WESTERN URANIUM & VANADIUM CORP.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Stated in USD)

(Unaudited – Prepared by Management)

WESTERN URANIUM & VANADIUM CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Stated in USD)

	September 30, 2019 (Unaudited)	December 31, 2018
Assets		
Current assets:		
Cash	$ 2,378,911	$ 909,865
Prepaid expenses	277,466	127,122
Marketable securities	4,925	4,781
Other current assets	21,025	93,841
Total current assets	2,682,327	1,135,609
Restricted cash	897,297	889,030
Mineral properties and equipment	11,748,807	11,681,720
Kinetic separation intellectual property	9,488,051	9,488,051
Total assets	$ 24,816,482	$ 23,194,410
Liabilities and Shareholders' Equity		
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 609,303	$ 493,320
Deferred revenue, current portion	34,620	44,620
Total current liabilities	643,923	537,940
Reclamation liability	235,934	224,645
Deferred tax liability	2,708,887	2,708,887
Deferred contingent consideration	351,099	352,361
Deferred revenue, net of current portion	24,255	47,720
Total liabilities	3,964,098	3,871,553
Commitments		
Shareholders' Equity		
Common stock, no par value, unlimited authorized shares 30,084,053 and 25,977,143 shares issued as of September 30, 2019 and December 31, 2018, respectively and 30,083,747 and 25,976,837 shares outstanding as of September 30, 2019 and December 31, 2018, respectively	29,042,547	25,865,367
Treasury shares, 306 and 306 shares held in treasury as of September 30, 2019 and December 31, 2018, respectively	-	-
Accumulated deficit	(8,269,217)	(6,584,342)
Accumulated other comprehensive income	79,054	41,832
Total shareholders' equity	20,852,384	19,322,857
Total liabilities and shareholders' equity	$ 24,816,482	$ 23,194,410

Approval on behalf of the Board:

/s/ George E. Glasier
Director

/s/ Andrew Wilder
Director

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenues				
Lease revenue	$ 11,155	$ 11,155	$ 33,465	$ 33,465
Expenses				
Mining expenditures	270,031	23,898	398,317	117,427
Professional fees	131,228	90,903	318,861	358,420
General and administrative	279,849	322,812	899,228	703,109
Consulting fees	45,181	43,984	93,861	153,934
Total operating expenses	726,289	481,597	1,710,267	1,332,890
Operating loss	(715,134)	(470,442)	(1,676,802)	(1,299,425)
Interest expense, net	2,267	7,863	8,073	33,733
Net loss	(717,401)	(478,305)	(1,684,875)	(1,333,158)
Other comprehensive income				
Foreign exchange gain	22,623	17,061	37,222	34,237
Comprehensive loss	$ (694,778)	$ (461,244)	$ (1,647,653)	$ (1,298,921)
Loss per share - basic and diluted	$ (0.02)	$ (0.02)	$ (0.06)	$ (0.06)
Weighted average shares outstanding, basic and diluted	30,083,747	24,391,393	28,460,499	22,024,524

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

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

	Common Stock		Treasury Shares			Accumulated Other	
	Shares	Amount	Shares	Amount	Accumulated Deficit	Comprehensive Income	Total
Balance as of January 1, 2019	25,976,837	$ 25,865,367	306	$ -	$ (6,584,342)	$ 41,832	$ 19,322,857
Stock based compensation - stock options	-	180,269	-	-	-	-	180,269
Foreign exchange gain	-	-	-	-	-	15,279	15,279
Net loss	-	-	-	-	(518,875)	-	(518,875)
Balance as of March 31, 2019	25,976,837	$ 26,045,636	306	$ -	$ (7,103,217)	$ 57,111	$ 18,999,530
Private placement - April 16, 2019	3,914,632	2,856,356	-	-	-	-	2,856,356
Private placement - June 17, 2019	192,278	140,555	-	-	-	-	140,555
Foreign exchange gain	-	-	-	-	-	(680)	(680)
Net loss	-	-	-	-	(448,599)	-	(448,599)
Balance as of June 30, 2019	30,083,747	$ 29,042,547	306	$ -	$ (7,551,816)	$ 56,431	$ 21,547,162
Foreign exchange gain	-	-	-	-	-	22,623	22,623
Net loss	-	-	-	-	(717,401)	-	(717,401)
Balance as of September 30, 2019	30,083,747	$ 29,042,547	306	$ -	$ (8,269,217)	$ 79,054	$ 20,852,384
Balance as of January 1, 2018	20,510,500	$ 22,657,529	306	$ -	$ (4,540,143)	$ 36,134	$ 18,153,520
Stock based compensation - stock options	-	54,188	-	-	-	-	54,188
Foreign exchange gain	-	-	-	-	-	(2,549)	(2,549)
Net loss	-	-	-	-	(497,864)	-	(497,864)
Balance as of March 31, 2018	20,510,500	$ 22,711,717	306	$ -	$ (5,038,007)	$ 33,585	$ 17,707,295
Private placement - May 4, 2018	909,622	457,608	-	-	-	-	457,608
Issuance of 60,832 shares of common stock in exchange of accounts payable	60,832	32,251	-	-	-	-	32,251
Stock based compensation - stock options	-	652	-	-	-	-	652
Foreign exchange gain	-	-	-	-	-	19,725	19,725
Net loss	-	-	-	-	(356,989)	-	(356,989)
Balance as of June 30, 2018	21,480,954	$ 23,202,228	306	$ -	$ (5,394,996)	$ 53,310	$ 17,860,542
Private placement - July 27, 2018	2,525,526	1,272,210	-	-	-	-	1,272,210
Private placement - August 9, 2018	1,907,088	973,513					973,513
Stock based compensation - stock options	-	90,210	-	-	-	-	90,210
Foreign exchange gain						17,061	17,061
Net loss	-	-	-	-	(478,305)	-	(478,305)
Balance as of September 30, 2018	25,913,568	$ 25,538,161	306	$ -	$ (5,873,301)	$ 70,371	$ 19,735,231

