S. nuclear industry in decades, there could be a larger secondary benefit as greater funding was allocated to battery technologies including vanadium redox flow batteries (VRFB).

During 2022, we have observed the DoE becoming increasingly outspoken and working hard at creating nuclear fuel solutions to address the current dependence on Russia and promote a geopolitical realignment of the nuclear fuel cycle away from Russia. As an example, during September 2022, activity in the U.S. escalated in response to Russia’s invasion of Ukraine. The U.S. Secretary of Energy, Jennifer Granholm, in an address to the IAEA Vienna conference stated: “And for those countries held hostage by Russian fossil fuels right now, nuclear power—freed of Russian supply chains—is part of the solution to sever that dependence.” The Biden-Harris Administration requested \$1.5 billion in emergency funding to replace nuclear fuel and services coming from Russia. This followed the DOE \$4.3 billion commitment for the development of expanded domestic reactor fuel supply chain specifically focused on domestic enrichment and conversion services. Most notably, the DoE continues to make preparations for a Russian counter-sanction terminating the flow of nuclear fuel and services from Russia. Multiple bills were introduced into the U.S. legislature, and many of these have bipartisan support.

Nuclear Fuel and Uranium Effect from the Russian Invasion of Ukraine

The start of the Russia/Ukraine war created extraordinary volatility in uranium markets during the first half of 2022. At the peak, the spot price was at an 11 year high. Prior to the invasion on February 24, 2022, uranium spot prices were in the \$43 per pound range and rose to slightly over \$63 per pound by April 2022; an increase of ~\$20 per pound. Later in May 2022 and June 2022, the spot price receded to \$45 levels, before recovering to the \$50 +/- per pound price level from September 2022 to March 2023. Following this range bound period, in 2Q2023 the spot uranium price rallied to the \$56 per pound price level in June/July 2023.

Equity markets followed the price action of physical uranium prices in speculation that governments worldwide would sanction and ban nuclear fuel from Russia. This was in recognition of Russia’s dominant position in nuclear fuel services including 38% of world conversion capacity and 46% of world enrichment capacity. The market position of Rosatom, Russia’s national nuclear company, was developed through decades of government subsidies. However, because of the lack of replacement capacity in the global nuclear fuel cycle, Rosatom has avoided sanctions.

Because of the Ukraine invasion, new contracts are largely not being signed with Rosatom, but deliveries under existing contracts continue to be made. Customer dependencies upon the Russian supply of uranium, conversion and enrichment are being addressed slowly by governments as alternative suppliers are not currently available. However, a desire to stay away from bad actors and the threat of Russia weaponizing energy exports or a Russian embargo has elicited responses. Worldwide, utilities have accelerated their contracting of non-Russian conversion and enrichment services. New uranium supply agreements are being signed with western producers. In the United States, multiple new nuclear funding programs have already been put in place and the language from the Department of Energy has only gotten stronger. The Secretary of Energy recently declared: “The United States wants to be able to source its own fuel from ourselves and that’s why we are developing a uranium strategy.”

In January 2023, ban and sanction discussions intensified as Rosatom was shown to have become an active participant in the Ukraine war. An article entitled “Russia’s nuclear entity aids war effort, leading to calls for sanctions” was published by the Washington Post. Obtained documents show that the Rosatom state nuclear power conglomerate was supplying the Russian military with “components, technology, and raw materials for missile fuel” to be used in the Ukraine war. In the months since, multiple legislative sanction proposals have been put forth in the United States, including banning Russian uranium imports. As the U.S. has the largest fleet of nuclear reactors, these actions have the potential to cause a realignment of uranium markets.

During this past quarter, there was significant legislative progress favorable to increasing domestic uranium and nuclear fuel production in the United States. Before the U.S. Senate went on summer recess, an amendment to establish a Nuclear Fuel Security Program was added to the National Defense Authorization Act (NDAA) on a 96-3 vote. This amendment requires the Secretary of Energy to establish a Nuclear Fuel Security Program, expand the American Assured Fuel Supply Program, establish a High-Assay Low-Enriched Uranium (HALEU) for Advanced Nuclear Reactor Demonstration Projects Program, submit a report on a civil nuclear credit program, and to enhance programs to build workforce capacity to meet mission critical needs of the Department of Energy. In May 2023, the House Energy and Commerce Committee advanced a bill titled Prohibiting Russian Uranium Imports Act. The purpose and intent of the proposed legislation is to begin banning Russian uranium 90 days after its enactment; subject to conditional Department of Energy waivers. Those waivers include scenarios where no alternate source of low-enriched uranium is available to keep a U.S. nuclear reactor in operation or that importing Russian uranium is in the national interest. Both pieces of legislation seek to replace Russian uranium in U.S. civilian nuclear reactors with domestic production.

We believe the shift away from Russia/Rosatom will be a major catalyst in the realignment of nuclear fuel markets which will benefit western producers. As a result, we continue to accelerate the advancement of our operational strategy in anticipation of increasing uranium price levels that will reward near-term scaled-up ore production.

Nuclear Fuel Fundamentals Disconnected from Capital Markets

During the first half of 2023, the spot uranium price increased +\$8.42 to \$56.10 and the long-term uranium price increased \$4.00 to \$56.00. This followed 2022 where long-term prices increased from \$42.75 to \$52.00 and a price surge for conversion and enrichment services. However, uranium equities were flat to down during the first half of 2023, which in our opinion was due to macroeconomic general market factors. 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 future uranium equity prices will reflect the underlying positive fundamentals in the nuclear/uranium sector after general market conditions improve.

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 2023, 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 that most miners are waiting for higher price levels before making start-up commitments and utilities are waiting to understand how regulations and geopolitics will modify their future access to Russian uranium and conversion and enrichment services.

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. 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 is currently working toward putting 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 late July 2023, soldiers of Niger's presidential guard deposed from power President Mohamed Bazoum; and replaced him with a military junta. This is significant because the new government is opposed to Western interests and has escalated anti-French rhetoric, while seeking support from Russia and its Wagner mercenary group. Uranium is Niger's main export and this small West African country holds the 7th largest uranium resource in the world and was producing about 5% of global production. Orano, the French state-backed nuclear energy company has significant operations in the country that were impacted by the newly imposed suspension of uranium exports to France. This conflict also has the potential to impact future global uranium supply. Multiple uranium mine development projects in the country continue to proceed despite the evacuation of many foreign nationals. Re-establishing political stability is likely a prerequisite to these companies receiving the funding packages needed to cover the significant development costs of their respective projects.

Sprott Physical Uranium Trust

The Sprott Physical Uranium Trust (U.UN) (the "Trust") took over the former Uranium Participation Corp. (U.TO) and launched an at-the-market program (ATM) on August 17, 2021 to raise capital for the closed-ended trust. Since the inception of the ATM program, the Trust has bought significant quantities of uranium causing spot prices to increase. In the first year after the Trust initiated its ATM program, over 39 million pounds of uranium were purchased. Subsequently, additional physical uranium funds have been launched in Kazakhstan and Switzerland. Notably, Kazatomprom, the world's largest uranium producer, is both an investor and uranium supplier to the new physical uranium fund launched in Kazakhstan.

Utah Mineral Processing Plant

In January 2023, the Company issued news releases announcing that it has begun site and facility design and permitting on a property acquired in Green River, Emery County, Utah to build a state-of-the-art mineral processing plant. This facility will be designed to recover uranium, vanadium and cobalt from conventional ore mined both from Company mines and ore produced by other mining companies. Selecting and acquiring the processing site has taken over one year to find a location with the road, power and water infrastructure required. 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. This processing plant is expected to have a cost of approximately \$50 to \$60 million. After permitting and construction, the processing of uranium and vanadium ore is expected to commence in late 2026. The facility will be designed to recover cobalt, a metal essential in battery technology and electric vehicles. Within the state of Utah, there are numerous occurrences of cobalt which may be economical to mine, if a processing facility were available.

During the current quarter, the Utah mill site in the Green River Industrial Park has been upsized through the addition of adjacent land. This allows the future scale of operation to be increased beyond the initial planned annual production of two million pounds of uranium and six to eight million pounds of vanadium. Maverick Strategic Minerals Corp., a wholly owned subsidiary of Western, was formed as an operating entity for the purpose of developing, building, owning and operating the mineral processing facility. The selection process for engineering, environmental, and permitting contractors is ongoing and Western is close to making final appointments.

Results of Operations

The following table presents the Company's financial results for the three and six months ended June 30, 2023 and 2022.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	\$ 102,789	\$ 7,346,646	\$ 268,764	\$ 7,502,872
Cost of revenues	-	4,044,083	-	4,044,083
Gross profit	102,789	3,302,563	268,764	3,458,789
Expenses				
Mining expenditures	656,545	122,588	1,261,649	411,626
Professional fees	171,834	212,459	258,930	348,519
General and administrative	405,754	655,757	1,019,119	1,518,819
Consulting fees	-	20,307	737	59,819
Total operating expenses	1,234,133	1,011,111	2,540,435	2,338,783
Operating (loss)/profit	(1,131,344)	2,291,452	(2,271,671)	1,120,006
Accretion and interest (income) expense, net	(52,185)	15,902	(87,481)	18,059
Other income	(2,500)	(4,000)	(4,000)	(4,000)
Net (loss)/income	(1,076,659)	2,279,550	(2,180,190)	1,105,947
Other Comprehensive (loss)/income				
Foreign exchange gain/(loss)	51,876	(220,788)	58,190	(164,127)
Comprehensive (loss)/income	\$ (1,024,783)	\$ 2,058,762	\$ (2,122,000)	\$ 941,820

Three Months Ended June 30, 2023 as Compared to the Three Months Ended June 30, 2022

Summary:

Our consolidated net loss for the three months ended June 30, 2023 was \$1,076,659 or \$0.02 per share and consolidated net income for the three months ended June 30, 2022 was \$2,279,550 or \$0.05 per basic and diluted share. The principal components of these year over year changes are discussed below.

Our comprehensive loss for the three months ended June 30, 2023 was \$1,024,783 and comprehensive income for the three months ended June 30, 2022 was \$2,058,762.

Revenue

Our revenue for the three months ended June 30, 2023 and 2022 was \$102,789 and \$7,346,646, respectively. The decrease in revenue was primarily related to the revenue recognized for a uranium concentrate delivery/sale where we delivered 125,000 lbs of uranium concentrate from our prepaid uranium concentrate inventory during the three months ended June 30, 2022. There was not a corresponding uranium concentrate delivery/sale during the three months ended June 30, 2023.

Cost of Revenue

Cost of revenue was \$0 for the three months ended June 30, 2023 as compared to \$4,044,083 for the three months ended June 30, 2022. This decrease was a result of recording the cost of the uranium concentrate that was sold and delivered during the second quarter of 2022.

Mining Expenditures

Mining expenditures for the three months ended June 30, 2023 were \$656,545 as compared to \$122,588 for the three months ended June 30, 2022. The increase in mining expenditures of \$533,957 was principally attributable to scaling up mining activities at the Company's Sunday Mine Complex. Cost increases were attributable to the hiring of additional mining personnel, increases in the maintenance and depreciation of mining equipment and vehicles, and increased utilization of mining services and supplies.

Professional Fees

Professional fees for the three months ended June 30, 2023 were \$171,834 as compared to \$212,459 for the three months ended June 30, 2022. The decrease in professional fees of \$40,625, or 19% was primarily due to a \$46,845 decrease in legal fees.

General and Administrative

General and administrative expenses for the three months ended June 30, 2023 were \$405,754 as compared to \$655,757 for the three months ended June 30, 2022. The decrease in general and administrative expense of \$250,003, or 38% was primarily due to decreases of \$169,003 in stock-based compensation expense, \$31,574 in investor relations expenditures and \$25,806 in labor and related benefits.

Consulting Fees

Consulting fees for the three months ended June 30, 2023 were \$0 as compared to \$20,307 for three months ended June 30, 2022. The decrease in consulting fees was principally due to the decreased use of consultants due to the increased use of the Company's expanded in-house staff.

Accretion and Interest (Income) Expense, net

Accretion and interest (income) expense, net for the three months ended June 30, 2023 was income of \$52,185 as compared to expense of \$15,902 for the three months ended June 30, 2022. The change was principally attributable to investment interest earned on a higher level of invested cash balances during the three months ended June 30, 2023 compared to the three months ended June 30, 2022.

Foreign Exchange Gain/(Loss)

Foreign exchange gain for the three months ended June 30, 2023 was a gain of \$51,876, as compared to a loss of \$220,788 for the three months ended June 30, 2022. The change in foreign exchange is primarily due to the strengthening of the USD against the CAD.

Six Months Ended June 30, 2023 as Compared to the Six Months Ended June 30, 2022

Summary:

Our consolidated net loss for the six months ended June 30, 2023 was \$2,180,190 or \$0.05 per share and consolidated net income was \$1,105,947 or \$0.03 and \$0.02 per basic and diluted share for the six months ended June 30, 2022, respectively. The principal components of these year over year changes are discussed below.

Our comprehensive loss for the six months ended June 30, 2023 was \$2,122,000 and comprehensive income was \$941,820 for the six months ended June 30, 2022.

Revenue

Our revenue for the six months ended June 30, 2023 and 2022 was \$268,764 and \$7,502,872, respectively. The decrease in revenue of \$7,234,108 was primarily related to the revenue recognized in the 2022 period for a uranium concentrate delivery/sale under our supply contract where we delivered 125,000 lbs of uranium concentrate from our prepaid uranium concentrate inventory. There was not a corresponding uranium concentrate delivery/sale during the current period.

Cost of Revenue

Cost of revenue was \$0 for the six months ended June 30, 2023 as compared to \$4,044,083 for the six months ended June 30, 2022. This decrease was a result of recording the cost of the uranium concentrate that was sold and delivered during the second quarter of 2022.

Mining Expenditures

Mining expenditures for the six months ended June 30, 2023 were \$1,261,649 as compared to \$411,626 for the six months ended June 30, 2022. The increase in mining expenditures of \$850,023 was principally attributable to scaling up mining activities at the Company's Sunday Mine Complex. Cost increases were attributable to the hiring of additional mining personnel, increases in the maintenance and depreciation of mining equipment and vehicles, and increased utilization of mining services and supplies.

Professional Fees

Professional fees for the six months ended June 30, 2023 were \$258,930 as compared to \$348,519 for the six months ended June 30, 2022. The decrease in professional fees of \$89,589, or 26% was primarily due to a decrease of \$90,662 in legal fees.

General and Administrative

General and administrative expenses for the six months ended June 30, 2023 were \$1,019,119 as compared to \$1,518,819 for the six months ended June 30, 2022. The decrease in general and administrative expense of \$499,700, or 33% is primarily due to a \$459,736 decrease in stock-based compensation expense and a \$27,090 decrease in investor relations expenditures.

Consulting Fees

Consulting fees for the six months ended June 30, 2023 were \$737 as compared to \$59,819 for the six months ended June 30, 2022. The decrease in consulting fees of \$59,082 was principally due to the decreased use of consultants due to the increased use of the Company's expanded in-house staff.

Accretion and Interest (Income) Expense, net

Accretion and interest (income) expense, net for the six months ended June 30, 2023 was income of \$87,481 as compared to expense of \$18,059 for the six months ended June 30, 2022. The change was principally attributable to investment interest earned on higher level of invested cash balances during the six months ended June 30, 2023 compared to the six months ended June 30, 2022.

Foreign Exchange Gain/(Loss)

Foreign exchange gain for the six months ended June 30, 2023 was a gain of \$58,190, as compared to a loss of \$164,127 for the six months ended June 30, 2022. The change in foreign exchange is primarily due to the strengthening of the USD against the CAD.

Liquidity and Capital Resources

The Company's cash and restricted cash balance as of June 30, 2023 was \$7,347,608. 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 development and for fulfillment of its public company reporting responsibilities. Management believes that in order to finance the development of the mining properties and Kinetic Separation, to secure regulatory licenses and to construct a conventional mill for the processing of uranium and vanadium, the Company will be required to raise additional capital by way of debt and/or equity. Western 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.

Net cash (used in) provided by operating activities

Net cash used in operating activities was \$1,425,369 for the six months ended June 30, 2023, as compared with \$5,820,748 provided by operating activities for the six months ended June 30, 2022. The \$7,246,117 reduction in cash generated by operating activities was principally due to the net income from the sale of \$7,233,609 related to the delivery of the uranium during the six months ended June 30, 2022. There was not a corresponding uranium concentrate delivery/sale during the current period.

Net cash used in investing activities

Net cash used in investing activities was \$1,718,751 for the six months ended June 30, 2023, as compared with \$635,876 for the six months ended June 30, 2022. The increase in cash used in investing activities of \$1,082,875 was due principally to the purchase of additional mining equipment and vehicles, to increase mining capacity, and mineral processing facility property acquisitions.

Net cash provided by financing activities

Net cash provided by financing activities for the six months ended June 30, 2023 and 2022 was \$0 and \$5,343,155, respectively. There were no financing activities during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, when we completed a private placement representing aggregate net proceeds of \$3,011,878 and received \$2,331,277 from the exercise of warrants. There were no corresponding capital markets activities during the current period.

