WESTERN URANIUM CORPORATION
Management's Discussion and Analysis
For the three and nine months ended September 30, 2016 and 2015

Dated November 18, 2016

INTRODUCTION

Western Uranium Corporation (the "Company" or "Western") is the issuer. This Management's Discussion and Analysis ("MD&A") provides a review of corporate developments, results of operations and financial position as of and for the three and nine months ended September 30, 2016 and 2015. The MD&A is intended to supplement the condensed consolidated financial statements and notes thereto (the "Statements") of Western for the above-noted periods.

All amounts included in the MD&A are presented in US dollars, unless otherwise specified. This report is dated November 18, 2016, and the Company's filings can be reviewed on the SEDAR website at www.sedar.com and on the CSE website at www.cnsx.ca

This MD&A should be read in conjunction with the Company's Management's Discussion and Analysis and the related audited consolidated financial statements for the years ended December 31, 2015 and 2014 filed on the SEDAR website on April 29, 2016.

FORWARD-LOOKING STATEMENTS

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

ABOUT THE COMPANY

Western was incorporated in December, 2006 under the Ontario Business Corporations Act. During 2014, the Company acquired 100% of the issued and outstanding shares of Pinon Ridge Mining LLC ("PRM"), a Delaware limited liability company. The transaction constituted a reverse takeover of Western by PRM. After obtaining appropriate shareholder approvals, the Company subsequently reconstituted its Board of Directors and senior management team and changed its name to Western Uranium Corporation.

On September 16, 2015, Western completed its acquisition of Black Range Minerals Limited ("Black Range"), an Australian company that was listed on the Australian Securities Exchange ("ASX") until the acquisition was completed. Western and Black Range entered into a definitive Merger Implementation Agreement, pursuant to which Western agreed to acquire all of the issued and outstanding shares of Black Range.

Western has registered offices at 700-10 King Street East, Toronto, Ontario, Canada M5C 1C3 and its common shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol "WUC" and trade on the United States OTCQX Best Market under the ticker symbol “WSTRF.” Its principal business activity is the acquisition and development of uranium resource properties principally in the states of Utah and Colorado, in the United States of America.

GOING CONCERN

The accompanying condensed consolidated financial statements have been prepared using United States Generally Accepted Accounting Principles (“US GAAP”) applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. In this circumstance, the Company would be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

The Company has a working capital deficit of $804,391 as of September 30, 2016 and has incurred net losses for the nine months ended September 30, 2016 and September 30, 2015 of $1,522,587 and $989,475 and $544,171 and $458,974 for the three months ended September 30, 2016 and September 30, 2015, respectively. The Company will require additional financing in order to pursue its business plans and discharge its liabilities as they come due. These conditions indicate the existence of material uncertainties that cast substantial doubt upon the Company's ability to continue as a going concern.

HIGHLIGHTS AND SIGNIFICANT EVENTS

December 2015 Private Placement

On January 4, 2016, the Company completed a private placement raising gross proceeds of CAD $300,000 through the subscription for 101,009 common shares at a price of CAD $2.97 (USD $2.14) per common share, and warrants to purchase an aggregate of 101,009 common shares at an exercise price of CAD $3.50. This offering closed on December 31, 2015. Of the total amount received, CAD $275,000 (USD $198,298) was received in December of 2015 while the remainder CAD $25,000 (USD $18,236) was received in the three months ended March 31, 2016. The warrants are exercisable immediately upon issuance and expire five years from the date of issuance. As of December 31, 2015, the Company accounted for the proceeds of $198,298 as subscriptions payable. During the nine months ended September 30, 2016, the Company issued an aggregate of 101,009 shares of common stock in connection with this private placement.

April 2016 Private Placement

During April 2016, the Company initiated a private placement offering for the sale of units of its securities for a price per unit of CAD $1.70 (USD $1.32). Each unit consists of one share of the Company’s common stock and one warrant to purchase a share of common stock at CAD $2.60. The warrants are exercisable immediately upon issuance and expire five years from the date of closing. As of the closing date at May 5, 2016, the Company raised gross proceeds of CAD $791,090 (USD $ 622,174) through the issuance of 465,347 units.

