

**WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

**(Stated in USD)**

**(Unaudited)**

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

	As of	
	March 31, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 11,526,118	\$ 9,217,585
Restricted cash, current portion	75,075	75,075
Prepaid expenses	252,751	382,314
Marketable securities	566	385
Other current assets	132,331	131,255
<b>Total current assets</b>	<u>11,986,841</u>	<u>9,806,614</u>
Restricted cash, net of current portion	676,442	676,369
Property, plant & equipment and mineral properties, net	15,216,339	14,926,289
Kinetic separation intellectual property	9,488,051	9,488,051
<b>Total assets</b>	<u>\$ 37,367,673</u>	<u>\$ 34,897,323</u>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 734,255	\$ 761,123
Reclamation liability, current portion	75,057	75,057
<b>Total current liabilities</b>	<u>809,312</u>	<u>836,180</u>
Reclamation liability, net of current portion	244,557	241,562
Deferred tax liability	2,708,887	2,708,887
Deferred contingent consideration	325,800	340,650
<b>Total liabilities</b>	<u>4,088,556</u>	<u>4,127,279</u>
<b>Shareholders' Equity</b>		
Common shares, no par value, unlimited authorized shares, 55,223,419 and 50,002,395 shares issued as of March 31, 2024 and December 31, 2023, respectively, and 55,223,113 and 50,002,089 shares outstanding as of March 31, 2024 and December 31, 2023, respectively	54,790,230	49,661,910
Treasury shares, 306 shares held in treasury as of March 31, 2024 and December 31, 2023	-	-
Accumulated deficit	(21,294,745)	(18,817,857)
Accumulated other comprehensive loss	(216,368)	(74,009)
<b>Total shareholders' equity</b>	<u>33,279,117</u>	<u>30,770,044</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 37,367,673</u>	<u>\$ 34,897,323</u>

**Approval on behalf of the Board:**

/s/ George E. Glasier  
Director

/s/ Andrew Wilder  
Director

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	
	March 31,	
	2024	2023
<b>Revenues</b>	\$ 54,273	\$ 165,975
<b>Expenses</b>		
Mining expenditures	1,308,879	605,104
Professional fees	112,690	87,096
General and administrative	966,245	613,365
Consulting fees	193,426	737
<b>Total operating expenses</b>	2,581,240	1,306,302
<b>Operating loss</b>	(2,526,967)	(1,140,327)
Accretion and interest income, net	(50,079)	(35,296)
Other income, net	-	(1,500)
<b>Net loss</b>	(2,476,888)	(1,103,531)
<b>Other comprehensive (loss) income</b>		
Foreign currency translation adjustment	(142,359)	6,314
<b>Comprehensive loss</b>	\$ (2,619,247)	\$ (1,097,217)
<b>Net loss per share - basic and diluted</b>	\$ (0.05)	\$ (0.03)
<b>Weighted average shares outstanding - basic and diluted</b>	52,539,766	43,602,565

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	Total
	Shares	Amount	Shares	Amount			
<b>Balance as of January 1, 2024</b>	50,002,089	\$ 49,661,910	306	\$ -	\$ (18,817,857)	\$ (74,009)	\$ 30,770,044
Foreign currency translation adjustment	-	-	-	-	-	(142,359)	(142,359)
Proceeds from the exercise of warrants	5,198,540	4,605,458	-	-	-	-	4,605,458
Stock-based compensation - stock options	-	522,862	-	-	-	-	522,862
Cashless exercise of stock options	22,484	-	-	-	-	-	-
Net loss	-	-	-	-	(2,476,888)	-	(2,476,888)
<b>Balance as of March 31, 2024</b>	<u>55,223,113</u>	<u>\$ 54,790,230</u>	<u>306</u>	<u>\$ -</u>	<u>\$ (21,294,745)</u>	<u>\$ (216,368)</u>	<u>\$ 33,279,117</u>
<b>Balance as of January 1, 2023</b>	43,602,565	\$ 43,394,303	306	\$ -	\$ (13,875,263)	\$ (261,132)	29,257,908
Foreign currency translation adjustment	-	-	-	-	-	6,314	6,314
Stock-based compensation - stock options	-	252,742	-	-	-	-	252,742
Net loss	-	-	-	-	(1,103,531)	-	(1,103,531)
<b>Balance as of March 31, 2023</b>	<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>