Reclamation Liability

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 to be \$751,424 and \$751,405 as of June 30, 2023 and December 31, 2022, respectively. The Company expects to begin incurring the reclamation liability after 2054 for all mines that are not in reclamation and accordingly, has discounted the gross liabilities over their remaining lives using a discount rate of 5.4%. The net discounted aggregated values as of June 30, 2023 and December 31, 2022 were \$305,820 and \$300,276, respectively. The gross reclamation liabilities as of June 30, 2023 and December 31, 2022 are secured by financial warranties in the amount of \$751,424 and \$751,405, respectively.

Oil and Gas Lease and Easement

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 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, commencing on the date the lease would have previously expired. 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. Monthly royalty payments are ongoing on the sixteen (16) wells.

Under the oil and gas lease and easement arrangements, during the three months ended June 30, 2023 and 2022, the Company recognized aggregate revenue of \$102,789 and \$123,037, and for the six months ended June 30, 2023 and 2022, the Company recognized aggregate revenue of \$268,764 and \$279,263, 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 AUD \$500,000 (USD \$333,211 as of June 30, 2023) to Seller within 60 days of the first commercial application of the Kinetic Separation technology. Western 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 \$333,211 and \$340,252 as of June 30, 2023 and December 31 2022, respectively.

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 \$17,925 and \$13,125 in connection with these arrangement for the three months ended June 30, 2023 and 2022, respectively. The Company incurred rent expense of \$35,850 and \$25,323 in connection with these arrangement for the six months ended June 30, 2023 and 2022, respectively.

In May 2023, the Company purchased mining equipment from Silver Hawk Ltd. for \$22,000.

The Company is obligated to pay Mr. Glasier for reimbursable expenses in the amount of \$50,010 and \$87,221 as of June 30, 2023 and December 31 2022, respectively.

Going Concern

With the exception of the quarter ended June 30, 2022, we incurred losses from our operations and as of June 30, 2023, the Company had an accumulated deficit of \$16,055,453 and working capital of \$6,174,933.

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 three and six months ended June 30, 2023, the Company received oil and gas royalty and lease revenues of \$102,789 and \$268,764, respectively. During the three months ended June 30, 2022, we realized revenue of \$7.2 million and corresponding costs of \$4.0 million in connection with a single sale of uranium concentrate.

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 construct a conventional mill for the processing of uranium and vanadium and to incorporate Kinetic Separation in the processing of ore to generate operating cash flows. Western will need additional capital to continue ongoing mining operations by its in-house mining team at the Sunday Mine Complex while simultaneously permitting and construction a processing plant.

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

Off Balance Sheet Arrangements

As of June 30, 2023, 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 condensed interim 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 condensed interim 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 on mineral properties, deferred contingent consideration, the reclamation liability, valuation of stock-based compensation, valuation of available-for-sale securities and valuation of long-term debt, HST and asset retirement obligations. Other areas requiring estimates include allocations of expenditures, depletion and amortization of mineral rights and properties.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, our principal executive officer and principal financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on their evaluation of our disclosure controls and procedures, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of June 30, 2023, to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow for timely decisions regarding required disclosure.

Description of Material Weakness

Management has concluded that the Company's disclosure controls and procedures were not effective as of June 30, 2023, due to the failure to report disclosures on a timely basis.

Remediation of Material Weakness

Management has developed a plan and related timeline for the Company to design a set of control procedures and the related required documentation thereof in order to address this material weakness. However, its implementation was delayed as a decline in commodity prices caused the Company to pursue aggressive cost cutting and de-staffing which has increasingly concentrated duties on the remaining staff. Until the Company has the proper staff in place, it likely will not be able to remediate its material weaknesses.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 under the Exchange Act that occurred during the Company's first fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

In the opinion of management, we are not involved in any claims, legal actions or regulatory proceedings as of June 30, 2023, the ultimate disposition of which would have a material adverse effect on our condensed interim consolidated financial position, results of operations, or cash flows.

Item 1a. Risk Factors

Risks Related to Our Business

Our business activities are subject to significant risks, including those described below. Every investor or potential investor in our securities should carefully consider these risks. If any of the described risks actually occurs, our business, financial position and results of operations could be materially adversely affected. Such risks are not the only ones we face and additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business.

Our ability to become a successful operating mining company is contingent on whether we can continue to access adequate operating capital and can ultimately mine our properties and monetize the uranium and vanadium processed at our mill on a profitable basis, and can then leverage those proceeds to finance further mining activities and to acquire and finance additional reserves, all in spite of potentially significant fluctuations in the market prices of uranium and vanadium.

We expect to generate operating losses for the next several years as we incur expenses to scale up mining at our Sunday Mine Complex. During the three and six months ended June 30, 2023, we generated a net loss of \$1,076,659 and \$2,180,190, respectively. As of June 30, 2023, we had an accumulated deficit of \$16,055,453 and working capital of \$6,174,933.

The Company's ability to continue its planned 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 Kinetic Separation technology, to scale up its mining operations at Sunday Mine Complex, to construct its own ore processing mill that is expected to be licensed to utilize Kinetic Separation, and to initiate the processing of ore to generate operating cash flows.

If we cannot access additional sources of private or public capital, partner with another company that has cash resources and/or find other means of generating revenue other than uranium or vanadium sales, we may not be able to fully realize our planned operations.

Until we can produce and sell sufficient amounts of uranium and/or vanadium, we will have no way to generate adequate cash inflows except by monetizing certain of our assets, partnering with third parties that are better financed or obtaining additional financing of our own. We can provide no assurance that our properties will produce saleable production or that we will be able to continue to find, develop, acquire and finance additional mineral resources. If we cannot monetize certain existing assets, partner with another company that has cash resources, find other means of generating revenue other than uranium or vanadium production and/or access additional sources of private or public capital, we may not be able to remain in business and our shareholders may lose their entire investment.

Our ability to function as an operating mining company will be dependent on our ability to mine our properties and permit, build and operate our mill at a profit sufficient to finance further mining activities and for the acquisition and development of additional properties. The volatility of uranium prices makes long-range planning uncertain and raising capital difficult.

Our ability to operate on a positive cash flow basis will be dependent on mining sufficient quantities of uranium or vanadium at a profit sufficient to finance our operations, operate our mill profitably and for the acquisition and development of additional mining properties. Any profit will necessarily be dependent upon, and affected by, the long and short term market prices of uranium and vanadium, which are subject to significant fluctuation. Uranium prices have been and will continue to be affected by numerous factors beyond our control. These factors include the demand for nuclear power, political and economic conditions in uranium producing and consuming countries, uranium supply from secondary sources and uranium production levels and costs of production. A significant, sustained drop in uranium prices may make it impossible to operate our business at a level that will permit us to cover our fixed costs or to remain in operation.

Evaluating our future performance may be difficult since we have a limited financial and operating history, with significant negative cash flow and an accumulated deficit to date. Furthermore, there is no assurance that we will be successful in securing additional sources of capital sufficient to support our planned operations. As such, substantial doubt exists as to whether our cash resources and working capital will be sufficient to fund our planned operations over the next twelve months. Our long-term success will depend ultimately on our ability to raise additional capital, to achieve and maintain operational profitability and to develop positive cash flows from our mining activities.

As more fully described within this quarterly report, we acquired our first mineral properties in November of 2014. To date, we have been acquiring additional mineral properties and raising capital. We hold uranium projects in various stages of exploration in the states of Colorado and Utah. In addition, in January 2023, we announced our plans to permit and develop a mill for the processing of uranium and vanadium.

As more fully described under “Liquidity and Capital Resources” of Item 2. “Management’s Discussion and Analysis of Financial Condition and Result of Operations”, we have a history of significant negative cash flows and net losses, with an accumulated deficit balance of \$16.1 million and \$13.9 million at June 30, 2023 and December 31, 2022, respectively. We have been reliant on royalty revenues and equity financings from the sale of our common shares in order to fund our operations. We do not expect to achieve profitability or develop positive cash flows from operations in the near term. As a result of our limited financial and operating history, including our significant negative cash flows and net losses to date, it may be difficult to evaluate our future performance.

At June 30, 2023 and December 31, 2022, we had working capital of \$6,174,933 and \$9,568,963, respectively. The continuation of the Company as a going concern is dependent upon our ability to obtain adequate additional financing. However, there is no assurance that we will be successful in securing any form of additional financing in the future; therefore, substantial doubt exists as to whether our cash resources and working capital will be sufficient to enable the Company to continue its operations over the next twelve months. The condensed interim consolidated financial statements for the three and six months ended June 30, 2023 were prepared assuming that the Company would continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our reliance on equity and debt financings is expected to continue for the foreseeable future. The availability of such funds whenever such additional financing is required, will be dependent on many factors beyond our control, including, but not limited to, the market price of uranium, the continuing public support of nuclear power as a viable source of electricity generation, the volatility in the global financial markets affecting our stock price and the status of the worldwide economy, any one of which may cause significant challenges in our ability to access additional financing, including access to the equity and credit markets. We may also be required to seek other forms of financing, such as asset divestitures or joint venture arrangements to continue advancing our uranium projects, which would depend entirely on finding a suitable third party willing to enter into such an arrangement, typically involving an assignment of a percentage interest in the mineral project.

Our long-term success, including the recoverability of the carrying values of our assets, our ability to acquire additional uranium projects and continue with exploration and pre-extraction activities and mining activities on our existing uranium projects, will depend ultimately on our ability to achieve and maintain profitability, and positive cash flow from our operations by establishing ore bodies that contain commercially recoverable uranium and to develop these into profitable mining activities. The economic viability of our mining activities has many risks and uncertainties. These include, but are not limited to: (i) a significant, prolonged decrease in the market price of uranium; (ii) difficulty in marketing and/or selling uranium concentrates; (iii) significantly higher than expected capital costs to construct the mine and/or processing plant; (iv) significantly higher than expected extraction costs; (v) significantly lower than expected uranium extraction; (vi) significant delays, reductions or stoppages of uranium extraction activities; and (vii) the introduction of significantly more stringent regulatory laws and regulations. Our mining activities may change as a result of any one or more of these risks and uncertainties and there is no assurance that any ore body that we extract mineralized materials from will result in achieving and maintaining profitability and developing positive cash flow.

Our operations are capital intensive, and we will require significant additional financing to continue production at the Sunday Mine Complex, to permit and construct the ore processing mill, to continue exploration and begin pre-extraction activities on our other existing uranium/vanadium projects, and to acquire additional uranium/vanadium projects.

Our operations are capital intensive and future capital expenditures are expected to be substantial. We will require significant additional financing to fund our operations, including continuing production at the Sunday Mine Complex, to permit and construct the ore processing mill, continuing exploration on our other existing projects and beginning pre-extraction activities on those projects, which include assaying, drilling, geological and geochemical analysis and mine construction costs, and acquiring additional uranium/vanadium projects. In the absence of such additional financing, we would not be able to fund our operations, which may result in delays, curtailment or abandonment of any one or all of our uranium projects.

Uranium/vanadium exploration and pre-extraction programs and mining activities are inherently subject to numerous significant risks and uncertainties, and actual results may differ significantly from expectations or anticipated amounts. Furthermore, exploration programs conducted on our uranium/vanadium projects may not result in the establishment of ore bodies that contain commercially recoverable uranium/vanadium.

Uranium/vanadium exploration and pre-extraction programs and mining activities are inherently subject to numerous significant risks and uncertainties, many beyond our control, including, but not limited to: (i) unanticipated ground and water conditions and adverse claims to water rights; (ii) unusual or unexpected geological formations; (iii) metallurgical and other processing problems; (iv) the occurrence of unusual weather or operating conditions and other force majeure events; (v) lower than expected ore grades; (vi) industrial accidents; (vii) delays in the receipt of or failure to receive necessary government permits; (viii) delays in transportation; (ix) availability of contractors and labor; (x) government permit restrictions and regulation restrictions; (xi) unavailability of materials, equipment and milling facilities; and (xii) the failure of equipment or processes to operate in accordance with specifications or expectations. These risks and uncertainties could result in delays, reductions or stoppages in our mining activities; increased capital and/or extraction costs; damage to, or destruction of, our mineral projects, extraction facilities or other properties; personal injuries; environmental damage; monetary losses; and legal claims.

Success in uranium/vanadium exploration is dependent on many factors, including, without limitation, the experience and capabilities of a company's management, the availability of geological expertise and the availability of sufficient funds to conduct the exploration program. Even if an exploration program is successful and commercially recoverable uranium/vanadium is established, it may take a number of years from the initial phases of drilling and identification of the mineralization until extraction is possible, during which time the economic feasibility of extraction may change such that the uranium ceases to be economically recoverable. Uranium/vanadium exploration is frequently non-productive due, for example, to poor exploration results or the inability to establish ore bodies that contain commercially recoverable uranium, in which case the uranium project may be abandoned and written-off. Furthermore, we will not be able to benefit from our exploration efforts and recover the expenditures that we incur on our exploration programs if we do not establish ore bodies that contain commercially recoverable uranium/vanadium and develop these uranium/vanadium projects into profitable mining activities, and there is no assurance that we will be successful in doing so for any of our uranium/vanadium projects.

Whether an ore body contains commercially recoverable uranium/vanadium depends on many factors including, without limitation: (i) the particular attributes, including material changes to those attributes, of the ore body such as size, grade, recovery rates and proximity to infrastructure; (ii) the market price of uranium, which may be volatile; and (iii) government regulations and regulatory requirements including, without limitation, those relating to environmental protection, permitting and land use, taxes, land tenure and transportation.

We have established the existence of mineralized materials on our uranium properties. However, we have not established any measured, indicated or inferred mineral resources or any proven or probable reserves through the completion of a feasibility study for any of our uranium properties and we have no current plans to seek to do so, as it would not serve a business purpose at the present time. Furthermore, we have no current plans to establish proven or probable reserves for any of our uranium properties as it doesn't serve a business purpose at the present time.

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, and this could negatively affect our ability to do business.

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.

Because the number of mills permitted for processing of uranium and vanadium is very limited, we have determined that we will seek a permit and then construct our own uranium and vanadium ore processing mill. The capital required and risks involved in such an endeavor could negatively affect our ability to do business.

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, 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.

Our ability to realize anticipated benefits of the Kinetic Separation process is subject to uncertainties associated with that process.

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. However, 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.

We do not insure against all of the risks we face in our operations.

In general, where coverage is available and not prohibitively expensive relative to the perceived risk, we will maintain insurance against such risk, subject to exclusions and limitations. We currently maintain insurance against certain risks including securities and general commercial liability claims and certain physical assets used in our operations, subject to exclusions and limitations; however, we do not maintain insurance to cover all of the potential risks and hazards associated with our operations. We may be subject to liability for environmental, pollution or other hazards associated with our exploration, pre-extraction and extraction activities, which we may not be insured against, which may exceed the limits of our insurance coverage or which we may elect not to insure against because of high premiums or other reasons. Furthermore, we cannot provide assurance that any insurance coverage we currently have will continue to be available at reasonable premiums or that such insurance will adequately cover any resulting liability.

Our inability to obtain financial surety would threaten our ability to continue in business.

Future financial surety requirements to comply with federal and state environmental and remediation requirements and to secure necessary licenses and approvals may increase significantly as future development and production occurs at certain of our sites in the United States. The amount of the financial surety for each producing property is subject to annual review and revision by regulators. We expect that the issuer of the financial surety instruments will require us to provide cash collateral for a significant amount of the face amount of the bond to secure the obligation. In the event we are not able to raise, secure or generate sufficient funds necessary to satisfy these requirements, we will be unable to develop our sites and bring them into production, which inability will have a material adverse impact on our business and may negatively affect our ability to continue to operate.

Acquisitions that we may make from time to time could have an adverse impact on us.

From time to time, we examine opportunities to acquire additional mining assets and businesses. Any acquisition that we may choose to complete may be of a significant size, may change the scale of our business and operations, and may expose us to new geographic, political, operating, financial and geological risks. Our success in our acquisition activities depends on our ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of our Company. Any acquisitions would be accompanied by risks which could have a material adverse effect on our business. For example, there may be a significant change in commodity prices after we have committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; we may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt our ongoing business and our relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that we choose to raise debt capital to finance any such acquisition, our leverage will be increased. If we choose to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, we may choose to finance any such acquisition with our existing resources. There can be no assurance that we would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

The uranium industry is subject to numerous stringent laws, regulations and standards, including environmental protection laws and regulations. If any changes occur that would make these laws, regulations and standards more stringent, it may require capital outlays in excess of those anticipated or cause substantial delays, which would have a material adverse effect on our operations.

Uranium exploration and pre-extraction programs and mining activities are subject to numerous stringent laws, regulations and standards at the federal, state, and local levels governing permitting, pre-extraction, extraction, exports, taxes, labor standards, occupational health, waste disposal, protection and reclamation of the environment, protection of endangered and protected species, mine safety, hazardous substances and other matters. Our compliance with these requirements requires significant financial and personnel resources.

The laws, regulations, policies or current administrative practices of any government body, organization or regulatory agency in the United States or any other applicable jurisdiction, may change or be applied or interpreted in a manner which may also have a material adverse effect on our operations. The actions, policies or regulations, or changes thereto, of any government body or regulatory agency or special interest group, may also have a material adverse effect on our operations.

Uranium exploration and pre-extraction programs and mining activities are subject to stringent environmental protection laws and regulations at the federal, state, and local levels. These laws and regulations, which include permitting and reclamation requirements, regulate emissions, water storage and discharges and disposal of hazardous wastes. Uranium mining activities are also subject to laws and regulations which seek to maintain health and safety standards by regulating the design and use of mining methods. Various permits from governmental and regulatory bodies are required for mining to commence or continue, and no assurance can be provided that required permits will be received in a timely manner.