June 2016 Private Placement

During June 2016, the Company commenced a private placement offering. On September 2, 2016 the Company completed the private placement issuing 1,078,458 units at CAD $1.70 (USD $1.32) per unit for total gross proceeds of USD $1,423,618. Each unit consists of one common share of the Company and one warrant at an exercise price of CAD $2.80 which expires five years after the date of issuance. The Company intends to use this capital raise to pay the costs of the acquisition of Black Range, to fund the development of the Company’s ablation technology, to fund mine production preparation and for working capital purposes.

Extension of Short Term Loans

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

$13,477. On August 16, 2016, the Company further extended the maturity of the Nueco Note to November 16, 2016 and in connection therewith paid a $10,000 fee that did not reduce the principal or interest on the note. The August 16, 2016 extension was accounted for as a modification, and as such, the extension fees were accounted for as additional debt discount and were amortized over the remaining extended term of the note. Further, a principal payment of $90,000 was made on August 23, 2016, which reduces the outstanding principal amount due under the Nueco Note to $189,220. The maturity payment was not made on November 16, 2016, and thus, as of November 17, 2016, the Nueco Note was, and remains, in default.

On December 16, 2015 the Company and the lender agreed to extend the maturity of the Siebels Note until June 16, 2016. In consideration for the extension of the repayment, the accrued interest at the time of extension of $8,333 was reclassified to principal, bringing the principal of the Siebels Note to $258,423. Also in consideration for such extension the interest rate was increased to 18% per annum. The Company did not repay the note upon its maturity on June 16, 2016. On July 29, 2016, a partial principal payment in the amount of $100,000 was made and on September 9, 2016, a partial principal payment in the amount of $50,000 was made. After the remittance of the aforementioned principal payments, the balance remaining outstanding as of November 11, 2016 was $108,423. As such, the Siebels Note was in default as of June 2016 and remains in default. Siebels has not made a formal demand for repayment and has verbally agreed to work with the Company to arrange for alternative repayment terms acceptable to both parties.

Dual Market for Shares in the United States

On May 23, 2016, Western Uranium shares began trading on the OTCQX Best Market under the symbol “WSTRF”.

On June 28, 2016, the Company’s Form 10 registration statement became effective and Western became a U.S. reporting issuer. Thereafter, the Company was approved for DTC eligibility through the Depository Trust and Clearing Corporation (DTCC), which facilitates electronic book-entry delivery, settlement and depository services for shares in the United States. By having established dual trading markets for the Company’s shares in both Canada and the United States, Western now has comprehensive access to the large and sophisticated North American natural resource investor markets.

Sale of Mortgage through Equal Exchange

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

Ablation Licensing

Over the months of June and July 2016, Western 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 ablation mining technology within the state of Colorado, if any. During May and June, 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 United States Nuclear Regulatory Commission (“NRC”). In response, the CDPHE received an unsupported advisory opinion (the “Advisory Opinion”) dated October 16, 2016 with which Western’s regulatory counsel does not agree. NRC’s Advisory Opinion recommends that ablation technology should be regulated as a milling operation. The Advisory Opinion did not address the potential application of ablation technology for the primary purpose of cleanup of abandoned ore stockpiles or mine waste containing uranium. Nevertheless, the Advisory Opinion recognizes that there may be exemptions to certain milling regulatory requirements due to the benign nature of the non-uranium bearing sands produced after ablation is completed on uranium-bearing ores. A final determination will be made by the CDPHE considering the NRC Advisory Opinion, the Colorado public meeting process, and the CDPHE regulatory and evaluation framework. As of November 14, 2016, no determination has been made by the CPDHE.

Letter Of Intent with Pinon Ridge Mill

The Company has entered into a letter of intent with Pinon Ridge Corporation for use of its ablation mining technology at the permitted uranium recovery facilities at the Pinon Ridge Mill site. The letter of intent provides for the processing of all of Western’s ore produced by its mines in the region at the mill site to produce U308 and vanadium utilizing both the application of ablation mining technology and traditional milling techniques, at a cost to be determined in a definitive agreement. The

Pinon Ridge Mill license is held by Pinon Ridge Resources Corporation, a wholly owned subsidiary of Pinon Ridge Corporation. The letter of intent is subject to the signing of a definitive agreement between the parties, which is contemplated to be completed on or before March 1, 2017. The Pinon Ridge Mill is permitted, but at the pre-development stage.