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 Three Months Ended	
	March 31,	
	2024	2023
<b>Cash Flows Used In Operating Activities:</b>		
Net loss	\$ (2,476,888)	\$ (1,103,531)
<b>Reconciliation of net loss to cash used in operating activities:</b>		
Depreciation	113,319	43,618
Accretion of reclamation liability	2,995	2,742
Stock-based compensation	516,515	252,742
Change in marketable securities	(181)	45
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	128,487	186,676
Accounts payable and accrued liabilities	(26,868)	9,334
Deferred revenue	-	(16,155)
Contingent consideration	(14,850)	(5,385)
Net cash used in operating activities	<u>(1,757,471)</u>	<u>(629,914)</u>
<b>Cash Flows Used In Investing Activities</b>		
Purchase of property, plant & equipment and mineral properties	<u>(403,369)</u>	<u>(623,623)</u>
Net cash used in investing activities	<u>(403,369)</u>	<u>(623,623)</u>
<b>Cash Flows Provided By Financing Activities</b>		
Proceeds from warrant exercises	<u>4,605,458</u>	<u>-</u>
Net cash provided by financing activities	<u>4,605,458</u>	<u>-</u>
Effect of foreign exchange rate on cash	<u>(136,012)</u>	<u>6,314</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	2,308,606	(1,247,223)
Cash and cash equivalents and restricted cash - beginning	<u>9,969,029</u>	<u>10,433,538</u>
Cash and cash equivalents and restricted cash - ending	<u>\$ 12,277,635</u>	<u>\$ 9,186,315</u>
Cash and cash equivalents	\$ 11,526,118	\$ 8,434,891
Restricted cash, current portion	75,075	75,057
Restricted cash, noncurrent	<u>676,442</u>	<u>676,367</u>
Total cash and cash equivalents and restricted cash	<u>\$ 12,277,635</u>	<u>\$ 9,186,315</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

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 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. Western is a Canadian domestic issuer and Canadian reporting issuer.

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 under the symbol “WSTRF”. 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 September 16, 2015, Western completed its acquisition of Black Range Minerals Limited (“Black Range”). Under United States Securities and Exchange Commission (“Commission”) rules, this transaction triggered the Company being deemed a United States domestic issuer and losing its foreign private issuer exemption. On April 29, 2016, the Company filed a Form 10 registration statement with the Commission after converting its basis of accounting from International Financial Reporting Standards (“IFRS”) to generally accepted accounting principles in the United States (“U.S. GAAP”). On June 28, 2016, the Company’s registration statement became effective and Western became a United States reporting issuer.

On June 30, 2023, Western re-qualified as a foreign private issuer as that term is defined in Rule 3b-4(c) promulgated under the Securities Exchange Act of 1934 (the “Exchange Act”). As a result, the Company may now utilize certain accommodations made to foreign private issuers, including (1) an exemption from complying with the Commission’s proxy rules, (2) an exemption from the Company’s insiders having to comply with the reporting and short-swing trading liability provisions of Section 16 under the Exchange Act, (3) the ability to make periodic filings with the Commission on the Form 20-F and Form 6-K foreign issuer forms, and (4) the ability to offer and sell unrestricted securities outside of the United States pursuant to Rule 903 of Regulation S. The Company plans to take advantage of these accommodations. However, the Company currently has decided to voluntarily continue to file periodic reports with the Commission using domestic issuer forms including filing annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

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

**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 months ended March 31, 2024, the Company generated a net loss of \$2,476,888. 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 March 31, 2024, the Company had an accumulated deficit of \$21,294,745 and working capital of \$11,177,529.

Since inception, the Company has met its liquidity requirements principally through the issuance of notes and the sale of its common shares. During the three months ended March 31, 2024, the Company received \$4,605,458 in proceeds from the exercise of its common share warrants. On December 12, 2023, the Company closed a non-brokered private placement of 5,215,828 units at a price of \$1.02 (CAD \$1.39) per unit. The aggregate gross proceeds raised in the private placement amounted to \$5,324,988 (CAD \$7,250,000) and net proceeds amounted to \$4,836,867 (CAD \$6,588,089). During the year ended December 31, 2023, the Company received \$1,004,044 in proceeds from the exercise of its common share warrants.

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 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 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, 2023, as filed with the SEC on April 16, 2024. The Company has voluntarily elected to file this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 notwithstanding its foreign private issuer status. Operating results for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected for any subsequent quarters or for the year ending December 31, 2024.

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 reports operating and financial results in a single segment based on the consolidated information used by the chief operating decision maker ("CODM") in evaluating the financial performance of its business and allocating resources. This single segment reflects the Company's core business: produce critical minerals. As the Company has one reportable segment, net loss, total assets and working capital are equal to consolidated results.