Our compliance costs including the posting of surety bonds associated with environmental protection laws and regulations and health and safety standards have been significant to date, and are expected to increase in scale and scope as we expand our operations in the future. Furthermore, environmental protection laws and regulations may become more stringent in the future, and compliance with such changes may require capital outlays in excess of those anticipated or cause substantial delays, which would have a material adverse effect on our operations.

To the best of our knowledge, our operations are in compliance, in all material respects, with all applicable laws, regulations and standards. We may not be able or may elect not to insure against the risk of liability for violations of such laws, regulations and standards, due to high insurance premiums or other reasons. Where coverage is available and not prohibitively expensive relative to the perceived risk, we will maintain insurance against such risk, subject to exclusions and limitations. However, we cannot provide any assurance that such insurance will continue to be available at reasonable premiums or that such insurance will be adequate to cover any resulting liability.

We may not be able to obtain, maintain or amend rights, authorizations, licenses, permits or consents required for our operations.

Our exploration mining and planned uranium and vanadium ore processing activities at the proposed company owned mill are dependent upon the grant of appropriate rights, authorizations, licenses, permits and consents, as well as continuation and amendment of these rights, authorizations, licenses, permits and consents already granted, which may be granted for a defined period of time, or may not be granted or may be withdrawn or made subject to limitations. There can be no assurance that all necessary rights, authorizations, licenses, permits and consents will be granted to us, or that authorizations, licenses, permits and consents already granted will not be withdrawn or made subject to limitations.

Closure and remediation costs for environmental liabilities may exceed the provisions we have made.

Natural resource companies are required to close their operations and rehabilitate the lands in accordance with a variety of environmental laws and regulations. Estimates of the total ultimate closure and rehabilitation costs for uranium operations are significant and based principally on current legal and regulatory requirements and closure plans that may change materially. Any underestimated or unanticipated rehabilitation costs could materially affect our financial position, results of operations and cash flows. Environmental liabilities are accrued when they become known, are probable and can be reasonably estimated. Whenever a previously unrecognized remediation liability becomes known, or a previously estimated reclamation cost is increased, the amount of that liability and additional cost will be recorded at that time and could materially reduce our consolidated net income in the related period.

The laws and regulations governing closure and remediation in a particular jurisdiction are subject to review at any time and may be amended to impose additional requirements and conditions which may cause our provisions for environmental liabilities to be underestimated and could materially affect our financial position or results of operations.

Major nuclear incidents may have adverse effects on the nuclear and uranium industries.

The nuclear incident that occurred in Japan in March 2011 had significant and adverse effects on both the nuclear and uranium industries. If another nuclear incident were to occur, it may have further adverse effects for both industries. Public opinion of nuclear power as a source of electricity generation may be adversely affected, which may cause governments of certain countries to further increase regulation for the nuclear industry, reduce or abandon current reliance on nuclear power or reduce or abandon existing plans for nuclear power expansion. Any one of these occurrences has the potential to reduce current and/or future demand for nuclear power, resulting in lower demand for uranium and lower market prices for uranium, adversely affecting the Company's operations and prospects. Furthermore, the growth of the nuclear and uranium industries is dependent on continuing and growing public support of nuclear power as a viable source of electricity generation.

The marketability of uranium concentrates will be affected by numerous factors beyond our control which may result in our inability to receive an adequate return on our invested capital.

The marketability of uranium concentrates extracted by us will be affected by numerous factors beyond our control. These factors include macroeconomic factors, fluctuations in the market price of uranium, governmental regulations, land tenure and use, regulations concerning the importing and exporting of uranium and environmental protection regulations. The future effects of these factors cannot be accurately predicted, but any one or a combination of these factors may result in our inability to receive an adequate return on our invested capital.

The only significant market for uranium is nuclear power plants world-wide, and there are a limited number of customers.

We are dependent on a limited number of electric utilities that buy uranium for nuclear power plants. Because of the limited market for uranium, a reduction in purchases of newly produced uranium by electric utilities for any reason (such as plant closings) would adversely affect the viability of our business.

The price of alternative energy sources affects the demand for and price of uranium.

The attractiveness of uranium as an alternative fuel to generate electricity may be dependent on the relative prices of oil, gas, wind, solar, coal and hydro-electricity and the possibility of developing other low-cost sources of energy. If the prices of alternative energy sources decrease or new low-cost alternative energy sources are developed, the demand for uranium could decrease, which may result in a decrease in the price of uranium.

The title to our mineral property interests may be challenged.

Although we have taken reasonable measures to ensure proper title to our interests in mineral properties and other assets, there is no guarantee that the title to any of such interests will not be challenged. No assurance can be given that we will be able to secure the grant or the renewal of existing mineral rights and tenures on terms satisfactory to us, or that governments in the jurisdictions in which we operate will not revoke or significantly alter such rights or tenures or that such rights or tenures will not be challenged or impugned by third parties, including local governments, aboriginal peoples or other claimants. Our mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. A successful challenge to the precise area and location of our claims could result in us being unable to operate on our properties as permitted or being unable to enforce our rights with respect to our properties.

Due to the nature of our business, we may be subject to legal proceedings which may divert management's time and attention from our business and result in substantial damage awards.

Due to the nature of our business, we may be subject to numerous regulatory investigations, securities claims, civil claims, lawsuits and other proceedings in the ordinary course of our business. The outcome of these lawsuits is uncertain and subject to inherent uncertainties, and the actual costs to be incurred will depend upon many unknown factors. We may be forced to expend significant resources in the defense of these suits, and we may not prevail. Defending against these and other lawsuits in the future may not only require us to incur significant legal fees and expenses, but may become time-consuming for us and detract from our ability to fully focus our internal resources on our business activities. The results of any legal proceeding cannot be predicted with certainty due to the uncertainty inherent in litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurances that these matters will not have a material adverse effect on our business, financial position or operating results.

Competition from better-capitalized companies affects prices and our ability to acquire both properties and personnel.

There is global competition for uranium/vanadium properties, ore processing mills, capital, customers and the employment and retention of qualified personnel. In the production and marketing of uranium and vanadium, there are a number of producing entities, some of which are government controlled and all of which are significantly larger and better capitalized than we are. Many of these organizations also have substantially greater financial, technical, manufacturing and distribution resources than we have.

Our uranium production also competes with uranium recovered from the de-enrichment of highly enriched uranium obtained from the dismantling of United States and Russian nuclear weapons and imports to the United States of uranium from the former Soviet Union and from the sale of uranium inventory held by the DoE. In addition, there are numerous entities in the market that compete with us for properties and mills and are attempting to become licensed to operate ISR and/or underground mining facilities. If we are unable to successfully compete for properties, mills, capital, customers or employees or with alternative uranium sources, it could have a materially adverse effect on our results of operations.

Because we have limited capital, inherent mining risks pose a significant threat to us compared with our larger competitors.

Because we have limited capital, we may be unable to withstand significant losses that can result from inherent risks associated with mining, including environmental hazards, industrial accidents, flooding, earthquake, interruptions due to weather conditions and other acts of nature which larger competitors could withstand. Such risks could result in damage to or destruction of our infrastructure and production facilities, as well as to adjacent properties, personal injury, environmental damage and processing and production delays, causing monetary losses and possible legal liability. Our business could be harmed if we lose the services of our key personnel.

Our business and mineral exploration programs depend upon our ability to employ the services of geologists, engineers and other experts. In operating our business and in order to continue our programs, we compete for the services of professionals with other mineral exploration companies and businesses. Our ability to maintain and expand our business and continue our exploration programs may be impaired if we are unable to continue to employ or engage those parties currently providing services and expertise to us or identify and engage other qualified personnel to do so in their place. To retain key personnel, we may face increased compensation costs, including potential new stock incentive grants and there can be no assurance that the incentive measures we implement will be successful in helping us retain our key personnel.

If we fail to maintain proper and effective internal controls, our ability to produce accurate and timely condensed interim consolidated financial statements could be impaired, which could harm our operating results, our ability to operate our business and investors' views of us.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate condensed interim consolidated financial statements on a timely basis is a costly and time-consuming effort that will need to be evaluated frequently. Section 404 of the Sarbanes-Oxley Act requires public companies to conduct an annual review and evaluation of their internal controls, which the company does each year. Our failure to maintain the effectiveness of our internal controls in accordance with the requirements of the Sarbanes-Oxley Act could have a material adverse effect on our business. We could lose investor confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on the price of our common shares.

The Company may be subject to certain tax consequences in its business, which may increase the cost of doing business.

The Company may not be able to structure its acquisitions to result in tax-free treatment for the companies or their stockholders, which could deter third parties from entering into certain business combinations with the Company or result in being taxed on consideration received in a transaction.

Our business, financial condition and results of operations may be negatively affected by economic and other consequences from Russia's military action against Ukraine and the international sanctions imposed in response to that action.

In late February 2022, Russia launched a large-scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West, including the United States. In response to the military action by Russia, various countries, including the United States, the United Kingdom and European Union issued broad-ranging economic sanctions against Russia and its companies, institutions, officials and oligarchs. Additional sanctions have been and may be imposed in the future. Such sanctions (and any future sanctions) and other actions against Russia may adversely impact, among other things, the Russian economy and various sectors of the economy, including but not limited to, financial, energy, metals and mining, engineering and defense and defense-related materials sectors; result in a decline in the value and liquidity of Russian securities; result in boycotts, tariffs, and purchasing and financing restrictions on Russia's government, companies and certain individuals; weaken the value of the ruble; downgrade the country's credit rating; freeze Russian securities and/or funds invested in prohibited assets and impair the ability to trade in Russian securities and/or other assets; and have other adverse consequences on the Russian government, economy, companies and region. Further, several large corporations and U.S. states have announced plans to divest interests or otherwise curtail business dealings with certain Russian businesses.

The ramifications of the hostilities and sanctions may not be limited to Russia, Ukraine and Russian and Ukrainian companies and may spill over to and negatively impact other regional and global economic markets (including Europe and the United States), companies in other countries (particularly those that have significant trade with Russia and Ukraine) and on various sectors, industries and markets for securities and commodities globally, such as oil and natural gas. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility and cause severe negative effects on regional and global economic markets, industries, and companies. In addition, Russia may take retaliatory actions and other countermeasures, including cyberattacks and espionage against other countries and companies around the world, which may negatively impact such countries and companies.

The extent and duration of the military action or future escalation of such hostilities, the extent and impact of existing and future sanctions, market disruptions and volatility, and the result of any diplomatic negotiations cannot be predicted.

While we expect any direct impacts to our business to be limited, the indirect impacts on the economy, such as recession, and on the mining industry and other industries in general could negatively affect our business and may make it more difficult for us to raise equity or debt financing and/or impair global equity prices, including Western's.

In addition, the impact of other current macro-economic factors on our business, which may be exacerbated by the war in Ukraine – including inflation, supply chain constraints and geopolitical events – is uncertain.

The COVID-19 coronavirus could adversely impact our business, including our mine development plans.

In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan, China. Since then, the COVID-19 coronavirus has spread to multiple countries, including the United States. As the COVID-19 coronavirus continues to spread in the United States, we may experience disruptions that could severely impact our business, including:

- interruption of key mining activities due to limitations on travel, gathering, or business operations imposed or recommended by federal or state governments, employers and others.
- limitations in employee resources, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people.
- delays in financial reporting and filings due to the impact of mitigation efforts on staff and service providers

- changes in local regulations as part of a response to the COVID-19 coronavirus outbreak which may require us to change the ways in which mining is conducted, which may result in unexpected costs.
- delays in necessary interactions with regulators and other important agencies and contractors due to limitations in employee resources or new procedures due to limitations imposed by COVID-19.
- reduction in the global demand for uranium and/or vanadium due to reduced primary applications of uranium (nuclear power generation) and vanadium (steelmaking).
- COVID-19 restrictions could cause a decline in energy consumption or indirectly reduced oil prices could lessen the demand for nuclear power.
- COVID-19 previously caused uranium mine closures that have taken substantial uranium supply offline and increased the spot price of uranium to date during this crisis, there is no guarantee that this relationship will continue as the COVID-19 crisis is ongoing and the dynamic of the mine closure/spot price relationship may change.

The global outbreak of the COVID-19 coronavirus continues to evolve. The extent to which the COVID-19 coronavirus and its subvariants may impact our business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in the United States and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States and other countries to contain and treat the disease.

Risks Related to Our Stock

If we are unable to raise additional capital, our business may fail and shareholders may lose their entire investment.

We had \$7,347,608 in cash at June 30, 2023. There can be no assurance that we will be able to obtain additional capital after we exhaust our current cash. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of such securities would likely result in substantial dilution to existing shareholders. If we borrow money, we will have to pay interest and may also have to agree to restrictions that limit our operating flexibility.

If additional capital is not available in sufficient amounts or on a timely basis, we will experience liquidity problems, and we could face the need to significantly curtail current operations, change our planned business strategies and pursue other remedial measures. Any curtailment of business operations would have a material negative effect on operating results, the value of our outstanding stock is likely to fall, and our business may fail, causing our shareholders to lose their entire investment.

Shareholders could be diluted if we were to use common shares to raise capital.

We may need to seek additional capital to carry our business plan. This financing could involve one or more types of securities including common shares, convertible debt or warrants to acquire common shares. These securities could be issued at or below the then prevailing market price for our common shares. Any issuance of additional common shares could be dilutive to existing shareholders and could adversely affect the market price of our common shares.

The Company's common shares may at times be traded in low volumes, which may negatively affect your ability to sell shares.

The Company's common shares may trade at times in low volumes on both the CSE and OTCQX, meaning that the number of persons interested in purchasing our common shares at or near bid prices at any given time may be relatively small. This situation may be attributable to a number of factors, including the fact that we are a small company that is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community who can generate or influence sales volume, and that even if we came to the attention of such institutionally oriented persons, they tend to be risk-averse in this environment and would be reluctant to follow an early stage company such as ours or purchase or recommend the purchase of our shares until such time as we became more advanced and viable. As a consequence, there may be periods of several days or more when trading activity in the Company's shares is minimal, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. The Company cannot give you any assurance that a broader or more active public trading market for our common shares will develop or be sustained. Due to these conditions, we can give you no assurance that you will be able to sell your shares at or near bid prices or at all if you need money or otherwise desire to liquidate your shares. Further, certain institutional and other investors may have investment guidelines that restrict or prohibit investing in securities traded in the over-the-counter market. These factors may have an adverse impact on the trading and price of our securities and could result in the loss by investors of all or part of their investment.

The Company's common share price may be volatile.

The future trading price of the Company's common shares may be volatile and may fluctuate substantially. The price of the common shares may be higher or lower than the price you pay for your shares, depending on many factors, some of which are beyond the Company's control and may not be directly related to its operating performance. These factors include the following:

- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market price and trading volume of securities of mineral exploration and mining companies;
- changes in government regulations or regulatory policies with respect to mineral exploration and mining companies or in the status of our regulatory approvals;
- actual or anticipated changes in earnings or fluctuations in operating results;
- announcements by us or by our competitors of acquisitions or of new products, commercial relationships or capital commitments;
- disruption to our operations or those of other contractors critical to our operations;
- the emergence of new competitors;
- commencement of, or our involvement in, litigation;
- dilutive issuances of our common shares or the incurrence of additional debt;
- adoption of new or different accounting standards;
- general economic conditions and trends and slow or negative growth of related markets;
- loss of a major funding source; or
- departures of key personnel.

Due to the continued potential volatility of its stock price, the Company may be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from the business.

The sale of shares by our directors and officers may adversely affect the market price for our shares.

Sales of significant amounts of common shares held by our officers and directors, or the prospect of these sales, could adversely affect the market price of our common shares. Management's stock ownership may discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which in turn could reduce our stock price or prevent our shareholders from realizing a premium over our stock price.

We have never paid or declared any dividends on our common shares.

We have never paid or declared any dividends on our common shares. Likewise, we do not anticipate paying dividends or distributions on our common shares. Any future dividends on common shares will be declared, if at all, at the discretion of our board of directors and will depend, among other things, on our earnings, our financial requirements for future operations and growth, and other facts as we may then deem appropriate.

Our Chief Executive Officer is our largest shareholder, and as a result he may be able to exert control over us and may have actual or potential interests that may diverge from yours.

George Glasier, our CEO, beneficially owns, in the aggregate, about 12.5% of our common shares. As a result, Mr. Glasier might be able to influence many matters requiring shareholder approval, including the election of directors and approval of mergers and other significant corporate transactions. This concentration of ownership may have the effect of delaying, preventing or deterring a change in control, and could deprive our shareholders of an opportunity to receive a premium for their common shares as part of a sale of our company and may affect the market price of our stock.

Furthermore, Mr. Glasier may have interests that diverge from those of other holders of our common shares. As a result, Mr. Glasier may vote the shares he owns or controls or otherwise cause us to take actions that may conflict with your best interests as a shareholder, which could adversely affect our results of operations and the trading price of our common shares. Through this control, Mr. Glasier can exert influence over our management, affairs and all matters requiring shareholder approval, including the approval of significant corporate transactions, a sale of our company, decisions about our capital structure and the composition of our board of directors.