Production Timing Factors

The following represents forward-looking information with respect to the commencement of production of uranium and/or vanadium and serves as an update to previously disclosed expectations. Production may commence at a different time than anticipated herein by management. As conditions and expectations change, Western will continue to provide updates on at least a quarterly basis. The timing for commencement of production is uncertain and is dependent upon multiple factors. Among the likely preconditions to Western commencing production are sustained increases in the market price of uranium and/or vanadium. Management believes that the Company is unlikely to commence production until the term price of uranium is approximately $45 per pound (assuming vanadium prices do not independently make production feasible). Currently, Western's ability to process ore in the short-term is dependent upon the White Mesa Mill, which is located in Blanding, Utah and is not owned by Western. The commencement of production is also dependent upon Western receiving modified mining permits, and the receipt of any necessary governmental approvals, licenses or permits for the application of Western's existing ablation production unit and ablation technology. Further the raising of sufficient capital is necessary to cover the pre-production and initial production costs.

Western continues to position itself for flexibility with the goal of beginning production as expeditiously as possible once market conditions for production of U308 and/or vanadium are favorable. Even if all such market conditions are favorable, including a term price of uranium of not less than approximately $45 per pound, management anticipates that a minimum lead time of approximately six months would be required to commence production at the Sunday Mine Complex. Production is subject to a permit modification process being initiated, (meaning, for example, that if conditions were favorable and/or the permitting process was initiated by year-end 2016, Western would likely move into production in the third or the fourth quarter of 2017). To commence production, management is currently budgeting for start-up costs of at least $2,000,000, consisting of equipment upgrades of $650,000, overhead costs of $720,000, permitting costs of $100,000, mine preparation costs of $100,000, $200,000 in personnel costs, $100,000 for securing contract mining equipment, $100,000 for exploration drilling, and miscellaneous costs of $30,000. This budget is based on management's analysis and projections, which have not been verified or confirmed by an independent third-party.

Disposal of Mining Properties

During the third quarter of 2016, the Company began to reduce the number of mines it owns that do not meet the Company's economic requirements for its mining assets. In September 2016, the Company elected not to renew the leases of two mines that were obtained through the acquisition of Black Range. The decision to not renew these two leases was based upon a number of factors, the most significant of which were the location of the mines and the amounts of Vanadium and Uranium within these mines. The forfeiture of these leases has no material adverse impact on the fair value of the Company's mining assets.

Canceling Alaska Coal Mine Leases

During the second quarter of 2016, the Company initiated actions to cancel its coal mining leases in Alaska. In connection therewith, the Company notified the state of Alaska of its intent to forfeit the posted bond in satisfaction of the reclamation liabilities at the site. In response to the Company's notification, the Company received notification that the state of Alaska was initiating forfeiture of the Company's performance bond for reclamation. However, the notice indicated an additional surety bond of $150,000 in excess of the $210,500 cash bond which had been posted by the Company upon purchase of the property. The Company and its advisors do not believe that it is obligated for this additional amount of claimed reclamation obligation. The Company is working with its legal counsel and the State of Alaska to resolve this matter. The Company has not recorded an additional $150,000 obligation as the Company does not expect, based on the advice of legal counsel, to be obligated to an amount greater than that presently reflected in the reclamation liability. During the nine months ended September 30, 2016, the Company adjusted the fair value of its reclamation obligation and for the Alaska mine, accreted $174,412 to bring its reclamation liability to face value. The portion of the reclamation liability related to the Alaska mine, and its related restricted cash are included in current liabilities, and current assets, respectively, at a value of $215,976.

African Ore Update

During the first quarter of 2016, the Company received a shipment of African ore for testing to determine how the ablation process can improve the recovery economics of a large fully developed deposit in Africa. In the second quarter of 2016, the

African ore was characterized, logged, ablated and relogged. Subsequently, testing was completed and the results provided on a confidential basis to the owner of the African deposit. The Company has not received any comments back from the owner of the African deposit.

Incentive Stock Option Plan

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

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

At both September 30, 2016 and December 31, 2015, a total of 271,996 stock options issued under the Plan were outstanding. All of those options were issued in connection with the Company's acquisition of Black Range Minerals Limited ("Black Range") to replace options previously issued by Black Range to its former offers and directors.

The Plan provides that the aggregate number of common shares for which stock options may be granted will not exceed 10% of the issued and outstanding common shares at the time stock options are granted. At December 31, 2015, a total of 16,230,733 common shares were outstanding, and at that date the maximum number of stock options eligible for issue under the Plan was 1,623,073 (10% of the issued and outstanding common shares). At September 30, 2016, a total of 16,797,089 common shares were outstanding, and at that date the maximum number of stock options eligible for issue under the Plan was 1,679,708.