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.



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

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

***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.

***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 and valuation of stock-based compensation. Other areas requiring estimates include allocations of expenditures, depletion, and amortization of mineral rights and properties. Actual results could differ from those estimates.

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

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

***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.

***Segment Information***

The Company identifies its operating segments in accordance with Accounting Standards Codification 280, Segment Reporting, or ASC 280. Operating segments are defined as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company’s chief operating decision maker, its Chief Executive Officer, manages the Company’s operations on a consolidated basis for the purposes of allocating resources. Accordingly, the Company has determined it operates and manages its business in a single reportable operating segment.

***Cash and Cash Equivalents***

The Company considers all highly-liquid instruments with an original maturity of three months or less at the time of issuance to be cash equivalents. There were no cash equivalents at March 31, 2024 and December 31, 2023.

***Marketable Securities***

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

***Restricted Cash***

Certain cash balances are restricted as they relate to deposits with banks that have been assigned to state reclamation authorities in the United States to secure various reclamation guarantees with respect to mineral properties in Utah and Colorado. As these funds are not available for general corporate purposes and secure the long term reclamation liability (see Note 4), they have been separately disclosed and classified as long-term for the majority of the Company’s mines. As of March 31, 2024 and December 31, 2023, the Company has determined that the Van 4 Mine is considered to be in reclamation. The Company recognized the Van 4 Mine’s reclamation liability and its restricted cash in full on the Company’s condensed interim consolidated balance sheets as current.

***Property, Plant & Equipment and Mineral Properties, Net***

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method.

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

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

***Revenue Recognition***

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 and cash equivalents, restricted cash – current portion, accounts payable 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 carrying amount of restricted cash – net of current portion, approximates fair value as the accounts earn interest at market 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).

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 March 31, 2024	\$ 566	\$ -	\$ -
Marketable securities as of December 31, 2023	\$ 385	\$ -	\$ -

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

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

***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.

***Net Loss per Share***

Basic net loss per share is computed by dividing net loss 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 computation of net loss per share for each of the three months ended March 31, 2024 and 2023 is the same for both basic and fully diluted.

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

	For the Three Months Ended March 31,	
	2024	2023
Warrants to purchase common shares	5,578,739	9,362,076
Options to purchase common shares	4,548,334	4,098,000
Total potentially dilutive securities	10,127,073	13,460,076

***Recent Accounting Standards***

In November 2023, the FASB issued Accounting Standard Update (“ASU”) 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.” This ASU requires annual and interim disclosures about significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss as well as the amount and composition of other segment items. The standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company is still evaluating the full extent of the potential impact of the adoption of ASU 2023-09, but believes it will not have a material impact on its condensed interim consolidated financial statements and disclosures.

In December 2023, the FASB issued ASU 2023-09 – Improvements to Income Tax Disclosures, which enhances the transparency and decision usefulness of income tax disclosures. The standard is effective for public companies for annual periods beginning after December 15, 2024. Early adoption is available. The Company is still evaluating the full extent of the potential impact of the adoption of ASU 2023-09, but believes it will not have a material impact on its condensed interim consolidated financial statements and disclosures.

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

**NOTE 4 – PROPERTY, PLANT & EQUIPMENT AND MINERAL PROPERTIES, NET AND KINETIC SEPARATION INTELLECTUAL PROPERTY**

The Company’s mining properties acquired on August 18, 2014 that the Company retains as of March 31, 2024 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 March 31, 2024 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 property, plant & equipment and mineral properties, net and kinetic separation intellectual property are:

	Estimated Useful Lives	As of March 31, 2024	As of December 31, 2023
Mineral properties	N/A	\$11,688,841	\$11,688,841
Mining equipment	5 years	2,580,166	2,345,055
Vehicles	5 years	746,462	549,703
Software	5 years	9,120	-
Construction in progress	N/A	274,033	312,384
Land	N/A	351,957	351,957
Total property, plant & equipment and mineral properties		<u>\$15,650,579</u>	<u>\$15,247,940</u>
Less: accumulated depreciation		434,240	321,651
Property, plant & equipment and mineral properties, net		<u>\$15,216,339</u>	<u>\$14,926,289</u>
Kinetic separation intellectual property		<u>\$ 9,488,051</u>	<u>\$ 9,488,051</u>

**WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 4 – PROPERTY, PLANT & EQUIPMENT AND MINERAL PROPERTIES, NET AND KINETIC SEPARATION INTELLECTUAL PROPERTY, CONTINUED**

*Property, plant & equipment and mineral properties, net*

During the three months ended March 31, 2024 and 2023, Western made purchases of \$403,369 and \$623,623, which principally consisted of mining equipment and vehicles, to increase mining capacity and land for the mineral processing facility. During the three months ended March 31, 2024, depreciation expense was \$113,319, which was included in mining expenditures on the Company's condensed interim consolidated statements of operations and other comprehensive loss. During the three months ended March 31, 2023, depreciation expense was \$43,618, which was included in mining expenditures on the Company's condensed interim consolidated statements of operations and other comprehensive loss.