Risks Related to Our Regulatory Environment

The SEC's adoption of the "Modernization of Property Disclosures for Mining Registrants," as codified in S-K 1300, has created new disclosure requirements for mineral reserves and mineral resources that create some ambiguity for issuers required to comply with both the requirements of S-K 1300 and NI 43-101 and may result in increased compliance costs.

SEC Industry Guide 7 has been rescinded and replaced by S-K 1300, which requires that we disclose specific information related to our material mining operations, including with particularity any mineral resources and mineral reserves. Although we have established the existence of mineralized materials on our uranium properties, we have not established any measured mineral resources or any proven or probable reserves through the completion of a feasibility study for any of our uranium properties and we have no current plans to seek to do so, as it would not serve a business purpose at the present time. Nevertheless, if in the future we were to seek to identify any measured mineral resources or to establish any proven or probable reserves, we would be required to provide disclosure in that regard under both S-K 1300 and NI 43-101. While S-K 1300 is substantively similar to NI 43-101 (with the primary difference being between the format required for an S-K 1300 technical report summary and the format required for an NI 43-101 technical report), S-K 1300 is potentially subject to unknown interpretations, which could require the Company to incur substantial costs associated with compliance. We cannot predict the nature of any future enforcement, interpretation, or application of S-K 1300. Any further revisions to, or interpretations of, S-K 1300 or NI 43-101 could result in our company incurring unforeseen costs associated with compliance with both of those disclosure regimes.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

For Western, safety is a core value, and we strive for superior performance. Our health and safety management system, which includes detailed standards and procedures for safe production, addresses topics such as employee training, risk management, workplace inspection, emergency response, accident investigation, and program auditing. In addition to strong leadership and involvement from all levels of the organization, these programs and procedures form the cornerstone of safety at Western, ensuring that employees are provided a safe and healthy environment and are intended to reduce workplace accidents, incidents and losses, comply with all mining-related regulations and provide support for both regulators and the industry to improve mine safety.

The operation of our U.S. based mine is subject to regulation by the Federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Act"). MSHA inspects our mine on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act Following passage of The Mine Improvement and New Emergency Response Act of 2006, MSHA significantly increased the number of citations and orders charged against mining operations. The dollar penalties assessed for citations issued has also increased in recent years.

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States, and that is subject to regulation by the Federal Mine Safety and Health Administration under the Mine Safety and Health Act of 1977 ("Mine Safety Act"), are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. Western went into active mining operations at the Sunday Mine Complex during 2021. During the quarter ended June 30, 2023, Mine Safety and Health Administration (MSHA) mine inspections have not yielded any disclosures required by Section 1503(a) of the Dodd-Frank Act."

Item 5. Other Information

None.

Item 6. Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1 *	Certificate of Incorporation, as amended
3.2 *	Amended and Restated Bylaws
4.1	Shareholder Rights Plan Agreement, as of May 24, 2023
10.1	Incentive Stock Option Plan, as amended on May 24, 2023
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Previously filed as an exhibit to the Company's Form 10 registration statement filed on April 29, 2016 and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WESTERN URANIUM & VANADIUM CORP.

Date: August 17, 2023

By: /s/ George Glasier
Chief Executive Officer and President

Date: August 17, 2023

By: /s/ Robert Klein
Robert Klein
Chief Financial Officer

SHAREHOLDER RIGHTS PLAN AGREEMENT

This shareholder rights plan agreement, dated as of May 24, 2023 (the “**Effective Date**”), is between **Western Uranium & Vanadium Corp.**, a corporation existing under the *Business Corporations Act* (Ontario) (the “**Corporation**”) and **Capital Transfer Agency ULC**, a trust company existing under the laws of British Columbia, as rights agent (the “**Rights Agent**”, which term shall include any successor Rights Agent hereunder).

WHEREAS the Board of Directors of the Corporation, in the exercise of its fiduciary duties to the Corporation, has determined that it is advisable and in the best interests of the Corporation to adopt a shareholder rights plan (the “**Rights Plan**”) (a) to ensure, to the extent possible, that the securityholders of the Corporation and the Board of Directors have adequate time to consider and evaluate any unsolicited bid for the Corporation’s securities, (b) to provide the Board of Directors with adequate time to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any such unsolicited bid, (c) to encourage the fair treatment of securityholders in connection with any take-over offer for the Corporation’s securities, and (d) generally to assist the Board of Directors in enhancing securityholder value;

AND WHEREAS in order to implement the Rights Plan, the Board of Directors:

- (a) authorized the issuance of one right (a “**Right**”) effective at the Record Time (as hereinafter defined) in respect of each Common Share (as hereinafter defined) outstanding at the Record Time; and
- (b) authorized the issuance of one Right in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the Expiration Time (as hereinafter defined);

AND WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS the Corporation desires to appoint the Rights Agent to act on behalf of the Corporation and the holders of Rights, and the Rights Agent has agreed to act on behalf of the Corporation and the holders of Rights in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to herein;

AND WHEREAS the foregoing recitals and statements are made by the Corporation and not the Rights Agent;

NOW THEREFORE, in consideration of the premises and the respective agreements set forth herein, the Corporation and the Rights Agent hereby agree as follows:

ARTICLE 1: INTERPRETATION**1.01 Certain Definitions**

For purposes of this Agreement, the following terms have the meanings indicated:

“**Acquiring Person**” means any Person who is, at the applicable time, the Beneficial Owner of 20% or more of the outstanding Voting Shares; provided that the term “Acquiring Person” shall not include:

- (a) the Corporation or any Subsidiary of the Corporation;
-

- (b) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of anyone or any combination of:
- (i) a Voting Share Reduction which, by reducing the number of Voting Shares outstanding, increases the percentage of Voting Shares Beneficially Owned by such Person to or above 20% or more of the Voting Shares then outstanding;
 - (ii) a Permitted Bid Acquisition;
 - (iii) a Pro Rata Acquisition;
 - (iv) an Exempt Acquisition; or
 - (v) a Convertible Security Acquisition;

provided further, however, that if a Person shall become the Beneficial Owner of 20% or more of the Voting Shares then outstanding by reason of anyone or a combination of a Voting Share Reduction, a Permitted Bid Acquisition, a Pro Rata Acquisition, an Exempt Acquisition or a Convertible Security Acquisition and thereafter becomes the Beneficial Owner of any additional Voting Shares (other than pursuant to a Voting Share Reduction, a Permitted Bid Acquisition, a Pro Rata Acquisition, an Exempt Acquisition or a Convertible Security Acquisition), then as of the date that such Person becomes the Beneficial Owner of such additional Voting Shares, such Person shall become an Acquiring Person;

- (c) for the period of ten (10) days after the Disqualification Date, any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of such Person becoming disqualified from relying on Clause (f) of the definition of "Beneficial Owner" because such Person makes or announces an intention to make a Take-over Bid alone or by acting jointly or in concert with any other Person;
- (d) a Grandfathered Person;
- (e) a Subsequent Grandfathered Person, provided that this exemption shall not be, and shall cease to be, applicable to a Subsequent Grandfathered Person in the event that such Subsequent Grandfathered Person shall, after the completion of the transaction pursuant to which such Person became a Subsequent Grandfathered Person, become the Beneficial Owner of any additional Voting Shares (other than through anyone or any combination of a Voting Share Reduction, a Permitted Bid Acquisition, a Pro Rata Acquisition, an Exempt Acquisition or a Convertible Security Acquisition); and
- (f) an underwriter or member of a banking or selling group that acquires Voting Shares from the Corporation in connection with a distribution of securities pursuant to a prospectus or by way of private placement,

"**Acting jointly or in concert**" shall have the meaning ascribed to it in Section 1.06 hereof;

"**Affiliate**" when used to indicate a relationship with a specified Person, shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person;

“**Agreement**” means this shareholder rights plan agreement between the Corporation and the Rights Agent, as may be amended and/or supplemented or restated from time to time;

“**Associate**”, when used to indicate a relationship with a specified Person, shall mean:

- (a) any corporation of which such Person beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation for the time being outstanding;
- (b) any partner of that Person;
- (c) any trust or estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity;
- (d) a spouse of such specified Person;
- (e) any Person of either sex with whom such specified Person is living in a conjugal relationship outside marriage; or
- (f) any relative of such specified Person or of a Person mentioned in Clauses (d) or (e) of this definition if that relative has the same residence as the specified Person;

A Person shall be deemed the “**Beneficial Owner**” of, to have “**Beneficial Ownership**” of and to “**Beneficially Own**”:

- (a) any securities of which such Person or any of such Person’s Affiliates or Associates is the owner at law or in equity including, for greater certainty, any Person or Persons considered to be acting jointly or in concert with the foregoing pursuant to section 90 of the *Securities Act* (Ontario);
- (b) any securities as to which such Person or any of such Person’s Affiliates or Associates has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the occurrence of any contingency or payment of installments, upon the exercise of any conversion right, exchange right or purchase right attaching to Convertible Securities, or pursuant to any agreement, arrangement, pledge or understanding, written or oral (other than customary agreements with and between underwriters and/or banking group and/or selling group members with respect to a distribution of securities pursuant to a prospectus or by way of private placement and other than pursuant to pledges of securities in the ordinary course of business of the lender granted as security for bona fide indebtedness) or otherwise;
- (c) any securities as to which such Person or any of such Person’s Affiliates or Associates has the right to vote, where such right is exercisable immediately or after the passage of time and whether or not on condition or the occurrence of any contingency, pursuant to any agreement, arrangement, pledge or understanding, written or oral (other than pursuant to pledges of securities in the ordinary course of business of the lender granted as security for bona fide indebtedness) or otherwise; provided that this paragraph (c) shall not apply to a right to vote arising under any agreement, arrangement or understanding among or between holders of Voting Shares where no Person, whether alone or together with any of such Person’s Affiliates or Associates or any other Person with whom such Person or any of such Person’s Affiliates or Associates is acting jointly or in concert, is in a position to exercise *de jure* or *de facto* control of the Corporation as a result of such agreement, arrangement or understanding; and

- (d) any securities which are Beneficially Owned within the meaning of Clauses (a), (b) or (c) of this definition by any other Person with which such Person is acting jointly or in concert with respect to the Corporation or any of its securities or assets;

provided that a Person shall not be deemed the “**Beneficial Owner**” of, or to have “**Beneficial Ownership**” of, or to “**Beneficially Own**”, any security:

- (e) by reason of such security having been deposited or tendered, without any prior agreement, arrangement or understanding in respect thereof, pursuant to any Take-over Bid made by such Person or any of such Person’s Affiliates or Associates or any other Person referred to in Clause (d) of this definition until the earlier of such deposited or tendered security being taken up or accepted unconditionally for payment or exchange;
- (f) by reason of such Person, any of such Person’s Affiliates or Associates or any other Person referred to in Clause (d) of this definition holding such security and:
- (i) the ordinary business of the Person (in this definition, a “**Manager**”) includes the management of investment funds for others and such security is held by the Manager in the ordinary course of such business in the performance of such Manager’s duties for the account of any other Person (in this definition, a “**Client**”), including non-discretionary accounts held on behalf of a Client by a broker or dealer registered under applicable law;
 - (ii) the Person (in this definition, a “**Trust Company**”) is licensed to carry on the business of a trust company under applicable law and, as such, acts as a trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each, in this definition, an “**Estate Account**”) or in relation to other accounts (each, in this definition, an “**Other Account**”) and holds such security and is acting in the ordinary course of such duties for the Estate Account or for such Other Accounts;
 - (iii) the Person (in this definition, a “**Statutory Body**”) is established by statute for purposes that include, and the ordinary business or activity of such Person includes, the management of investment funds for employee benefit plans, pension plans, insurance plans or various public bodies and the Statutory Body holds such security in the ordinary course of and for the purposes of the management of such investment funds;
 - (iv) the Person (in this definition, an “**Administrator**”) is the administrator or trustee of one or more pension funds or plans (each, in this definition, a “**Plan**” registered under the laws of Canada or any province thereof or the corresponding laws of the jurisdiction by which such Plan is governed and the Administrator holds such security in the ordinary course of and for the purposes of its activities as such; or
 - (v) such Person is a Plan and such security is Beneficially Owned or held by the Plan in the ordinary course of such Plan’s activities;

but only if the Manager, the Trust Company, the Statutory Body, the Administrator or the Plan, as the case may be, (A) did not acquire and does not Beneficially Own or hold such security for the purpose of or with the effect of changing or influencing the control of the issuer thereof, either alone or acting jointly or in concert with any other Person, or in connection with or as a participant in any transaction having that purpose or effect, (B) is not then making and has not announced an intention to make a Take-over Bid and (C) is not then acting jointly or in concert with any other Person who is making a Take-over Bid or who has announced an intention to make a Take-over Bid other than an Offer to Acquire Voting Shares or other securities (1) pursuant to a distribution by the Corporation or (2) by means of a Permitted Bid or a Competing Permitted Bid, or (3) by means of market transactions made in the ordinary course of the business of such Person (including pre-arranged trades entered into the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market;

- (g) because such Person:
 - (i) is a Client of the same Manager as another Person on whose account the Manager holds such security,
 - (ii) has an Estate Account or an Other Account with the same Trust Company as another Person on whose account the Trust Company holds such security, or
 - (iii) is a Plan with the same Administrator as another Plan on whose account the Administrator holds such security,
- (h) because such Person:
 - (i) is a Client of a Manager and such security is owned at law or in equity by the Manager,
 - (ii) has an Estate Account or an Other Account with a Trust Company and such security is owned at law or in equity by the Trust Company, or
 - (iii) is a Plan and such security is owned at law or in equity by the Administrator of the Plan; or
- (i) (i) because such Person is the registered holder of securities as a result of carrying on the business of, or acting as a nominee for a securities depository;

“**Board of Directors**” shall mean the board of directors of the Corporation, as constituted from time to time, and whenever duly empowered, any committee of the board of directors of the Corporation;

“**Business Day**” shall mean any day other than a Saturday, Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obliged by law to close;

“**Canadian Dollar Equivalent**” of any amount which is expressed in a currency other than Canadian dollars shall mean, on any date, the Canadian dollar equivalent of such amount determined by multiplying such amount by the exchange rate in effect on such date as approved in good faith by the Board of Directors;

“**Close of Business**” on any given date shall mean the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Common Shares in the City of Toronto is closed to the public;

“**Common Shares**” shall mean the common shares in the capital of the Corporation and any other share of the Corporation into which such shares may be sub-divided, consolidated, re-classified or changed;

“**Competing Permitted Bid**” means a Take-over Bid that:

- (a) is made after any Permitted Bid has been made and prior to the expiry of any such Permitted Bid;
- (b) satisfies all components of the definition of a Permitted Bid other than the requirements set out in Clause (b) of the definition of a Permitted Bid; and
- (c) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on a date that is no earlier than the later of: (i) the sixtieth (60th) day after the date on which the earliest Permitted Bid which preceded the Competing Permitted Bid was made; and (ii) thirty-five (35) days (or such other minimum deposit period for a take-over bid as is prescribed by the Securities Act (Ontario)), after the date of the Take-over Bid constituting the Competing Permitted Bid;

“**controlled**”: a Person is considered to be “controlled” by another Person or two or more Persons if:

- (a) in the case of a Person other than a partnership or a limited partnership, including, without limitation, a corporation or body corporate:
 - (i) securities entitled to vote in the election of directors carrying more than 50% of the votes for the election of directors of such Person are held, directly or indirectly, by or on behalf of the other Person or Persons; and
 - (ii) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such Person;
- (b) in the case of a partnership other than a limited partnership, more than 50% of the interests in such partnership are held by the other Person or Persons; and
- (c) in the case of a limited partnership, the other Person or each of the other Persons is a general partner of the limited partnership, and “**controls**”, “**controlling**” and “**under common control with**” shall be interpreted accordingly;

“**Convertible Securities**” shall mean, at any time, any securities issued by the Corporation (including rights, warrants and options but excluding the Rights) carrying any purchase, exercise, conversion or exchange right pursuant to which the holder thereof may acquire Voting Shares or other securities convertible into or exercisable or exchangeable for Voting Shares (in each case, whether such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency);

“**Convertible Security Acquisition**” shall mean the acquisition of Voting Shares upon the exercise of Convertible Securities acquired by a Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition;

“**Co-Rights Agent**” shall have the meaning ascribed thereto in Subsection 4.01(a);

“**Disqualification Date**” means the first date of public announcement of facts indicating that such Person is making or intends to make a Take-over Bid;

“**DRS Statements**” means Direct Registration System statements;

“**Election to Exercise**” shall have the meaning attributed thereto in Subsection 2.02(d);

“**Exempt Acquisition**” shall mean an acquisition of Voting Shares or Convertible Securities (a) in respect of which the Board of Directors has waived the application of Section 3.01 pursuant to the provisions of Subsection 5.02(a) hereof, or (b) pursuant to a distribution of Voting Shares or Convertible Securities (and the conversion or exchange of such Convertible Securities) made by the Corporation pursuant to a prospectus, private placement or other distribution made by the Corporation exempt from the prospectus requirements of applicable law;

“**Exercise Price**” shall mean, as of any date, the price at which a holder of a Right may purchase the securities issuable upon exercise of one whole Right. Until adjustment thereof in accordance with the terms hereof, the Exercise Price shall equal four times the Market Price per Common Share as determined at the Separation Time;