In connection with the acquisition of Black Range, the Board of Directors granted options for the purchase of 271,996 shares of the Company's common stock to certain of the former directors, employees and consultants of Black Range. On the date of grant, these options were fully vested, had a weighted average exercise price of CAD $6.39 (USD $4.91) and a weighted average remaining contractual life of 3.52 years and had a grant date fair value of $1.59 per share. As of September 30, 2016, these stock options had a remaining contractual life of 2.77 years and had no intrinsic value. These stock options became exercisable on January 17, 2016.

Grant of Stock Options

On October 4, 2016, the Company granted an aggregate of 1,075,000 options for the purchase of common shares to ten officers, consultants, directors and employees of the Company under the Company's Incentive Stock Option Plan. The options shall have an exercise price of CAD $2.50 vesting equally commencing initially on the effective date of grant of October 4, 2016 and thereafter on October 31, 2016 and March 31, 2017 with a five-year term from the date of vesting.

Appointment of Chief Financial Officer

On October 19, 2016, Robert Klein was appointed to serve as Chief Financial Officer of the Company, replacing Andrew Wilder. Mr. Wilder will continue to serve as a director of the Company.

Appointment of Vice President – Operations

On October 24, 2016, Western appointed Michael Rutter as Vice President Operations for the Company. Mr. Rutter has specific experience in the oversight of the construction, mechanics, electrical and operation of the Ablation production units. Previously, Mr. Rutter was superintendent for Energy Fuels' Utah, Colorado and Arizona uranium production locations.

Results of Operations

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Expenses				
Mining expenditures	$ 119,711	$ 210,688	$ 331,798	$ 301,388
Professional fees	200,734	123,763	526,826	324,529
General and administrative	103,412	51,591	277,515	169,812
Consulting fees	95,179	49,420	252,048	125,158
Unrealized foreign exchange gain	-	-	(128,000)	-
Loss from operations	(519,036)	(435,462)	(1,260,187)	(920,887)
Accretion and interest expense	25,135	23,512	262,400	68,588
Net loss	(544,171)	(458,974)	(1,522,587)	(989,475)
Other Comprehensive loss				
Foreign exchange gain (loss)	(10,735)	18,447	(64,519)	16,450
Comprehensive Loss	$ (554,906)	$ (440,527)	$ (1,587,106)	$ (973,025)
Net loss per share - basic and diluted	$ (0.03)	$ (0.04)	$ (0.09)	$ (0.08)

Three Months Ended September 30, 2016 as Compared to the Three Months Ended September 30, 2015

Summary

Our consolidated net loss for the three months ended September 30, 2016 and 2015 was $544,171 and $458,974 or $0.03 and $0.04 per share, respectively. The principal components of these quarter over quarter changes are discussed below.

Our comprehensive loss for the three months ended September 30, 2016 and 2015 was $554,906 and $440,527, respectively.

1) Mining expenditures for the three months ended September 30, 2016 were $119,711 as compared to $210,688 for the three months ended September 30, 2015. The decrease in mining expenditures of $90,977, or 43% was principally attributable to the costs of moving the ablation equipment leading up to the acquisition of Black Range in September of 2015. In 2016, the costs were mainly attributable to the amortization of yearly lease fees and royalty expense for the Boyer and Taylor properties.

2) Professional fees for the three months ended September 30, 2016 were $200,734 as compared to $123,763 for the three months ended September 30, 2015. The increase in professional fees of $76,971, or 62% was principally due to $50,000 incurred in advisory board services from our newly appointed advisory board member and an increase of $18,000 in audit and accounting fees due to having to file in the US and Canada.

3) General and administrative expenses for the three months ended September 30, 2016 were $103,412 as compared to $51,591 for the three months ended September 30, 2015. The increase in general and administrative expense of $51,821, or 100%, was principally due to an increase in payroll expense of $18,000 upon the hiring of Mr. Siglin as the Company's VP of Development and an increase in lease expenses of $15,000 due to properties acquired upon the acquisition of Black Range and an increase in expenses of $18,000 due to the travel and other expenses incurred for our annual shareholder meeting.

4) Consulting fees for the three months ended September 30, 2016 were $95,179 as compared to $49,420 for the three months ended September 30, 2015. The increase in consulting fees of $45,759, or 93% was principally related to costs of $45,000 incurred under a consulting agreement with a director to provide financial advisory services.