*Oil and Gas Lease and Easement*

In 2017, the Company entered into an oil and gas lease that became effective with respect to minerals and mineral rights owned by the Company of approximately 160 surface acres of 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 operator elected to extend the oil and gas lease easement for three additional years through July 2023. This was done to provide additional time in order to complete well construction and commence oil and gas production. During 2021, the operator completed a first set of eight (8) wells which commenced oil and gas production by August 2021. During 2022, the operator completed a second set of eight (8) wells which commenced oil and gas production by August 2022. All sixteen (16) wells remain in production and monthly royalty payments will be ongoing in perpetuity as long as oil and/or gas are produced from the pooled unit containing these sixteen (16) wells.

During the three months ended March 31, 2024 and 2023 the Company recognized aggregate revenue of \$54,273 and \$165,975, 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 \$751,517 and \$751,444 as of March 31, 2024 and December 31, 2023, respectively. The portion of the reclamation liability related to the Van 4 Mine, which is in reclamation as of March 31, 2024, and its related restricted cash are included in current liabilities and current assets, respectively, at a value of \$75,057. During the three months ended March 31, 2024, the Company's internal mining operations team has been performing the reclamation work, and the State of Colorado has not yet reduced the reclamation liability amount. 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 March 31, 2024 and December 31, 2023 were \$244,557 and \$241,562, respectively. The gross reclamation liabilities as of March 31, 2024 and December 31, 2023 are secured by financial warranties in the amount of \$751,517 and \$751,444, respectively.

**WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES**  
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**NOTE 4 – PROPERTY, PLANT & EQUIPMENT AND MINERAL PROPERTIES, NET AND KINETIC SEPARATION INTELLECTUAL PROPERTY, CONTINUED**

*Reclamation Liabilities, continued*

Reclamation liability activity for the three months ended March 31, 2024 and 2023 consists of:

	For the Three Months Ended March 31,	
	2024	2023
Beginning balance at January 1	\$ 316,619	\$ 300,276
Accretion	2,995	2,742
Ending Balance at March 31	\$ 319,614	\$ 303,018
Less: Reclamation liability, current portion	75,057	75,057
Reclamation liability, net of current portion	<u>\$ 244,557</u>	<u>\$ 227,961</u>

*Topaz Mine Permitting Status*

In November 2020 and December 2020, a coalition of environmental groups (the “Plaintiffs”) filed a complaint against the Mined Land Reclamation Board (“MLRB”) seeking partial appeals of prior MLRB decisions, requesting the termination of the Topaz Mine permit. The Company joined with the MLRB in defense of those 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 sought a settlement with the Plaintiffs. A settlement was not reached, and the MLRB and the Company submitted answer briefs on August 20, 2021. The Plaintiffs 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 the MLRB for further proceedings consistent with its order. 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 commenced 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 Bureau of Land Management (“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. The review of Western’s most recent submission continues to be delayed due to staff turnover at the BLM.

**WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 4 – PROPERTY, PLANT & EQUIPMENT AND MINERAL PROPERTIES, NET AND KINETIC SEPARATION INTELLECTUAL 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	
	March 31, 2024	December 31, 2023
Trade accounts payable	\$ 504,935	\$ 562,831
Accrued liabilities	229,320	198,292
Total accounts payable and accrued liabilities	<u>\$ 734,255</u>	<u>\$ 761,123</u>



**WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 6 – 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 March 31, 2024 and December 31, 2023, an unlimited number of common shares were authorized for issuance.

***Warrant Exercises***

During the three months ended March 31, 2024, an aggregate of 5,198,540 warrants were exercised for total proceeds of \$4,605,458 (CAD \$6,238,248). There were no warrant exercises during the three months ended March 31, 2023.

***Incentive Stock Option Plan***

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

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 March 31, 2024, a total of 55,223,113 common shares were outstanding. As of March 31, 2024, the maximum number of stock options eligible to be issued under the Plan would be 5,522,311, and net of 4,548,334 options outstanding as of March 31, 2024, there remain 973,977 stock options available to be issued under the Plan.