“**Expiration Time**” shall mean, subject to Sections 5.20 and 5.21, the Close of Business on the earliest of:

- (a) the Termination Time;
- (b) the date upon which this Agreement terminates pursuant to Section 5.20 of this Agreement, if applicable; and
- (c) the date that is three years after the date of the Initial Shareholder Approval, unless the Rights Plan is submitted to holders of Voting Shares for their approval prior to such date and the Rights Plan is then approved by a majority of the votes cast by Independent Shareholders prior to that date, in which case the Expiration Time shall be the earlier of (i) the date so approved as the Expiration Time by the Independent Shareholders or (ii) the date that is six years after the Effective Date;

“**First Person**” has the meaning set forth in Section 1.06;

“**Flip-in Event**” shall mean a transaction in which any Person becomes an Acquiring Person;

“**Grandfathered Person**” means a Person who is the Beneficial Owner of 20% or more of the outstanding Voting Shares determined as at the Record Time (a “**Grandfathered Person**”); provided that such a Person shall not be, and shall cease to be, a Grandfathered Person if such Person shall, after the Record Time, become the Beneficial Owner of any Voting Shares not Beneficially Owned by such Person as at the Record Time (other than through any one of, or any combination of, a Voting Share Reduction, a Permitted Bid Acquisition, a Pro Rata Acquisition, an Exempt Acquisition or a Convertible Security Acquisition);

“**Independent Shareholders**” shall mean holders of Voting Shares other than Voting Shares Beneficially Owned by: (A) an Acquiring Person; (B) an Offeror, other than a Person described in any one or more of paragraphs (i) through (v) of Clause (f) of the definition of “Beneficial Owner”; (C) any Associate or Affiliate of such Acquiring Person or Offeror; (D) any Person acting jointly or in concert with such Acquiring Person or Offeror; and (E) any employee benefit plan, stock purchase plan, deferred profit sharing plan and any other similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or direct whether the Voting Shares are to be tendered to a Take-over Bid;

“**Initial Shareholder Approval**” has the meaning set out in Section 5.20 of this Agreement;

“**Market Price**” per security of any securities on any date of determination shall mean the average of the daily closing prices per security of such securities (determined as described below) on each of the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if an event of a type analogous to any of the events described in Section 2.03 hereof shall have caused the closing prices used to determine the Market Price on any such Trading Day not to be fully comparable with the closing price on such date of determination (or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day), each such closing price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.03 hereof in order to make it fully comparable with the closing price on such date of determination (or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day). The closing price per security of any securities on any date shall be:

- (a) the closing board lot sale price or, in case no such sale takes place on such date, the average of the closing bid and asked prices for each such security on such date as reported by the principal stock exchange in Canada on which such securities are listed or admitted to trading;
- (b) if for any reason none of such prices described in (a) above is available for such day or the securities are not listed or admitted to trading on a Canadian stock exchange, the last sale price or, if such price is not available, the average of the closing bid and asked prices, for each such security on such date as reported by such other securities exchange on which such securities are listed or admitted to trading;
- (c) if for any reason none of such prices described in (b) above is available for such day or the securities are not listed or admitted to trading on a Canadian stock exchange or other securities exchange, the last sale price, or if no sale takes place, the average of the high bid and low asked prices for each such security on such date in the over-the-counter market, as quoted by any reporting system then in use (as determined by the Board of Directors); or
- (d) if for any such date none of such prices described in (c) above is available or the securities are not listed or admitted to trading on a Canadian stock exchange or any other securities exchange and are not quoted by any such reporting system, the average of the closing bid and asked prices for such date as furnished by a professional market maker making a market in the securities selected in good faith by the Board of Directors,

provided that if on any such date none of such prices is available, the closing price per security of such securities on such date shall mean the fair value per security of such securities on such date as determined in good faith by a securities advisory firm selected by the Board of Directors in good faith. The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in another currency, such amount shall be translated into Canadian dollars on such date at the Canadian Dollar Equivalent thereof;

“**Nominee**” shall have the meaning ascribed thereto in Subsection 2.02(c);

“**OBCA**” shall mean the *Business Corporations Act* (Ontario), as amended, and the regulations made thereunder and any comparable or successor laws or regulations thereto;

“**Offer to Acquire**” shall include:

- (a) an offer to purchase, a public announcement of an intention to make an offer to purchase, or a solicitation of an offer to sell, Voting Shares, and
- (b) an acceptance of an offer to sell Voting Shares, whether or not such offer to sell has been solicited,

or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell;

“**Offeror**” shall mean a Person who has announced an intention to make or who has made a Take-over Bid;

“**Permitted Bid**” means a Take-over Bid which is made by means of a take-over bid circular and which also complies with the following additional provisions:

- (a) the Take-over Bid complies with the requirements of *National Instrument 62-104-Take-over Bids and Issuer Bids* (to the extent the foregoing is applicable and then in force);
- (b) the Take-over Bid is made to all holders of Voting Shares as registered on the books of the Corporation, other than the Offeror, for all Voting Shares held by them;
- (c) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, an irrevocable and unqualified condition that no Voting Shares shall be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the date which is not less than one hundred and five (105) days after the date of the Take-over Bid, and then only if at such date more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
- (d) the Take-over Bid contains an irrevocable and unqualified provision that, unless the Take-over Bid is withdrawn, Voting Shares may be deposited pursuant to such Take-over Bid at any time during the period of time between the date of the Take-over Bid and the date on which the Voting Shares subject to the Take-over Bid may be taken up and paid for and that any Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
- (e) the Take-over Bid contains an irrevocable and unqualified provision that if, on the date on which Voting Shares may be taken up and paid for, more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than 10 Business Days from the date of such public announcement;

“**Permitted Bid Acquisition**” means an acquisition of Voting Shares pursuant to a Permitted Bid or a Competing Permitted Bid;

“**Person**” shall include any individual, firm, partnership, syndicate, association, trust, trustee, executor, administrator, legal personal representative, government, governmental body or authority, corporation or other incorporated or unincorporated organization;

“**Pro Rata Acquisition**” shall mean an acquisition by a Person of Voting Shares or Convertible Securities (a) as a result of a stock dividend, a stock split or other event pursuant to which such Person receives or acquires Voting Shares or Convertible Securities on the same pro rata basis as all other holders of Voting Shares of the same class or series of the Corporation, or (b) pursuant to a regular dividend reinvestment or other plan of the Corporation made available by the Corporation to the holders of Voting Shares where such plan permits the holder to direct that the dividends paid in respect of such Voting Shares be applied to the purchase from the Corporation of further securities of the Corporation, or (c) pursuant to the receipt and/or exercise of rights (other than the Rights) issued by the Corporation to all of the holders of a series or class of Voting Shares on a pro rata basis to subscribe for or purchase Voting Shares or Convertible Securities, provided that such rights are acquired directly from the Corporation and not from any other Person;

“**Record Time**” shall mean 12:01 a.m. (Toronto time) on the Effective Date;

“**Redemption Price**” shall have the meaning attributed thereto in Section 5.01;

“**Rights**” shall mean the herein described rights to purchase securities pursuant to the terms and subject to the conditions set forth herein;

“**Rights Certificate**” shall mean the certificates representing the Rights after the Separation Time which shall be substantially in the form attached hereto as Exhibit A or such other form as the Corporation and the Rights Agent may agree;

“**Rights Register**” shall have the meaning ascribed thereto in Subsection 2.06(a);

“**Securities Act (Ontario)**” shall mean the *Securities Act* (Ontario), as amended, and the regulations made thereunder and any comparable or successor laws or regulations thereto;

“**Separation Time**” shall mean, subject to Section 5.02, the Close of Business on the tenth (10th) Business Day after the earlier of:

- (a) the Stock Acquisition Date; and
- (b) the date of the commencement of, or first public announcement of the intent of any Person, (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid),

or such later time as may be determined by the Board of Directors in good faith, provided that if the foregoing results in a Separation Time being prior to the Record Time, the Separation Time shall be the Record Time and provided further that if any Take-over Bid referred to in Clause (b) of this definition expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-Over Bid shall be deemed, for the purposes of this definition, never to have been made;

“**Stock Acquisition Date**” shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 101 of the *Securities Act* (Ontario) or Section 13(d) of the *United States Securities Exchange Act of 1934*, as amended) by the Corporation or a Person of facts indicating that a Person has become an Acquiring Person;

“**Subsequent Grandfathered Person**” shall mean a Person who, after the Record Time, acquires all of the Voting Shares Beneficially Owned by a Grandfathered Person, provided that:

- (a) such Person does not Beneficially Own any other Voting Shares at the time of such acquisition; and
- (b) such transaction is completed in compliance with applicable securities laws;

“**Subsidiary**”: a body corporate is a Subsidiary of another body corporate if:

- (a) it is controlled by (i) that other, or (ii) that other and one or more bodies corporate, each of which is controlled by that other, or (iii) two or more bodies corporate, each of which is controlled by that other, or
- (b) it is a Subsidiary of a body corporate that is that other’s Subsidiary;

“**Take-over Bid**” means an Offer to Acquire Voting Shares or Convertible Securities (or both) if, assuming that the Voting Shares or Convertible Securities that are the subject of the Offer to Acquire are acquired at the date of such Offer to Acquire by the Person making such Offer to Acquire, the Voting Shares Beneficially Owned by the Person making the Offer to Acquire would constitute, in the aggregate, 20% or more of the Voting Shares of the Corporation then outstanding;

“**Termination Time**” shall mean the time at which the right to exercise Rights shall terminate pursuant to Subsection 5.01 (d) hereof;

“**Trading Day**” when used with respect to any securities, shall mean a day on which the principal Canadian securities exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian securities exchange, a Business Day;

“**Voting Share Reduction**” means an acquisition or a redemption of Voting Shares by the Corporation or a Subsidiary of the Corporation; and

“**Voting Shares**” shall mean collectively the Common Shares of the Corporation and any other shares in the capital stock or voting interests of the Corporation entitled to vote generally in the election of directors.

1.02 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

1.03 Number and Gender

Wherever the context so requires, terms used herein importing the singular number only shall include the plural and vice versa and words importing any one gender shall include all others.

1.04 Descriptive Headings and References

Descriptive headings and the Table of Contents appear herein for convenience of reference only and shall not affect the meaning or construction of any of the provisions hereof. All references to Articles, Sections, Subsections, Clauses and Exhibits are to the articles, sections, subsections, clauses and exhibits forming part of this Agreement. The words “hereto”, “herein”, “hereof”, “hereunder”, “this Agreement” and similar expressions refer to this Agreement including the Exhibits, as the same may be amended, modified or supplemented from time to time.

1.05 Calculation of Beneficial Ownership of Outstanding Voting Shares

(a) For the purposes of this Agreement, in determining the percentage of the outstanding Voting Shares of the Corporation with respect to which a Person is or is deemed to be the Beneficial Owner, all unissued Voting Shares of the Corporation of which such Person is deemed to be the Beneficial Owner shall be deemed to be outstanding.

(b) For the purposes of this Agreement, the percentage of Voting Shares Beneficially Owned by any Person shall be and be deemed to be the product determined by the formula:

$$\frac{100 \times A}{B}$$

where

A = the number of votes for the election of all directors generally attaching to the Voting Shares Beneficially Owned by such Person; and

B = the number of votes for the election of all directors generally attaching to all outstanding Voting Shares.

1.06 Acting Jointly or in Concert

For purposes of this Agreement, it is a question of fact as to whether a Person is “**acting jointly or in concert**” with another Person and, without limiting the generality of the foregoing, the following shall be deemed to be acting jointly or in concert with a Person (the “**First Person**”):

- (a) every Person who has any agreement, arrangement, commitment or understanding (whether formal or informal and whether or not in writing) with the First Person, any Associate or Affiliate of the First Person or any other Person acting jointly or in concert with the First Person, for the purpose of acquiring or Offering to Acquire any Voting Shares or Convertible Securities of the Corporation (other than customary agreements with and between underwriters or banking group or selling group members with respect to a distribution of securities and other than pledges of securities in the ordinary course of the pledgee’s business), including, without limitation, anyone or more of, or any combination of, (i) a put, call, option, forward sale or purchase or other right or obligation relating to the sale or disposition of any Voting Shares of the Corporation to the First Person, any Associate or Affiliate of the First Person or any other Person acting jointly or in concert with the First Person (whether settled by delivery of securities, cash or a combination thereof), (ii) any security the value of which varies with the value of Voting Shares of the Corporation, or (iii) any agreement, arrangement, commitment or understanding (whether formal or informal and whether or not in writing) pursuant to which all or substantially all of the economic or market risk underlying a Voting Share of the Corporation, directly or indirectly, is transferred to, or assumed by, the First Person, any Associate or Affiliate of the First Person or any other Person acting jointly or in concert with the First Person;

- (b) every Person who has any agreement, arrangement, commitment or understanding (whether formal or informal and whether or not in writing) with the First Person, any Associate or Affiliate of the First Person or any other Person acting jointly or in concert with the First Person, for the purpose or with the intention of exercising jointly or in concert with the First Person, any Associate or Affiliate of the First Person or any other Person acting jointly or in concert with the First Person, any voting rights attaching to any securities of the Corporation where as a result of such agreement, arrangement or understanding, any Person, whether alone or together with any of such Person's Affiliates or Associates or any other Person with whom such Person or any of such Person's Affiliates or Associates is acting jointly or in concert, is in a position to exercise *de jure* or *de facto* control of the Corporation; and
- (c) every Person who has any agreement, arrangement, commitment or understanding (whether formal or informal and whether or not in writing) with the First Person, any Associate or Affiliate of the First Person or any other Person acting jointly or in concert with the First Person, for the purpose of selling, offering to sell, acquiring or offering to acquire any business, asset, subsidiary or investee company of the Corporation through any one transaction or series of transactions where the value of business, asset, subsidiary or investee company to be acquired represents more than 10% of the acquiring company or more than 20% of the offering or acquired company, it being understood that the Board of Directors of the Corporation will be entitled to seek and rely upon the advice of a nationally or internationally recognized investment dealer or investment banker with respect to the calculations contemplated in this paragraph.

Notwithstanding the foregoing and for greater certainty, the phrase “**acting jointly or in concert**” shall not include conduct consisting solely of:

- (d) voting or directing the vote of securities of the Corporation pursuant to a revocable proxy given in response to a particular proxy solicitation (other than a proxy solicitation initiated by an Offeror or any Associate or Affiliate of an Offeror or any other Person acting jointly or in concert with an Offeror); or
- (e) voting or directing the vote of securities of the Corporation in connection with or in order to participate in a particular proxy solicitation (other than a proxy solicitation initiated by an Offeror or any Associate or Affiliate of an Offeror or any other Person acting jointly or in concert with an Offeror).

ARTICLE 2: THE RIGHTS

2.01 Evidence Of Holding Of Rights

(a) Common Share certificates and DRS Statements which are issued after the Record Date but prior to the earlier of the Separation Time and the Expiration Time shall evidence one Right for each Common Share represented thereby and shall have impressed on, printed on, written on or otherwise affixed to them a legend, substantially in the following form:

UNTIL THE EARLIER OF THE SEPARATION TIME AND THE EXPIRATION TIME (AS SUCH TERMS ARE DEFINED IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT REFERRED TO BELOW), THIS CERTIFICATE ALSO EVIDENCES AND ENTITLES THE HOLDER HEREOF TO CERTAIN RIGHTS AS SET FORTH IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT DATED AS OF MAY 24, 2023, AS AMENDED FROM TIME TO TIME (THE "RIGHTS AGREEMENT"), BETWEEN **WESTERN URANIUM & VANADIUM CORP.** (THE "CORPORATION") AND **CAPITAL TRANSFER AGENCY ULC** , AS RIGHTS AGENT, THE TERMS OF WHICH ARE HEREBY INCORPORATED HEREIN BY REFERENCE AND A COPY OF WHICH IS ON FILE AND MAY BE INSPECTED DURING NORMAL BUSINESS HOURS AT THE PRINCIPAL EXECUTIVE OFFICE OF THE CORPORATION. UNDER CERTAIN CIRCUMSTANCES, AS SET FORTH IN THE RIGHTS AGREEMENT, SUCH RIGHTS MAY BE AMENDED OR REDEEMED, MAY EXPIRE, OR MAY BECOME VOID (IF, IN CERTAIN CASES, THEY ARE "BENEFICIALLY OWNED" BY AN "ACQUIRING PERSON", AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT OR A TRANSFEREE THEREOF), OR MAY BE EVIDENCED BY SEPARATE CERTIFICATES AND MAY NO LONGER BE EVIDENCED BY THIS CERTIFICATE. THE CORPORATION WILL MAIL OR ARRANGE FOR THE MAILING OF A COPY OF THE RIGHTS AGREEMENT TO THE HOLDER OF THIS CERTIFICATE WITHOUT CHARGE PROMPTLY AFTER THE RECEIPT OF A WRITTEN REQUEST THEREFOR.

Certificates and DRS Statements representing Common Shares that are issued and outstanding at the Record Time shall evidence one Right for each Common Share evidenced thereby, notwithstanding the absence of the foregoing legend, until the earlier of the Separation Time and the Expiration Time.