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

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

	For the Nine Months Ended September 30, 2019	2018
Cash Flows From Operating Activities:		
Net loss	$ (1,684,875)	$ (1,333,158)
Reconciliation of net loss to cash used in operating activities:		
Depreciation	3,954	-
Accretion of and additions to reclamation liability	11,289	24,736
Amortization of debt discount on notes payable	-	12,550
Stock based compensation	180,269	145,050
Change in foreign exchange on marketable securities	(144)	(1,926)
Change in operating assets and liabilities:		
Prepaid expenses and other current assets	(77,528)	(88,042)
Accounts payable and accrued liabilities, net of shares issued for accounts payable	115,983	(116,410)
Deferred revenue	(33,465)	7,120
Net cash used in operating activities	(1,484,517)	(1,350,080)
Cash Flows From Investing Activities:		
Purchase of property and equipment	(71,041)	(36,502)
Net cash provided in investing activities	(71,041)	(36,502)
Cash Flows From Financing Activities:		
Payment of EFHC Note		(500,000)
Issuances of Common shares, net of offering costs	2,996,911	2,703,331
Receipt of subscription payable	-	-
Net cash provided by financing activities	2,996,911	2,203,331
Effect of foreign exchange rate on cash	35,960	5,106
Net increase in cash and restricted cash	1,477,313	821,855
Cash and restricted cash - beginning	1,798,895	1,247,454
Cash and restricted cash - ending	$ 3,276,208	$ 2,069,309
Cash	2,378,911	1,180,318
Restricted cash	897,297	888,991
Total	$ 3,276,208	$ 2,069,309
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Non-cash financing activities:		
Shares issued for accounts payable and accrued expenses	$ -	$ 32,251

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

NOTE 1 – BUSINESS

Nature of operations

Western Uranium & Vanadium Corp. ("Western" or the "Company", formerly Western Uranium Corporation) was incorporated in December 2006 under the Ontario Business Corporations Act. On November 20, 2014, the Company completed a listing process on the Canadian Securities Exchange ("CSE"). As part of that process, the Company acquired 100% of the members' interests of Pinon Ridge Mining LLC ("PRM"), a Delaware limited liability company. The transaction constituted a reverse takeover ("RTO") of Western by PRM. Subsequent to obtaining appropriate shareholder approvals, the Company reconstituted its Board of Directors and senior management team. Effective September 16, 2015, Western completed its acquisition of Black Range Minerals Limited ("Black Range").

The Company has registered offices at 330 Bay Street, Suite 1400, Toronto, Ontario, Canada, M5H 2S8 and its common shares are listed on the CSE under the symbol "WUC." On April 22, 2016, the Company's shares of common stock began trading on the OTC Pink Open Market, and on May 23, 2016, the Company's common stock was approved for the commencement of trading on the OTCQX Best Market. Its principal business activity is the acquisition and development of uranium and vanadium resource properties in the states of Utah and Colorado in the United States of America ("United States").

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

On June 29, 2018, the shareholders of the Company approved the name change of the Company from "Western Uranium Corporation" to "Western Uranium & Vanadium Corp." The name change became effective in Ontario, Canada on October 1, 2018; thereafter on October 4, 2018 Western's shares started trading under the new name on the CSE and OTCQX and the Company announced the name change by news release.