5) Accretion and interest expense for the three months ended September 30, 2016 was $25,135 as compared to $23,512 for the three months ended September 30, 2015. The increase of accretion and interest expense of $1,623, or 7% was mainly attributable to the accretion and interest on the note payable to Siebels.

6) Foreign exchange (loss) gain for the three months ended September 30, 2016 was $(10,735) as compared to $18,447 for the three months ended September 30, 2015. The decrease of the foreign exchange gain of $29,182, or 158% is primarily due to the U.S. Dollar strengthening against the Canadian Dollar.

Nine Months Ended September 30, 2016 as Compared to the Nine Months Ended September 30, 2015

Summary

Our consolidated net loss for the nine months ended September 30, 2016 and 2015 was $1,522,587 and $989,475 or $0.09 and $0.08 per share, respectively. The principal components of these quarter over quarter changes are discussed below.

Our comprehensive loss for the nine months ended September 30, 2016 and 2015 was $1,587,106 and $973,025, respectively.

1) Mining expenditures for the nine months ended September 30, 2016 were $331,798 as compared to $301,388 for the nine months ended September 30, 2015. The increase in mining expenditures of $30,410, or 10% was principally attributable to an increase of $80,000 related to expense on Black Range properties offset by a decrease in ablation expense of $107,008 as these costs were primarily related to the costs of transporting the ablation equipment in preparation for the acquisition of Black Range.

2) Professional fees for the nine months ended September 30, 2016 were $526,826 as compared to $324,529 for the nine months ended September 30, 2015. The increase in professional fees of $202,297, or 62% was principally due to the cost associated with the Company becoming publicly traded in the United States and establishing its DTC eligibility along with $50,000 related to advisory services that did not begin until the third quarter of 2016 when the advisory board was established.

3) General and administrative expenses for the nine months ended September 30, 2016 were $277,515 as compared to $169,812 for the nine months ended September 30, 2015. The increase in general and administrative expense of $107,703, or 63% was principally due to an increase in payroll expense of $54,209 upon the hiring of Mr. Siglin as the Company’s VP of Development, an increase of $29,516 in lease expense related to and office and storage property acquired in the acquisition of Black Range in the third quarter of 2015 and an increase of $23,387 in travel expense related to higher activity since the acquisition of Black Range.

4) Consulting fees for the nine months ended September 30, 2016 were $252,048 as compared to $125,158 for the nine months ended September 30, 2015. The increase in consulting fees is $126,890, or 101% was principally related to costs of $120,000 incurred under a consulting agreement with a director for financial consulting services.

5) Unrealized foreign exchange gain for the nine months ended September 30, 2016 was $128,000, which represented a change in the value of the deferred contingent consideration obligation.

6) Accretion and interest expense for the nine months ended September 30, 2016 was $262,400 as compared to $68,588 for the nine months ended September 30, 2015. The increase of accretion and interest expense of $193,812, or 283% was mainly attributable to the accretion and interest on the note payable to Siebels and the mortgage on the Casper, Wyoming building assumed in connection with the Black Range Transaction. During the second quarter of 2016, the Company canceled certain of its coal mining leases in Alaska. In connection with such cancellation, on July 28, 2016 Alaska notified the Company that its reclamation deposit would be forfeited. On May 17, 2016, the Company accreted $174,412 to accrete its reclamation liability to its fair value.

7) Foreign exchange (loss) gain for the nine months ended September 30, 2016 was $(64,519) as compared to $16,450 for the nine months ended September 30, 2015. The decrease of the foreign exchange gain of $80,969 was primarily due to the strengthening of the U.S. Dollar against the Canadian Dollar along with an increase in intercurrency transactions.

Financial Position

Operating Activities

Net cash used in operating activities was $1,483,533 for the nine months ended September 30, 2016, as compared with net cash used of $871,036 for the nine months ended September 30, 2015. The increase of $612,497 in net cash used is mainly due to the Company having an increased net loss of $533,112 in 2016.

Investing Activities

Net cash used in investing activities was $0 for the nine months ended September 30, 2016, as compared to $380,694 for the nine months ended September 30, 2015. The cash used in investing activities in 2015 consisted primarily of the advance to Black Range under the credit facility.