(b) Registered holders of Common Shares who have not received a share certificate or DRS Statement and are entitled to do so on the earlier of the Separation Time and the Expiration Time shall be entitled to Rights as if such certificates or DRS Statements had been issued and such Rights shall for all purposes hereof be evidenced by the corresponding entries on the Corporation's securities register for Common Shares.

2.02 Initial Exercise Price; Exercise of Rights; Detachment Of Rights

(a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase, for the Exercise Price, one Common Share (which Exercise Price and number of Common Shares are subject to adjustment as set forth herein). Notwithstanding any other provision of this Agreement, any Rights Beneficially Owned by the Corporation or any of its Subsidiaries shall be void.

(b) Until the Separation Time,

(i) the Rights shall not be exercisable and no Right may be exercised, and

(ii) for administrative purposes, each Right will be evidenced by the certificate or DRS Statement for the associated Common Share registered in the name of the holder thereof (which certificate shall be deemed to represent a Rights Certificate) and will be transferable only together with, and will be transferred by a transfer of, such associated Common Share.

(c) From and after the Separation Time and prior to the Expiration Time, the Rights may be exercised and the registration and transfer of the Rights shall be separate from and independent of Common Shares. Promptly following the Separation Time, the Corporation will prepare and the Rights Agent will mail to each holder of record of Common Shares as of the Separation Time or, in the case of the conversion or exercise of conversion rights, exchange rights, share purchase rights (other than Rights), warrants or options into Common Shares after the Separation Time and prior to the Close of Business on the tenth (10th) Business Day following the exchange or exercise, the Rights Agent will mail to each holder of record so converting, exchanging or exercising (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a “**Nominee**”), at such holder’s address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose),

(i) a Rights Certificate, in substantially the form set out in Exhibit A hereto, appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation or judicial or administrative order made pursuant thereto or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to standard usage, and

(ii) a disclosure statement prepared by the Corporation describing the Rights;

provided that a Nominee shall be sent the materials provided for in Clauses (i) and (ii) in respect of all Common Shares held of record by it which are not Beneficially Owned by an Acquiring Person.

(d) Rights may be exercised in whole or in part on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent at its office in the City of Toronto or at any other office of the Rights Agent in the cities designated (with the approval of the Rights Agent) from time to time for that purpose by the Corporation:

(i) the Rights Certificate evidencing such Rights;

(ii) an election to exercise such Rights (an “**Election to Exercise**”) substantially in the form attached to the Rights Certificate appropriately completed and duly executed by the holder or his executors or administrators or other personal representatives or his or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and

(iii) payment by certified cheque or money order payable to the order of the Corporation, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being exercised.

(e) Upon receipt of a Rights Certificate, with an Election to Exercise appropriately completed and duly executed which does not indicate that such Right is null and void as provided by Subsection 3.01(b), accompanied by payment as set forth in Subsection 2.02(d)(iii), the Rights Agent (unless otherwise instructed in writing by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:

(i) requisition from the transfer agent for the Corporation's Common Shares certificates for the number of Common Shares to be purchased (the Corporation hereby irrevocably agreeing to authorize its transfer agent to comply with all such requisitions);

(ii) after receipt of any certificates referred to in Subsection 2.02(e)(i), deliver such certificates to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder;

(iii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Common Shares;

(iv) after receipt, deliver such cash referred to in Subsection 2.02(e)(iii) to or to the order of the registered holder of the Rights Certificate; and

(v) tender to the Corporation all payments received on exercise of the Rights.

(f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.

(g) The Corporation covenants and agrees that it will:

(i) take all such action as may be necessary and within its power to ensure that all Common Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates representing such Common Shares (subject to payment of the Exercise Price), be duly and validly authorized, issued and delivered as fully paid and non-assessable;

(ii) take all such action as may be necessary and within its power to comply with any applicable requirements of the OBCA, the Securities Act (Ontario) and the securities statute or comparable legislation of each of the other provinces and territories of Canada, and other applicable securities laws and the rules and regulations thereunder, and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Common Shares upon exercise of Rights;

(iii) on or before the issuance thereof, use reasonable efforts to cause all Common Shares issued upon exercise of Rights to be listed on The Toronto Stock Exchange and each other stock exchange on which the Common Shares are then listed or admitted to trading at that time; and

(iv) pay when due and payable any and all Canadian federal and provincial transfer taxes (not in the nature of income of withholding taxes) and charges which may be payable in respect of the original issuance or delivery of the Rights Certificates or certificates for Common Shares or registration of the Common Shares in the securities register of the Corporation, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares or the registration of the Common Shares in the securities register of the Corporation in a name other than that of the holder of the Rights being transferred or exercised.

2.03 Adjustments to Exercise Price; Number of Rights

(a) The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.03 and in Subsection 3.01(a).

(b) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time:

- (i) declare or pay a dividend on the Common Shares of the Corporation payable in Common Shares or Convertible Securities other than pursuant to any dividend reinvestment program;
- (ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares;
- (iii) consolidate or change the then outstanding Common Shares into a smaller number of Common Shares; or
- (iv) issue any Common Shares, Convertible Securities or other capital stock of the Corporation in respect of, in lieu of, or in exchange for existing Common Shares except as otherwise provided in this Section 2.03;

the Exercise Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or other change, and the number of Common Shares or other securities, as the case may be, issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive, upon payment of the applicable Exercise Price then in effect, the aggregate number of Common Shares or other securities, as the case may be, which, if such Right had been exercised immediately prior to such date and at a time when the share transfer books of the Corporation were open, such holder would have been entitled to receive as a result of such dividend, subdivision, combination or reclassification.

(c) In case the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for the issuance of rights, options or warrants to all holders of Common Shares entitling them to subscribe for or purchase (for a period expiring within 45 calendar days after such record date) Common Shares (or shares having the same rights, privileges and preferences as Common Shares (“**equivalent common shares**”) or securities convertible into or exchangeable for or carrying a right to purchase Common Shares or equivalent common shares) at a price per Common Share or per equivalent common share (or if a security convertible into or exchangeable for or carrying a right to purchase Common Shares or equivalent common shares having a conversion, exchange or exercise price per share) less than 90% of the Market Price per Common Share on the second Trading Day immediately preceding such record date, the Exercise Price in respect of the Rights to be in effect after such record date shall be determined by multiplying the Exercise Price in respect of the Rights in effect immediately prior to such record date by a fraction:

- (i) the numerator of which shall be the number of Common Shares outstanding on such record date, plus the number of Common Shares that the aggregate offering price of the total number of Common Shares and/or equivalent common shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered) would purchase at such Market Price per Common Share; and
- (ii) the denominator of which shall be the number of Common Shares outstanding on such record date, plus the number of additional Common Shares and/or equivalent common shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable).

In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights. Such adjustment shall be made successively whenever such a record date is fixed and, in the event that such rights, options or warrants are not so issued, the Exercise Price in respect of the Rights shall be re-adjusted to be the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would be in effect based on the number of Common Shares, equivalent common shares (or securities convertible into or exchangeable or exercisable for Common Shares or equivalent common shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

(d) For purposes of this Agreement, the granting of the right to purchase Common Shares (whether from treasury or otherwise) pursuant to a dividend reinvestment plan or any employee benefit, stock option or similar plans shall be deemed not to constitute an issue of rights, options or warrants by the Corporation; provided that, in all such cases, the right to purchase Common Shares is at a price per share of not less than 90% of the then current market price per share (determined as provided in such plans) of the Common Shares.

(e) In case the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for a distribution to all holders of Common Shares (including any such distribution made in connection with a merger in which the Corporation is the continuing corporation) of evidences of indebtedness or assets, including cash (other than a dividend paid in the ordinary course or a dividend paid in Common Shares, but including any dividend payable in securities other than Common Shares), or subscription rights or warrants entitling them to subscribe for or purchase Common Shares (excluding those referred to in Subsection 2.03(c)) at a price per Common Share that is less than ninety (90%) of the Market Price per Common Share on the second Trading Day immediately preceding such record date, the Exercise Price in respect of the Rights to be in effect after such record date shall be determined by multiplying the Exercise Price in respect of the Rights in effect immediately prior to such record date by a fraction: (i) the numerator of which shall be the Market Price per Common Share on such record date, less the fair market value (as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights), on a per share basis, of the portion of the cash, assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to a Common Share; and (ii) the denominator of which shall be such Market Price per Common Share. Such adjustments shall be made successively whenever such a record date is fixed and, in the event that such distribution is not so made, the Exercise Price in respect of the Rights shall be adjusted to be the Exercise Price in respect of the Rights which would have been in effect if such record date had not been fixed.

(f) Notwithstanding anything herein to the contrary, no adjustment in an Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in such Exercise Price; provided, however that any adjustments which by reason of this Subsection 2.03 (f) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 2.03 shall be made to the nearest cent or to the nearest ten-thousandth of a Common Share or other share, as the case may be. Notwithstanding the first sentence of this Subsection 2.03(f), any adjustment required by this Section 2.03 shall be made no later than the Expiration Time.

(g) If as a result of an adjustment made pursuant to this Section 2.03, the holder of any Right thereafter exercised shall become entitled to receive any shares other than Common Shares, thereafter the number of such other shares so receivable upon exercise of any Right and the applicable Exercise Price thereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as is practicable to the provisions with respect to the Common Shares contained in this Section 2.03, and the provisions of this Agreement with respect to the Common Shares shall apply on like terms to any such other shares.

(h) All Rights originally issued by the Corporation subsequent to any adjustment made to an Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the respective number of Common Shares, as the case may be, purchasable from time to time hereunder upon exercise of the Rights immediately prior to such time, all subject to further adjustment as provided herein.

(i) Unless the Corporation shall have exercised its election as provided in Subsection 2.03(j), upon each adjustment of an Exercise Price as a result of the calculations made in Subsections 2.03(c) and 2.03(e), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Exercise Price, that number of Common Shares, as the case may be (calculated to the nearest one ten-thousandth), obtained by:

(i) multiplying:

- (A) the number of such Common Shares which would have been issuable upon the exercise of a Right immediately prior to this adjustment; by
- (B) the relevant Exercise Price in effect immediately prior to such adjustment of the relevant Exercise Price; and

(ii) dividing the product so obtained by the relevant Exercise Price in effect immediately after such adjustment of the relevant Exercise Price.

(j) The Corporation may elect on or after the date of any adjustment of an Exercise Price to adjust the number of Rights, in lieu of any adjustment in the number of Common Shares purchasable upon the exercise of a Right. Each of the Rights outstanding after the adjustment in the number of Rights shall be exercisable for the number of Common Shares for which such a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one ten-thousandth) obtained by dividing the relevant Exercise Price in effect immediately prior to adjustment of the relevant Exercise Price by the relevant Exercise Price in effect immediately after adjustment of the relevant Exercise Price. The Corporation shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the relevant Exercise Price is adjusted or any day thereafter, but, if the Rights Certificates have been issued, shall be at least 10 days later than the date of the public announcement. If Rights Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Subsection 2.03(j), the Corporation shall, as promptly as is practicable, cause to be distributed to holders of record of Rights Certificates on such record date, Rights Certificates evidencing, subject to Section 5.06, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Corporation, shall cause to be distributed to such holders of record in substitution and replacement for the Rights Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Corporation, new Rights Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Rights Certificates to be so distributed shall be issued, executed and countersigned in the manner provided for herein and may bear, at the option of the Corporation, the relevant adjusted Exercise Price and shall be registered in the names of holders of record of Rights Certificates on the record date specified in the public announcement.

(k) Irrespective of any adjustment or change in an Exercise Price or the number of Common Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the relevant Exercise Price per Common Share and the number of Common Shares which were expressed in the initial Rights Certificates issued hereunder.

(l) In any case in which this Section 2.03 shall require that an adjustment in an Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer, until the occurrence of such event, the issuance to the holder of any Right exercised after such record date of the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the relevant Exercise Price in effect prior to such adjustment; provided that the Corporation shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional Common Shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.

(m) Notwithstanding anything in this Section 2.03 to the contrary, the Corporation shall be entitled to make such reductions in each Exercise Price, in addition to those adjustments expressly required by this Section 2.03, as and to the extent that in its good faith judgment the Board of Directors shall determine to be advisable in order that any: (i) consolidation or subdivision of Common Shares; (ii) issuance wholly for cash of any Common Share or Convertible Securities; (iii) stock dividends; or (iv) issuance of rights, options or warrants referred to in this Section 2.03, hereafter made by the Corporation to holders of its Common Shares, shall not be taxable to such shareholders.

(n) The Corporation covenants and agrees that, after the Separation Time, it will not, except as permitted by this Agreement, take (or permit any Subsidiary of the Corporation to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

(o) Whenever an adjustment to the Exercise Price or a change in the securities purchasable upon exercise of the Rights is made at any time after the Separation Time pursuant to this Section 2.03, the Corporation shall promptly:

(i) file with the Rights Agent and with the transfer agent for the Common Shares a certificate specifying the particulars of such adjustment or change; and

(ii) cause notice of the particulars of such adjustment or change to be given to the holders of the Rights;

provided that failure to file such certificate or cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

2.04 Date on Which Exercise is Effective

Each Person in whose name any certificate for Common Shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered in accordance with Subsection 2.02(d) (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Corporation are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

2.05 Execution, Authentication, Delivery and Dating of Rights Certificates

(a) The Rights Certificates shall be executed on behalf of the Corporation by any two of its Chairman, its President and Chief Executive Officer, its Chief Financial Officer and any director of the Corporation, provided that none of such officer or director, any Affiliate or Associate of such officer or director or any person with whom such officer or director or any such Affiliate or Associate is acting jointly or in concert has commenced or publicly announced an intention to commence a Take-over Bid. The signature of any of these officers or directors on the Rights Certificates may be manual or mechanically reproduced. Rights Certificates bearing the manual or mechanically reproduced signatures of individuals holding the above offices of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates.

(b) Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall countersign (manually in a manner satisfactory to the Corporation) and deliver such Rights Certificates to the holders of the Rights pursuant to Subsection 2.02(c). No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.

(c) Each Rights Certificate shall be dated the date of countersignature thereof.

2.06 Registration, Registration of Transfer and Exchange

(a) The Corporation will cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed “Rights Registrar” for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times. After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Subsection 2.06(c), the Corporation will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder’s instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.

(b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.

(c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent as the case may be, duly executed by the holder thereof or such holder’s attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.06, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Rights Agent) connected therewith.

2.07 Mutilated, Destroyed, Lost and Stolen Rights Certificates

(a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.

(b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time (i) evidence to their satisfaction of the destruction, loss or theft of any Rights Certificate and (ii) such surety bond and indemnity as may be required by them to save each of them and any of their agents harmless, then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon its request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

(c) As a condition to the issuance of any new Rights Certificate under this Section 2.07, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Rights Agent) connected therewith.

(d) Every new Rights Certificate issued pursuant to this Section 2.07 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence a contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.08 Persons Deemed Owners

Prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name such Rights Certificate (or, prior to the Separation Time, such Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term "holder" of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, of the associated Common Shares).

2.09 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.09, except as expressly permitted by this Agreement. The Rights Agent shall destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation upon request.

2.10 Agreement of Rights Holders

Every holder of Rights, by accepting such Rights, becomes a party to this Rights Plan and for greater certainty is bound by the provisions herein and consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights that:

(a) such holder shall be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;

(b) prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Common Share certificate representing such Right;

(c) after the Separation Time, the Rights will be transferable only on the Rights Register as provided herein;

(d) prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership) or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;

(e) such holder is not entitled to receive any fractional Rights or fractional Common Shares upon the exercise of Rights;

(f) without the approval of any holder of Rights and upon the sole authority of the Board of Directors acting in good faith, this Agreement may be supplemented or amended from time to time pursuant to and as provided herein; and

(g) notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

ARTICLE 3: ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF A FLIP-IN EVENT

3.01 Flip-In Event

(a) Subject to Subsection 3.01(b), Section 3.02 and Section 5.02, in the event that prior to the Expiration Time a Flip-in Event shall occur, each Right shall constitute, effective from and after the later of its date of issue and the Close of Business on the tenth (10th) Business Day following the Stock Acquisition Date, the right to purchase from the Corporation, upon exercise thereof in accordance with the terms hereof, that number of Common Shares of the Corporation having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.03 in the event that after such date of consummation or occurrence an event of a type analogous to any of the events described in Section 2.03 shall have occurred with respect to such Common Shares).

(b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of a Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time and the Stock Acquisition Date by:

- (i) an Acquiring Person, or any Affiliate or Associate of an Acquiring Person, or any Person acting jointly or in concert with an Acquiring Person or with any Associate or Affiliate of an Acquiring Person; or
- (ii) a transferee or other successor in title, direct or indirect, of Rights held by an Acquiring Person (or of any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Associate or Affiliate of an Acquiring Person), whether or not for consideration, in a transfer that the Board of Directors has determined is part of a plan, understanding or scheme of an Acquiring Person (or of any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Associate or Affiliate of an Acquiring Person) that has the purpose or effect of avoiding the provisions of this Subsection 3.01(b);

shall become null and void without any further action and any holder of such Rights (including transferees or other successors in title) shall thereafter have no right to exercise or transfer such Rights under any provision of this Agreement and shall have no other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The holder of any Rights represented by a Rights Certificate which is submitted to the Rights Agent upon exercise or for registration of transfer or exchange which does not contain the necessary certifications set forth in the Rights Certificate establishing that such Rights are not void under this Subsection 3.01(b) shall be deemed to be an Acquiring Person for the purposes of this Subsection 3.01(b) and such rights shall be null and void.