***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.

**WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 6 – SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS, CONTINUED**

***Stock Options***

During the three-months ended March 31, 2024, the Company issued 22,484 shares of common stock pursuant to the cashless exercise of 41,666 stock options with an exercise price of \$0.79 (CAD \$1.03).

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Life (Years)	Intrinsic Value
Outstanding – January 1, 2024	4,917,666	\$ 1.22	3.85	\$ 214,875
Granted	-	-		
Expired	(327,666)	1.66		
Exercised	(41,666)	0.79		
Outstanding – March 31, 2024	<u>4,548,334</u>	<u>\$ 1.19</u>	<u>3.89</u>	<u>\$ 758,349</u>
Exercisable – March 31, 2024	<u>3,531,662</u>	<u>\$ 1.18</u>	<u>3.40</u>	<u>\$ 608,192</u>

There were no stock option granted during the three months ended March 31, 2024.

The Company's stock-based compensation expense related to stock options for the three months ended March 31, 2024 was \$516,515, of which \$143,946 and \$372,569 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 March 31, 2023 was \$252,742, of which \$41,330 and \$211,412 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. As of March 31, 2024, there was approximately \$485,853 of unrecognized share-based compensation for unvested stock option grants, which is expected to be recognized over a weighted average period of 0.59 years.

***Warrants***

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Life (Years)	Intrinsic Value
Outstanding – January 1, 2024	10,804,539	\$ 1.30	1.31	\$ 1,576,511
Issued	-	-		
Exercised	(5,198,540)	0.89		
Expired/Forfeited	(27,260)	0.89		
Outstanding – March 31, 2024	<u>5,578,739</u>	<u>\$ 1.63</u>	<u>2.15</u>	<u>\$ -</u>
Exercisable – March 31, 2024	<u>5,578,739</u>	<u>\$ 1.63</u>	<u>2.15</u>	<u>\$ -</u>

**WESTERN URANIUM & VANADIUM CORP. AND SUBSIDIARIES**  
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**NOTE 7 – MINING EXPENDITURES**

	For the Three Months Ended March 31,	
	2024	2023
Mining costs	\$ 620,017	\$ 276,139
Labor and related benefits	662,763	298,866
Permits	26,099	27,946
Royalties	-	2,153
	<u>\$ 1,308,879</u>	<u>\$ 605,104</u>

***Joint Venture***

During February 2024, PRM entered into a joint venture agreement with Rimrock Exploration and Development Inc. (“Rimrock”) to explore, develop and mine (the “Mining Operations”) certain uranium and vanadium permitted mines and mining claims located in Colorado and owned by Rimrock (the “JV”). Pursuant to the terms of the JV, Rimrock will contribute certain assets into the JV and PRM will contribute \$200,000 (the “Initial Contribution”) to be used to fund the Mining Operations. Thereafter, each party will own a 50% interest in the assets of the JV. During the initial phase of the JV, Rimrock will be the operator and the permits and licenses for the operator will remain in the name of Rimrock. The JV intends to sell the mined material to the Company under terms to be determined. During the term of the JV, PRM will pay the costs of the Mining Operations and will be entitled to recover 50% of such costs subsequent to the contribution of the full amount of the Initial Contribution. The JV will fund the recovery payments to be made to PRM from the proceeds of the sale of mined material. On February 20, 2024, PRM funded \$50,000 of the Initial Contribution, which was expensed to mining expenditures within the condensed interim consolidated statements of operations and other comprehensive loss and reflected within mining cost in the table above. Subsequently on April 11, 2024, PRM funded an additional \$53,931 to the JV.

**NOTE 8 – 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 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 \$325,800 (AUD \$500,000) to Seller within 60 days of the first commercial application of the Kinetic Separation technology. The Company assumed this contingent payment obligation in connection with the acquisition of Black Range. At the date of the acquisition of Black Range, this contingent obligation was determined to be probable. Since the deferred contingent consideration obligation is probable and the amount is estimable, the Company recorded the deferred contingent consideration as an assumed liability in the amount of \$325,800 and \$340,650 as of March 31, 2024 and December 31, 2023, 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 rental of office, workshop, warehouse and employee housing facilities. The Company incurred rent expense of \$23,525 and \$17,925 in connection with these arrangements for the three months ended March 31, 2024 and 2023, respectively.

The Company is obligated to pay Mr. Glasier for reimbursable expenses in the amount of \$15,482 and \$84,040, included within accounts payable and accrued liabilities, as of March 31, 2024 and December 31, 2023, respectively.