Financing Activities

Net cash provided by financing activities for the nine months ended September 30, 2016 was $1,808,251 as compared to $1,100,447 for the nine months ended September 30, 2015. For 2016, the cash provided by financing activities consisted principally of the proceeds from the issuance of 1,644,814 common shares for $2,048,251 and the proceeds of $100,000 from the Siebels promissory note, off-set by the principal payments on the Siebels and Nueco notes. The financing activities in 2015 were related to the sales of common stock in the February 2015 private placement for an aggregate of 640,000 shares valued at $1,353,793, offset by the payment of the Nueco Note of $253,346.

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2016, 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 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 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 shares of common stock, 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.

Property, Plant and Equipment

We review and evaluate our long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows or upon an estimate of fair value that may be received in an exchange transaction. Future cash flows are estimated based on estimated quantities of recoverable minerals, expected U_3O_8 prices (considering current and historical prices, trends and related factors), production levels, operating costs of production and capital and restoration and reclamation costs, based upon the projected remaining future uranium production from each project. The Company's mineral assets were acquired during the end of 2014 and in 2015 in arms-length transactions.

During the three months ended June 30, 2016, the Company determined that there were not sufficient changes in the market value of uranium to justify an impairment. Estimates and assumptions used to assess recoverability of our long-lived assets and measure fair value of our uranium properties are subject to risk uncertainty. Changes in these estimates and assumptions could result in the impairment of our long-lived assets. Events that could result in the impairment of our long-lived assets include, but are not limited to, decreases in the future U3O8 prices, decreases in the estimated recoverable minerals and any event that might otherwise have a material adverse effect on our costs. Existing proven and probable reserves and value beyond proven and probable reserves, including mineralization that is not part of the measured, indicated or inferred resource base, are included when determining the fair value of uranium properties upon acquisition and, subsequently, in determining whether the assets are impaired. The term "recoverable minerals" refers to the estimated amount of uranium that will be obtained after taking into account losses during processing and treatment. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of future cash flows from other asset groups.

Restoration and Remediation Costs (Asset Retirement Obligations)

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

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

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

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

Summary of Quarterly Results

The table below reflects a summary of certain key financial results for each of the company's previous four quarters ended September 30, 2016:

Description	September, 2016 $	June, 2016 $	March, 2016 $	December, 2015 $
Balance sheet				
Cash	474,681	22,163	70,595	214,482
Mineral properties	11,645,218	11,645,218	11,645,218	11,645,218
Ablation intellectual property	9,488,051	9,488,051	9,488,051	9,488,051
Land, buildings and improvements	0	0	1,031,000	1,050,810
Notes payable	759,190	998,473	1,079,668	940,177
Mortgage payable	0	0	1,051,000	1,051,000
Shareholders' equity	16,434,565	15,581,630	15,732,736	15,775,122
Income statement				
Mineral property expenses	119,711	118,737	93,350	155,824
Professional fees	200,734	290,985	35,107	54,564
Comprehensive loss	(554,906)	(773,280)	(258,920)	(544,104)

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash balance as of September 30, 2016 was $474,681. 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 reporting responsibilities. The Company expects to require additional capital in order to continue the development of the ablation mining technology. Management believes that in order to finance the development of the mining properties, the Company will be required to raise significant additional capital by way of debt and/or equity. 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.

On January 4, 2016, the Company completed a private placement raising gross proceeds of CAD $300,000 through the subscription for 101,009 common shares at a price of CAD $2.97 (USD $2.14) per common share, and warrants to purchase aggregate of 101,009 common shares at an exercise price of CAD $3.50. Of the total amount received, CAD $275,000 (USD $198,298) was received in December of 2015 while the remainder CAD $25,000 (USD $18,236) was received in February of 2016. The warrants are exercisable immediately upon issuance and expire five years from the date of issuance. As of December 31, 2015, the Company accounted for the proceeds of $198,298 as subscriptions payable. During the nine months ended September 30, 2016 the Company issued an aggregate of 101,009 shares of common stock in connection with this private placement.

During April 2016, the Company initiated a private placement for the sale of units of its securities for a price per unit of CAD $1.70 (USD $1.32). Each unit consists of one share of the Company's common stock and one warrant to purchase a share of common stock at CAD $2.60. The warrants are exercisable immediately upon issuance and expire five years from the date of issuance. During April and May 2016 the Company raised gross proceeds of CAD $791,090 (USD $ 622,174) through the issuance of 465,347 units.