(c) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either Subsection 3.01(b)(i) or Subsection 3.01(b)(ii) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain the following legend:

THE RIGHTS REPRESENTED BY THIS RIGHTS CERTIFICATE WERE ISSUED TO A PERSON WHO WAS AN ACQUIRING PERSON, OR AN AFFILIATE OR AN ASSOCIATE OF AN ACQUIRING PERSON, OR A PERSON ACTING JOINTLY OR IN CONCERT WITH ANY OF THEM (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT). THIS RIGHTS CERTIFICATE AND THE RIGHTS REPRESENTED HEREBY SHALL BECOME VOID IN THE CIRCUMSTANCES SPECIFIED IN THE RIGHTS AGREEMENT.

(d) provided that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall be required to impose such legend only if instructed to do so in writing by the Corporation or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend. The issuance of a Rights Certificate without the legend referred to in this Subsection 3.01(c) shall be of no effect on the provisions of Subsection 3.01(b). In the event that there shall not be sufficient Common Shares authorized for issuance to permit the exercise in full of the Rights in accordance with this Section 3.01, the Corporation shall take all such action as may be necessary to authorize additional Common Shares for issuance upon the exercise of the Rights.

(e) From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of this Section 3.01, including without limitation, all such acts and things as may be required to satisfy the requirements of the OBCA and the Securities Act (Ontario) or comparable legislation of any other applicable jurisdiction in respect of the issue of Common Shares upon the exercise of Rights in accordance with this Agreement.

3.02 Exchange Option

(a) The Board of Directors may, at its sole option and without seeking the approval of holders of Voting Shares or Rights but subject to obtaining any required approval of the Canadian Securities Exchange if the Common Shares are then listed on such exchange (or such other exchange the Common Shares are listed on at such time), at any time after a Flip-in Event has occurred, authorize the Company to issue or deliver in respect of each Right which is not void pursuant to Subsection 3.01(b), either:

- (i) in return for the applicable Exercise Price and the Right, debt, equity or other securities or assets (or a combination thereof) having a value equal to twice the applicable Exercise Price; or
- (ii) in return for the Right, subject to any amounts that may be required to be paid under applicable law, debt, equity or other securities or assets (or a combination thereof) having a value equal to the value of the Right;

in full and final settlement of all rights attaching to the Rights, where in either case the value of such debt, equity or other securities or other assets (or a combination thereof) and, in the case of Clause (ii), the value of the Right, shall be determined by the Board of Directors which may rely upon the advice of a nationally or internationally recognized firm of investment dealers or investment bankers selected by the Board of Directors.

(b) If the Board of Directors authorizes the exchange of debt or equity securities or assets (or a combination thereof) for Rights pursuant to Subsection 3.02(a), without any further action or notice, the right to exercise the Rights will terminate and the only right thereafter of a holder of Rights shall be to receive the debt or equity securities or assets (or a combination thereof) in accordance with the exchange formula authorized by the Board of Directors. Within 10 Business Days after the Board of Directors has authorized the exchange of debt or equity, securities or assets (or a combination thereof) for Rights pursuant to Subsection 3.02(a), the Company shall give notice of exchange to the holders of such Rights by mailing such notice to all such holders at their last addresses as they appear upon the register of Rights holders maintained by the Rights Agent. Each such notice of exchange will state the method by which the exchange of debt or equity securities or assets (or a combination thereof) for Rights will be effected.

ARTICLE 4: THE RIGHTS AGENT

4.01 General

(a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint one or more co-rights agents (each a “**Co-Rights Agent**”) as it may deem necessary or in the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agents and Co-Rights Agents shall be as the Corporation may determine with the approval of the Rights Agent and the Co-Rights Agents. The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Corporation also agrees to indemnify the Rights Agent and its directors, officers, employees and agents for, and to hold it harmless against, any loss, liability or expense, incurred without gross negligence, bad faith or willful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement and the resignation or removal of the Rights Agent.

(b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Common Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

(c) The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and, at any time upon request shall provide to the Rights Agent an incumbency certificate certifying the then current officers of the Corporation.

(d) In no event will the Rights Agent be liable for special, indirect, consequential or punitive loss or damages of any kind whatsoever (including but not limited to lost profits), even if the Rights Agent has been advised of the possibility of such damages. Any liability of the Rights Agent will be limited in the aggregate to an amount equal to the annual fee paid by the Corporation pursuant to this Agreement.

(e) The Rights Agent shall not be liable for any error in judgment or for any act done or step taken or omitted by it in good faith or for any mistake, in fact or law, or for anything which it may do or refrain from doing in connection herewith except arising out of its own gross negligence, bad faith or willful misconduct.

(f) None of the provisions contained in this Agreement shall require the Rights Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as foresaid.

4.02 Merger or Consolidation or Change of Name of Rights Agent

(a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation or consolidation to which the Rights Agent or any successor Rights Agent is a party, or any corporation succeeding to the shareholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.04 hereof. In case at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

(b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.03 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Corporation and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

(a) the Rights Agent may retain and consult with legal counsel at the expense of the Corporation (who may be legal counsel for the Corporation), and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion and the Rights Agent may also retain and consult with such other experts or advisors as the Rights Agent shall consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement (at the Corporation's expense) and the Rights Agent shall be entitled to act and rely in good faith on the advice of such expert or advisor;

(b) whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a person believed by the Rights Agent to be the Chairman, the President and Chief Executive Officer, the Chief Financial Officer or the Secretary of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken, omitted or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate;

(c) the Rights Agent will be liable hereunder only for its own gross negligence, bad faith or willful misconduct;

(d) the Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only;

(e) the Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Common Share certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Subsection 3.01(b) or any adjustment required under the provisions of Section 2.03 or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.03 hereof describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;

(f) the Corporation agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement;

(g) the Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any person believed by the Rights Agent to be the Chairman, the President and Chief Executive Officer, the Chief Financial Officer or the Secretary of the Corporation, and to apply to such persons for advice or instructions in connection with its duties, and it shall not be liable for any action taken, omitted or suffered by it in good faith in accordance with instructions of any such Person;

(h) the Rights Agent and any shareholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity; and

(i) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in good faith in the selection and continued employment thereof.

4.04 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to the transfer agent of Common Shares by registered or certified mail, and to the holders of the Rights in accordance with Section 5.10 at the Corporation's expense. The Corporation may remove the Rights Agent upon 60 days notice in writing, mailed to the Rights Agent and to the transfer agent of the Common Shares by registered or certified mail, and to the holders of the Rights in accordance with Section 5.10. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent (at the Corporation's expense) or by the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate for inspection by the Corporation), then the holder of any Rights may apply, at its own expense, to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Ontario. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent, upon receipt of any and all outstanding amounts owing pursuant to this Agreement, shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and the transfer agent of the Common Shares, and mail a notice thereof in writing to the holders of the Rights. Failure to give any notice provided for in this Section 4.04, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

4.05 Compliance with Money Laundering Legislation

The Rights Agent retains the right not to act and will not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to breach any applicable anti-money laundering or anti-terrorist legislation, economic sanctions, regulation or guideline. Further, if the Rights Agent reasonably determines at any time that its acting under this Agreement has resulted in it breaching any applicable anti-money laundering or anti-terrorist legislation, economic sanctions, regulation or guideline, then it may resign on 10 days' written Notice to the Corporation, provided: (i) that the Rights Agent's written Notice must describe the circumstances of such breach; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10-day period, then such resignation will not be effective.

ARTICLE 5: MISCELLANEOUS

5.01 Redemption of Rights

(a) Until the occurrence of a Flip-in Event as to which the application of Section 3.01 has not been waived pursuant to Section 5.02, the Board of Directors may, without the consent of the holders of Voting Shares or the holders of Rights, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.001 per Right, appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.03, if an event of the type analogous to any of the events described in Section 2.03 shall have occurred (such redemption price being herein referred to as the "**Redemption Price**").

(b) The Board of Directors shall, without further formality, be deemed to have elected to redeem the Rights at the Redemption Price on the date that a Person who has made a Permitted Bid, a Competing Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived or is deemed to have waived the application of Section 3.01 takes up and pays for Voting Shares pursuant to the terms and conditions of such Permitted Bid, Competing Permitted Bid or Take-over Bid, as the case may be.

(c) Where a Take-over Bid that is not a Permitted Bid or a Competing Permitted Bid expires, is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all of the outstanding Rights at the Redemption Price.

(d) If the Board of Directors elects to or is deemed to have elected to redeem the Rights, (i) the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price, and (ii) subject to Subsection 5.01(f), no further Rights shall thereafter be issued.

(e) Within ten (10) Business Days of the Board of Directors electing or having been deemed to have elected to redeem the Rights, the Corporation shall give notice of redemption to the Rights Agent and the holders of the then outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the Rights Register of the Rights Agent, or, prior to the Separation Time, on the share register maintained by the Corporation's transfer agent or transfer agents. Each such notice of redemption shall state the method by which the payment of the Redemption Price shall be made. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. The Corporation may not redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 5.01 and other than in connection with the purchase of Common Shares prior to the Separation Time.

(f) Upon the Rights being redeemed pursuant to this Section 5.01, Rights may be reissued under this Agreement to holders of record of Common Shares immediately following such redemption and, thereafter, all the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Common Shares as of the Separation Time had not been mailed to each such holder and for all purposes of this Agreement, the Separation Time shall be deemed not to have occurred and such reissued Rights shall, without any further formality, be attached to the outstanding Common Shares in the same manner as prior to the occurrence of such Separation Time.

5.02 Waiver of Flip-In Events

(a) The Board of Directors, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.01 has not been waived pursuant to this Section 5.02, may waive the application of Section 3.01 to such Flip-in Event by written notice delivered to the Rights Agent.

(b) Notwithstanding and without limiting the generality of Subsection 5.02(a), the Board of Directors may waive the application of Section 3.01 to a Flip-in Event provided that the following conditions are satisfied:

- (i) The Board of Directors has determined that the Acquiring Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person; and
- (ii) such Acquiring Person has reduced its Beneficial Ownership of Voting Shares such that at the time of the granting of a waiver pursuant to this Subsection 5.02(b), it is no longer an Acquiring Person,

and, in the event of any such waiver, for the purposes of this Agreement, such Flip-in Event shall be deemed not to have occurred and the Separation Time shall be deemed not to have occurred as a result of such Person having inadvertently become an Acquiring Person.

The Corporation shall give prompt notice to the Rights Agent of any waiver of the application of Section 3.01 made by the Board of Directors under this Section 5.02.

5.03 Expiration

No Person shall have any rights pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Subsection 4.01 (a) hereof.

5.04 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of shares purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.05 Supplements and Amendments

(a) The Corporation may make amendments to this Agreement to correct any clerical or typographical error or which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rules or regulations thereunder. The Corporation, at or prior to the meeting of shareholders of the Corporation, or any adjournment or postponement thereof, to be held for shareholders of the Corporation to consider and, if deemed advisable, to adopt a resolution approving, ratifying and confirming this Agreement pursuant to Section 5.20 hereof and the Rights issued pursuant thereto, may supplement or amend this Agreement without the approval of any holders of Rights or Voting Shares in order to make any changes which the Board of Directors acting in good faith may deem necessary or desirable. Notwithstanding anything in this Section 5.05 to the contrary, no such supplement or amendment shall be made to the provisions of Article 4 except with the written consent of the Rights Agent to such supplement or amendment.

(b) Subject to Subsection 5.05(a), the Corporation may, with the prior consent of holders of Voting Shares obtained as set forth below, at any time prior to the Separation Time, supplement or amend any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such supplement or amendment shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if the action requiring such approval is authorized by the affirmative vote of a majority of the votes cast by Independent Shareholders present or represented at and entitled to be voted at a meeting of the holders of Voting Shares duly called and held in compliance with applicable laws and the articles and by-laws of the Corporation.

(c) Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof or which are Beneficially Owned by any Person referred to in Clauses (A) to (E) of the definition of Independent Shareholders) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws and the OBCA with respect to meetings of shareholders of the Corporation.

(d) Any amendments made by the Corporation to this Agreement pursuant to Subsection 5.05(a) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rule or regulation thereunder shall:

- (i) if made before the Separation Time, be submitted to the holders of Voting Shares of the Corporation at the next meeting of shareholders, and the holders of Voting Shares may, by the majority referred to in Subsection 5.05(b), confirm or reject such amendment; and
- (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for a date not later than immediately following the next meeting of shareholders of the Corporation and the holders of Rights may, by resolution passed by the majority referred to in Subsection 5.05(d), confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of shareholders or holders of Rights that should have been but was not held, and no subsequent amendment to this Agreement to substantially the same effect shall be effective until confirmed by the shareholders or holders of Rights, as the case may be.

(e) The Corporation shall give notice in writing to the Rights Agent of any amendment or supplement to this Agreement pursuant to this Section 5.05 within five Business Days of the date of any such amendment or supplement, provided that failure to give such notice, or any defect therein, shall not affect the validity of any such supplement or amendment.

(f) Any amendment to this Agreement shall be subject to the receipt of any requisite approval or consent from any applicable regulatory authority including, without limitation, any necessary approvals of the Canadian Securities Exchange.

5.06 Fractional Rights and Fractional Shares

(a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. Subject to Section 5.03, after the Separation Time there shall be paid to the registered holders of the Rights Certificates with regard to which fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the Market Value of a whole Right in lieu of such fractional Rights. The Rights Agent will have no obligation to make any payments in lieu of issuing fractions of Rights pursuant to this Subsection 5.06(a) unless and until the Corporation shall have provided to the Rights Agent the amount of cash to be paid in lieu of issuing such fractional Rights.

(b) The Corporation and the Corporation shall not be required in any circumstances to issue fractional Common Shares upon exercise of the Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall pay to the registered holder of Rights Certificates at the time such Rights are exercised as herein provided, an amount in cash equal to the same fraction of the Market Value of one Common Share. The Rights Agent will have no obligation to make any payments in lieu of issuing fractions of Common Shares pursuant to this Subsection 5.06(b) unless and until the Corporation shall have provided to the Rights Agent the amount of cash to be paid in lieu of issuing such fractional Common Shares.

5.07 Rights of Action

Subject to the terms of this Agreement, rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights; and any holder of any Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce, or otherwise act in respect of, such holder's right to exercise such holder's Rights in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of, the obligations of any Person subject to this Agreement.

5.08 Holder of Rights Not Deemed a Shareholder

No holder, as such, of any Rights shall be entitled to vote, receive dividends or be deemed for any purpose the holder of Common Shares or any other securities which may at any time be issuable on the exercise of such Rights, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights, as such, any of the rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders by any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders, or to receive dividends or subscription rights or otherwise, until such Rights shall have been exercised in accordance with the provisions hereof.

5.09 Notice of Proposed Action

If after the Separation Time and prior to the Expiration Time:

- (a) there shall occur an adjustment in the rights attaching to the Rights pursuant to Section 3.01 as a result of the occurrence of a Flip-in Event,
- (b) the Corporation shall propose to effect or permit (in cases where the Corporation's permission is required) any Flip-in Event, or
- (c) the Corporation shall propose to effect the liquidation, dissolution or winding up of the Corporation or the sale of all or substantially all of the Corporation's assets,

then, in each such case, the Corporation shall give to the Rights Agent and each holder of a Right, in accordance with Section 5.10, a notice of such event or proposed action, which shall specify the date on which such change to the Rights, Flip-in Event, liquidation, dissolution or winding up occurred or is to take place, and such notice shall be so given within 10 Business Days after the occurrence of a change to the Rights and not less than 20 Business Days prior to the date of taking such other proposed action by the Corporation.

5.10 Notices

Notices or demands authorized or required by this Agreement to be given or made by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered or sent by first class mail, postage prepaid or sent by fax (if a fax number is specified) or email (if an email address is specified), addressed (until another address, email address or facsimile number is filed in writing with the Rights Agent) as follows:

Capital Transfer Agency ULC

390 Bay Street, Suite 920
Toronto, ON M5H 2Y2
Attention: President

Any notice or demand authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered or sent by first-class mail, postage prepaid or sent by fax/email, addressed (until another address, email address or facsimile number is filed in writing with the Corporation) as follows:

Western Uranium & Vanadium Corp.

330 Bay Street, Suite 1400
Toronto, Ontario M5H 2S8
Attention: President

Notices or demands authorized or required by this Agreement to be given or made by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the Rights Register or, prior to the Separation Time, on the registry books of the Corporation for the Common Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice.

Any notice given or made in accordance with this Section 5.10 shall be deemed to have been given and to have been received: (i) on the day of delivery, if so delivered; (ii) on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed; and (iii) on the day of telegraphing, faxing or sending of the same by other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

5.11 Costs of Enforcement

The Corporation agrees that if the Corporation fails to fulfill any of its obligations pursuant to this Agreement, then the Corporation will reimburse the holder of any Rights for the costs and expenses (including legal fees) reasonably incurred by such holder in actions to enforce his rights pursuant to any Rights or this Agreement.

5.12 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

5.13 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

5.14 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Ontario and for all purposes shall be governed by and construed in accordance with the laws of such province applicable to contracts to be made and performed entirely within such province.

5.15 Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

5.16 Severability

If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions hereof or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable.