On September 2, 2016 the Company completed a private placement selling 1,078,458 units at CAD $1.70 (USD $1.32) per unit for total gross proceeds of USD $1,423,618. Each unit consists of one common share of the Company and one warrant at an exercise price of CAD $2.80 which expire five years after the date of issuance. The Company intends to use this capital raise to pay the costs of the acquisition of Black Range, to fund the development of the Company's ablation technology, to fund mine production preparation, to pay down certain of the Company's notes payable, and for working capital purposes.

RELATED PARTY TRANSACTIONS

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

An entity controlled by a member of the Board of Directors earned consulting fees totaling $9,117 and $22,680 for the three months ended September 30, 2016 and 2015, respectively and $27,350 and $50,037 for the nine months ended September 30, 2016 and 2015, respectively. The same director earned director fees totaling $1,519 and $1,489 during the three months ended September 30, 2016 and 2015, respectively, and $3,093 and $7,747 for the nine months ended September 30, 2016 and 2015, respectively. As of September 30, 2016 and December 31, 2015, the Company has $1,519 and $0, respectively, in accounts payable and accrued liabilities owing to this director.

Pursuant to a consulting agreement, a US limited liability company owned by a person who is a director (and the Company's CFO until October 19, 2016) entered into a contract with the Company effective January 1, 2015 ("January 2015 Agreement") to provide financial and consulting services at an annual consultant fee of $100,000. The contract had a term of one year. On October 21, 2015, the Company entered into an additional agreement with this same company to provide additional services to the Company, for the term of October through December 2015 for a monthly fee of $6,500. On January 1, 2016, the Company entered into an agreement with a different US limited liability company owned by the same director ("January 2016 Agreement") to provide financial and other consulting services at $8,333 per month. During the three months ended September 30, 2016 and 2015, the Company incurred fees of $25,000 and $25,000, respectively, to these companies. During the nine months ended September 30, 2016 and 2015, the Company incurred fees of $75,000 and $75,000, respectively, to these companies. At September 30, 2016 and December 31, 2015, the Company had $8,333 and $6,500, respectively, included in accounts payable and accrued liabilities payable to these companies.

Pursuant to a consulting agreement, the January 2016 Agreement was cancelled and a new agreement was entered into between the Company, a US limited liability company owned by the same director as the January 2016 Agreement and Mr. Klein ("October 2016 Agreement") to provide financial operating services and to have Mr. Klein serve as the Chief Financial

Officer. The term of the October 2016 Agreement runs through July 31, 2017, may be extended by the parties, and has an annual fee of $162,000 payable monthly, starting on October 1, 2016.

In connection with the acquisition of Black Range on September 16, 2015, Western assumed an obligation in the amount of (AUD) $500,000 (USD $372,000) payable to Western's CEO and director contingent upon the commercialization of the ablation technology.

Pursuant to a consulting agreement, a US limited liability company owned by a person who is a director entered into a consulting contract with the Company effective April 1, 2016 to provide financial, advisory, and consulting services, representing the company to a variety of stakeholders for a six month term ending on September 30, 2016. Professional fees for the three and nine months ended September 30, 2016 were $45,000 and $75,000, respectively, under this agreement. As of September 30, 2016 and December 31, 2015, the Company had $0 and $0, respectively, included in accounts payable and accrued expenses payable to this entity.

RISKS

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

Uranium and Vanadium Price Fluctuations

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

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

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

Global Economic Conditions

In the event of a general economic downturn or a recession, there can be no assurance that the business, financial condition and results of operations of the Company would not be materially adversely affected. During the past several years, the global economy faced a number of challenges. During the global financial crisis of 2007-2008, economic problems in the United States and Eurozone caused a deterioration in the global economy, as numerous commercial and financial enterprises either went into bankruptcy or creditor protection or had to be rescued by governmental authorities. Access to public financing was negatively impacted by sub-prime mortgage defaults in the United States, the liquidity crisis affecting the asset-backed commercial paper and collateralized debt obligation markets, and massive investment losses by banks with resultant recapitalization efforts. Although economic conditions have shown improvement in recent years, the global recovery from the recession has been slow and uneven. The effects of the global financial crisis continue to limit growth. In addition, increasing levels of government debt, slowing economic growth in certain key regions including China, the threat of sovereign defaults including Greece, and political instability in Eastern Europe continue to weigh on markets. These factors continue to impact commodity prices, including uranium, as well as currencies and global debt and stock markets.

These factors may impact the Company's ability to obtain equity, debt or bank financing on terms commercially reasonable to the Company, or at all. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If these increased levels of volatility and market turmoil continue, or there is a material deterioration in general business and economic conditions, the Company's operations could be adversely impacted and the trading price of the Company's securities could continue to be adversely affected.

Market Price of Shares

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

Governmental Regulation and Policy Risks

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

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

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

Public Acceptance of Nuclear Energy and Competition from Other Energy Sources

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

Uranium Industry Competition and International Trade Restrictions

The international uranium industry, including the supply of uranium concentrates, is competitive. The Company's market for uranium is in direct competition with supplies available from a relatively small number of uranium mining companies, from nationalized uranium companies, from uranium produced as a byproduct of other mining operations, from excess inventories, including inventories made available from decommissioning of nuclear weapons, from reprocessed uranium and plutonium, from used reactor fuel, and from the use of excess Russian enrichment capacity to re-enrich depleted uranium tails held by European enrichers in the form of UF_6. A large quantity of current world production is inelastic, in that uranium market prices have little effect on the quantity supplied. The supply of uranium from Russia and from certain republics of the former Soviet Union is, to some extent, impeded by a number of international trade agreements and policies. These agreements and any similar future agreements, governmental policies or trade restrictions are beyond the control of the Company and may affect the supply of uranium available in the United States and Europe.

Ability to Maintain Obligations Under Notes Payable and Other Debt

The Company may from time to time enter into arrangements to borrow money in order to fund its operations and expansion plans, and such arrangements may include covenants that restrict its business in some way. Events may occur in the future, including events out of the Company's control that would cause the Company to fail to satisfy its obligations under its existing notes payable or other debt instruments. In such circumstances, or if the Company were to default on its obligations under debentures or other debt instruments, the amounts drawn under the Company's debt agreements may become due and payable before the agreed maturity date, and the Company may not have the financial resources to repay such amounts when due.

Further, although most, but not all, of the Company's reclamation obligations are bonded, and cash and other assets of the Company have been reserved to secure a portion but not all of this bonded amount, to the extent the bonded amounts are not fully collateralized, the Company will be required to come up with additional cash to perform its reclamation obligations when they occur. In addition, the bonding companies have the right to require increases in collateral at any time upon 30-days' notice to the Company, failure of which would constitute a default under the bonds. In such circumstances, the Company may not have the financial resources to perform such reclamation obligations or to increase such collateral when due.

Additional Funding Requirements

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

Dilution from Further Equity Financing

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

Nature of Exploration and Development, Expansion Projects and Restarting Projects

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

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

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

The Company's Mineral Reserves and Resources Are Estimates

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

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

Environmental Regulatory Requirements and Risk

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

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

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

Opposition to Mining May Disrupt Business Activity

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

Company's business activities may cause a disruption to the Company's business activities and may result in increased costs and this could have a material adverse effect on the Company's business and financial condition.

Competition for Properties and Experienced Employees

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

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

Litigation and Other Legal Proceedings

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

Decommissioning and Reclamation

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

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

Technical Innovation and Obsolescence

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

Property Title Risk

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

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

Foreign Currency Risks

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

Post-Acquisition Success

The success of the Company following the acquisition of Black Range will depend in large part on the success of the Company's management in integrating the Black Range assets into the Company. The failure of the Company to achieve such integration and to mine or advance such assets could result in the failure of the Company to realize the anticipated benefits of the Black Range assets and could impair the results of operations, profitability and financial results of the Company.

Dependence on Issuance of Mine Licenses and Permits

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

Mining, Milling and Insurance

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

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

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

Credit Risk

The Company's sales of uranium and vanadium products expose the Company to the risk of non-payment. The Company manages this risk by monitoring the credit worthiness of its customers and requiring pre-payment or other forms of payment security from customers with an unacceptable level of credit risk.

Dependence on Key Personnel and Qualified and Experienced Employees

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

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

Conflicts of Interest

For so long as one or more of the Company's directors is also a director of other companies engaged in the business of acquiring, exploring and developing natural resource properties such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences will be that corporate opportunities presented to a director of the Company may be offered to another company or companies with which the director is associated, and may not be presented or made available to the Company. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any interest which they may have in any project or opportunity of the Company, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed in the Company's Code of Ethics and by the Business Corporations Act (Ontario).

Labor Relations

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

Infrastructure

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