5.17 Determination and Actions by the Board of Directors

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors in good faith in connection with this Rights Plan, shall not subject the Board of Directors to any liability to the holders of the Rights.

5.18 Declaration as to Non-Canadian Holders

If, in the opinion of the Board of Directors (who may rely upon the advice of counsel), any action or event contemplated by this Agreement would require compliance by the Corporation with the securities laws or comparable legislation of a jurisdiction outside Canada or the United States, the Board of Directors acting in good faith shall take such actions as it may deem appropriate to ensure such compliance. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada or the United States, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.19 Termination of Agreement

This Agreement shall terminate at, and be of no further force or effect from and after, the Expiration Time.

5.20 Effective Date

This Agreement is in full force and effect in accordance with its terms from the date hereof. If this Agreement is not ratified by resolution passed by a majority of the votes cast by Independent Shareholders present or represented by proxy at a meeting of shareholders of the Corporation to be held not later than that date that is six months after the Effective Date (such approval being the “**Initial Shareholder Approval**”), then this Agreement and any then outstanding Rights shall, without further formality, be of no further force or effect as at the earlier of the close of such meeting of shareholders and the date that is six months after the Effective Date.

5.21 Reconfirmation

Notwithstanding the confirmation of this Agreement pursuant to Section 5.20, this Agreement must be reconfirmed by a resolution passed by a majority of the votes cast by Independent Shareholders at the third (3rd) annual meeting of the Corporation’s shareholders following the meeting at which Initial Shareholder Approval is obtained. If this Agreement is not so reconfirmed or is not presented for reconfirmation at such annual meeting of the Corporation’s shareholders, this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of that annual meeting; provided that termination shall not occur if a Flip-in Event (other than an Flip-in Event which has been waived pursuant to Subsection 5.02) has occurred prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.21.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

Western Uranium & Vanadium Corp.

By: /s/ Robert Klein

Name: Robert Klein

Title: Chief Financial Officer

Capital Transfer Agency ULC

By: /s/ Emilia Huniewicz

Name: Emilia Huniewicz

Managing Director

By: _____

Name: _____

EXHIBIT A

FORM OF RIGHTS CERTIFICATE

Certificate No. ____ Rights

THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE CORPORATION, ON THE TERMS SET FORTH IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR ITS AFFILIATES OR ASSOCIATES OR ANY PERSON ACTING JOINTLY OR IN CONCERT WITH ANY OF THEM (AS SUCH TERMS ARE DEFINED IN THE RIGHTS PLAN AGREEMENT) OR TRANSFEREES OF ANY OF THE FOREGOING WILL BECOME NULL AND VOID WITHOUT FURTHER ACTION.

RIGHTS CERTIFICATE

This certifies that (**insert name of Rights holder**) is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement, dated as of May 24, 2023 (the “**Rights Agreement**”) between **Western Uranium & Vanadium Corp.**, and **Capital Transfer Agency ULC**, as Rights Agent (the “**Rights Agent**”, which term shall include any successor Rights Agent under the Rights Agreement), to purchase from the Corporation at any time after the Separation Time and prior to the Expiration Time (as such terms are defined in the Rights Agreement), one fully paid common share of the Corporation (a “**Common Share**”) at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with the Form of Election to Exercise duly executed and submitted to the Rights Agent at its office in the City of Toronto or at any other office of the Rights Agent in the cities designated from time to time for that purpose by the Corporation. Until adjustment thereof in certain events as provided in the Rights Agreement, the Exercise Price shall be [**\$●**] (Canadian) per Right.

In certain circumstances described in the Rights Agreement, each Right evidenced hereby may entitle the registered holder thereof to purchase more or less than one Common Share, all as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights. Copies of the Rights Agreement are on file at the head office of the Corporation and are available upon written request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Certificate may be, and under certain circumstances are required to be, redeemed by the Corporation at a redemption price of \$0.001 (Canadian) per Right, subject to adjustment in certain events.

No fractional Common Shares will be issued upon the exercise of any Right or Rights evidenced hereby, but in lieu thereof, a cash payment will be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meeting or other actions affecting shareholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Corporation.

Date: May 24, 2023

Western Uranium & Vanadium Corp.

Name:
Title:

Countersigned:

Capital Transfer Agency ULC

Name:
Title:

(To be attached to each rights certificate)

FORM OF ELECTION TO EXERCISE

TO: Western Uranium & Vanadium Corp.

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Common Shares issuable upon the exercise of such Rights and requests that such shares be registered in the name of:

Name: _____

Address: _____

Social Insurance, Social Security or Other Taxpayer Identification Number: _____

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

Name: _____

Address: _____

Social Insurance, Social Security or Other Taxpayer Identification Number: _____

Dated: _____

Signature: _____

Signature Guaranteed: (Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever)

If the holder of Rights signing this Form of Election to Exercise is registering the underlying Common Shares in the name of someone other than itself, then the signature must be guaranteed by a Schedule 1 Canadian chartered bank, a Canadian trust company or a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP).

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all as defined in the Rights Agreement).

Signature

NOTICE: In the event the certification set forth above is not completed, the Corporation will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person (as defined in the Rights Agreement) and, accordingly, such Rights shall be null and void and not transferable or exercisable.

(To be executed by the registered holder if such holder desires to transfer the Rights evidenced by this Certificate.)

FORM OF ASSIGNMENT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

(please print name and address of transferee)

the Rights evidenced by this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint attorney, to transfer the within Rights on the books of the within-named Corporation, with full power of substitution.

Dated: _____

Signature: _____

Signature Guaranteed: (Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever)

Signature must be guaranteed by a Schedule 1 Canadian chartered bank, a Canadian trust company or a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP).

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all as defined in the Shareholder Rights Plan Agreement).

Signature

NOTICE: In the event the certification set forth above is not completed, the Corporation will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person (as defined in the Shareholder Rights Plan Agreement) and, accordingly, such Rights shall be null and void and not transferable or exercisable.

WESTERN URANIUM & VANADIUM CORP.
INCENTIVE STOCK OPTION PLAN
(Rolling 10%)
As of May 24, 2023

1. Purpose

1.01 The purpose of the Incentive Stock Option Plan (the “**Plan**”) is to promote the profitability and growth of WESTERN URANIUM & VANADIUM CORP. (the “**Company**”) by facilitating the efforts of the Company and its subsidiaries to obtain and retain key individuals. The Plan provides an incentive for and encourages ownership of the Company’s shares by its key individuals so that they may increase their stake in the Company and benefit from increases in the value of the Company’s shares.

2. Administration

2.01 The Plan will be administered by the Company’s Board of Directors (the “**Board**”).

2.02 The Plan shall be administered in accordance with all applicable laws and regulations, and the policies of any stock exchange, over-the-counter marketplace, or quotation/system service upon which the Company’s securities are listed or traded (if any) (collectively, the “**Exchange Rules**”).

2.03 The Board will be authorized, subject to the provisions of the Plan, to adopt such rules and regulations as it deems consistent with the Plan’s provisions and, in its sole discretion, to designate options (“**Options**”) to purchase shares of the Company pursuant to the Plan. The Board may delegate to a committee the authority to exercise any or all power and authority of the Board under this Plan, including the authority with respect to option grants and/or exercises, all to the extent stipulated by the Board when so delegated. The Board may authorize one or more individuals of the Company to execute, deliver and receive documents on behalf of the Board.

3. Eligibility

3.01 Each person who is a consultant, director, employee in relation to the Company or any subsidiary (or is otherwise qualified or authorized to be granted stock options as equity-based incentive compensation under applicable securities laws and regulations and the Exchange Rules) (the foregoing being “**Eligible Persons**”), is eligible to be granted one or more Options under this Plan (each Eligible Person having been granted one or more Options being an “**Optionee**” for so long as such Option(s) remains outstanding).

3.02 Nothing in the Plan or in any Option shall confer any right on any individual to continue in the employ of, or in association with, the Company or its subsidiaries, nor will it interfere in any way with the right of the Company or subsidiaries to terminate at any time the employment of a person who is an Optionee.

4. Shares Subject to Option

4.01 The shares to be optioned under the Plan will be authorized but unissued Common Shares (“**Shares**”) of the Company.

4.02 The aggregate number of Shares for which Options may be granted will not exceed 10% of the issued and outstanding common share capital at the time that an Option is granted, subject to adjustment under Section 11 below.

4.03 The aggregate number of Shares for which Options may be granted to any one Optionee shall not exceed:

(a) 5% of the issued and outstanding share capital of the Company at the time when the Options are granted or (b) 10 % of the issued and outstanding share capital of the Company in any 12-month period, in both cases subject to adjustment under Section 11 hereof.

4.04 Shares subject to but not issued or delivered under an Option which expires unexercised, terminates prior to exercise, or is exercised into Shares shall again be available for option under the Plan.

4.05 The number of Shares under Option to any person engaged by the Company to provide Investor Relations Activities (as such term is defined in the Exchange Rules) in any 12-month period shall not exceed 2% of the issued and outstanding common share capital of the Company, as calculated on the date that the Option is granted.

4.06 Options and Shares issuable upon their exercise shall bear securities rules legends and any other legends or restrictions required under applicable laws or regulations.

5. Granting of Options

5.01 The Board may from time to time at its discretion, subject to the provisions of the Plan, determine those eligible individuals to whom Options will be granted, the number of Shares subject to such Options, the dates on which such Options are to be granted and the term of such Options.

5.02 The Board may, at its discretion, with respect to any Option, impose additional terms and conditions which are more restrictive on the Optionee than those provided for in the Plan.

5.03 The Company will use best efforts to ensure that each Option will be evidenced by one of the following (an “**Option Confirmation Document**”):

(a) a written agreement between, and executed by, the Company and the individual containing terms and conditions established by the Board with respect to such Option and will be consistent with the provisions of the Plan; or

(b) a certificate executed by the Company and delivered to the Optionee setting out the material terms of the Option, with a copy of this Plan attached thereto.

6. Option Price

6.01 The price per Share at which Shares may be purchased upon the exercise of an Option (the “**Option Price**”) shall not be less than the most recent share issuance price. The Option Price shall otherwise be determined by the Board in its discretion, provided that it shall be determined in compliance with applicable laws and regulations, and the Exchange Rules.

6.02 The Option Price must be paid in full at the time of exercise of the Option and no Shares will be issued and delivered until full payment is made. The manner of payment will be subject to the acceptance of the Company.

6.03 An Optionee will not be deemed the holder of any Shares subject to his Option until the Shares are delivered to him.

6.04 An Optionee may exercise any Option by electing on the exercise notice to the Company to exchange the Option for the number of Share(s) equal in value to the in-the-money value of the Option without payment of the Option Price. The value of Shares shall be determined by the Company in its sole discretion with reference to the volume-weighted average price (VWAP) of the Shares (calculated for the most recent 20 trading days which shall include the day when the notice of exercise was received by the Company if such notice was received after market hours) on the Company’s primary stock exchange and, in the event the Shares are not listed on any stock exchange or quotation service, in its sole discretion. Any fractional number of Shares shall be rounded down.

6.05 The Board may, in its sole discretion, arrange with a brokerage firm a broker-assisted cashless exercise program. If such a program exists at the time of the exercise, an Optionee may exercise any Option pursuant to a broker-assisted cashless exercise, whereby the Optionee shall elect on the notice to the Company to receive:

(a) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Shares underlying the Options by the securities dealer designated by the Company, less the aggregate Option Price, any applicable withholding taxes, and any transaction costs charged by the securities dealer to sell the Shares;

(b) an aggregate number of Shares that is equal to the number of Shares underlying the Options minus the number of Shares sold in the capital markets by the securities dealer designated by the Company as required to realize cash proceeds equal to the aggregate Option Price, any applicable withholding taxes and any transaction costs charged by the securities dealer to sell the Shares; or

(c) a combination of (a) and (b) as requested by the Optionee in the notice of exercise.

7. Term of Option

7.01 The maximum term of any Option will be five years from the vesting date.

7.02 Should the expiry date for any Option fall within a blackout period, such expiry date shall be automatically adjusted without any further act or formality to that day which is the tenth (10th) trading day after the end of the blackout period. Notwithstanding any other provision of this Plan, the foregoing ten trading day period referred to in this Section 7.02 may not be extended by the Board.

8. Transferability of Options

8.01 An Option may not be assigned or transferred. During the lifetime of an Optionee, the Option may be exercised only by the Optionee.

9. Termination of Employment

9.01 Subject to *Section 14. Change of Control* of this Plan, an Option granted to an Optionee who is an Eligible Person shall terminate on the earlier of (a) the date when it otherwise would have expired, or (b) the date that is 90 days after such Optionee ceases to be an Eligible Person; provided such Option vested prior to the date when the Optionee ceased to be an Eligible Person. All unvested Options shall expire when the applicable Optionee ceases to be an Eligible Person.

9.02 The Company shall be under no obligation to give an Optionee notice of expiry or termination of an Option.

10. Death

10.01 Notwithstanding any other provision of this Plan, if any Optionee shall die holding an Option which has not been fully exercised, his personal representative, heirs or legatees may, at any time within one year after the date of such death (notwithstanding the normal expiry date of the Option under the provisions of Section 7 hereof) exercise the Option with respect to the unexercised balance of the Shares subject to the Option.

11. Changes in Shares

11.01 In the event the authorized common share capital of the Company as constituted on the date that this Plan comes into effect is consolidated into a lesser number of Shares or subdivided into a greater number of Shares, the number of Shares for which Options are outstanding will be decreased or increased proportionately as the case may be and the Option Price will be adjusted accordingly and the Optionees will have the benefit of any stock dividend declared during the period within which the said Optionee held his Option. Should the Company amalgamate or merge with any other company or companies (the right to do so being hereby expressly reserved) or otherwise complete an arrangement, sale of substantially all its assets and undertakings(if applicable), then and in each such case the number of shares of the resulting corporation to which an Option relates will be determined as if the Option had been fully exercised prior to the effective date of the amalgamation or merger and the Option Price will be correspondingly increased or decreased, as applicable. The interpretation and application of this section shall be determined by the Board, in its discretion.

12. Cancellation Options

12.01 The Board may, with the consent of the Optionee, cancel an existing Option, in accordance with the policies of the Exchange.

13. Amendment

13.01 The Board may amend the Plan, but may not, without the approval of the shareholders of the Company, make any alteration which would:

- (a) increase the aggregate number of Shares subject to Option under the Plan except as provided in *Section 11. Changes in Shares*; or
- (b) decrease the Option Price except as provided in *Section 11. Changes in Shares*.

Notwithstanding the foregoing and subject to complying with any Exchange Rules which may nonetheless prohibit amendments to outstanding Options:

- (a) the terms and conditions of an existing Option that are set out in the applicable Option Confirmation Document (provided they are consistent with, or otherwise permitted under, the Plan as in force when the applicable Option was granted) may not be altered, suspended or terminated without the prior consent in writing of the Optionee; and
- (b) if the Option Price of an Option is reduced at any time when the Optionee is an insider of the Company (as such term is defined in the *Securities Act* (Ontario)), the approval of the disinterested shareholders must be obtained prior to the exercise of such Option at the reduced Option Price.

14. Change of Control

Upon the occurrence of a Change of Control, all then-unvested Options shall immediately vest in full, so long as the Optionee is an Eligible Person on the date of the consummation of the Change of Control.

Notwithstanding any other provision of this Plan, upon the occurrence of a Change of Control all the then- outstanding Options (including Options that vested as a result of the Change of Control) shall survive the Change of Control in accordance with their terms and conditions except that such Options shall not terminate if the Eligible Person ceases to provide services to the Company following the Change of Control.

For the purposes of this Plan, a "Change of Control" is deemed to occur: (a) in the event any person, or more than one such person acting as a group, is or becomes the beneficial owner directly or indirectly, of outstanding voting shares of the Company, in a transaction or series of transactions, corresponding to twenty percent (20%) or more of all outstanding voting shares of the Company ordinarily having the right to vote for the election of directors of the Company; (b) if the Company sells or otherwise disposes of all or substantially all of its assets; or (c) if the Company participates in a merger, consolidation or other business combination and, immediately following the consummation of such transaction, the Company stockholders prior to such transaction do not own 80% or more of the voting shares of stock of the surviving successor corporation or other entity.

This *Section 14. Change of Control* cannot be amended, removed or otherwise modified as it applies to any outstanding Option unless the Company has obtained the prior written consent of the applicable Optionee.

15. Interpretation

15.01 The Plan will be construed according to the laws of the Province of Ontario. Any inconsistencies between this Plan and the Exchange Rules, as amended from time to time, will be resolved in favor of the latter.

16. Liability

16.01 No director, officer or employee of the Company will be personally liable for any act taken or omitted in good faith in connection with the Plan.

**CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, George Glasier, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Western Uranium & Vanadium Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 17, 2023

By: /s/ George Glasier

Name: George Glasier

Title: Chief Executive Officer and President
(Principal Executive Officer)

**CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Robert Klein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Western Uranium & Vanadium Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 17, 2023

By: /s/ Robert Klein

Name: Robert Klein

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Western Uranium & Vanadium Corp. (the "Company") for the quarter ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 17, 2023

By: /s/ George Glasier
Name: George Glasier
Title: Chief Executive Officer and President
(Principal Executive Officer)

Date: August 17, 2023

By: /s/ Robert Klein
Name: Robert Klein
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)