NOTE 2 – LIQUIDITY AND GOING CONCERN

The Company has incurred continuing losses from its operations and as of September 30, 2019, the Company had an accumulated deficit of $8,269,217 and working capital of $2,038,404.

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

The Company's ability to continue its operations and to pay its obligations when they become due is contingent upon the Company obtaining additional financing. Management's plans include seeking to procure additional funds through debt and equity financings, to secure regulatory approval to fully utilize its kinetic separation technology, formerly known as ablation, 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 consolidated financial statements. The accompanying condensed consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles 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 accounting principles generally accepted in the United States of America. However, in the opinion of the management of the Company, all adjustments necessary for a fair presentation of the financial position and operating results have been included in these statements. These condensed 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, 2018, as filed with the SEC on April 1, 2019. Operating results for the nine months ended September 30, 2019 are not necessarily indicative of the results that may be expected for any subsequent quarters or for the year ending December 31, 2019.

The accompanying condensed 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. and Black Range Development Utah LLC. All significant inter-company transactions and balances have been eliminated upon consolidation.

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

Use of Estimates

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

Foreign Currency Translation

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

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 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 when received.

Fair Values of Financial Instruments

The carrying amounts of cash, restricted cash, 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 reclamation deposits, which are reflected in restricted cash on the condensed consolidated balance sheets, are deposits mainly invested in certificates of deposit at major financial institutions and their fair values were estimated to approximate their carrying values. The Company's operations and financing activities are conducted primarily in United States dollars and as a result, the Company is not subject to significant exposure to market risks from changes in foreign currency rates. The Company is exposed to credit risk through its cash and restricted cash, but mitigates this risk by keeping these deposits at major financial institutions.

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

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:

Fair Values of Financial Instruments

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

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

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

The fair value of 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 September 30, 2019	$ 4,925	$ -	$ -
Marketable securities as of December 31, 2018	$ 4,781	$ -	$ -

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Taxes

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

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

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in the Company's tax returns that do not meet these recognition and measurement standards. As of September 30, 2019 and December 31, 2018, no liability for unrecognized tax benefits was required to be reported.

The Company's policy for recording interest and penalties associated with tax audits is to record such items as a component of general and administrative expense. There were no amounts accrued for penalties and interest for the periods ended September 30, 2019 and 2018. The Company does not expect its uncertain tax position to change during the next twelve months. Management is currently unaware of any issues under review that could result in significant payments, accruals or material deviations from its position.

The Company has identified its federal tax return and its state tax returns in Colorado and Utah as its "major" tax jurisdictions, and such returns for the years 2015 through 2018 remain subject to examination.

Loss per Share

Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed using the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options and warrants (using the treasury stock method). The computation of basic net loss per share for the three and nine months ended September 30, 2019 and 2018 excludes potentially dilutive securities. The computations of net loss per share for each period presented is the same for both basic and fully diluted.

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

	For the Nine Months Ended September 30,	
	2019	2018
Warrants to purchase shares of common stock	8,818,390	6,861,670
Options to purchase shares of common stock	2,356,666	2,416,664
Total potentially dilutive securities	11,175,056	9,278,334

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective accounting pronouncements, when adopted, will have a material effect on the accompanying condensed consolidated financial statements, other than those disclosed below.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"). ASU 2016-13 replaces the incurred loss model with an expected loss model, which is referred to as the current expected credit loss (CECL) model. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including loan receivables, held-to-maturity debt securities, and reinsurance receivables. It also applies to off-balance sheet credit exposures not accounted for as insurance (such as loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor. For public business entities that meet the definition of an SEC filer, the standard will be effective for fiscal years beginning after December 15, 2019, including interim periods in those fiscal years. For debt securities with other-than-temporary impairment, the guidance will be applied prospectively. Existing purchased credit impaired (PCI) assets will be grandfathered and classified as purchased credit deteriorated (PCD) assets at the date of adoption. The asset will be grossed up for the allowance for expected credit losses for all PCD assets at the date of adoption and will continue to recognize the noncredit discount in interest income based on the yield of such assets as of the adoption date. Subsequent changes in expected credit losses will be recorded through the allowance. For all other assets within the scope of CECL, a cumulative-effect adjustment will be recognized in retained earnings as of the beginning of the first reporting period in which the guidance is effective. The Company does not believe ASU 2016-13 will have a material effect on its condensed consolidated financial statements.

In July 2018, the FASB issued ASU 2018-10 Leases (Topic 842), Codification Improvements and ASU 2018-11 Leases (Topic 842), Targeted Improvements, to provide additional guidance for the adoption of Topic 842. ASU 2018-10 clarifies certain provisions and correct unintended applications of the guidance such as the application of implicit rate, lessee reassessment of lease classification, and certain transition adjustments that should be recognized to earnings rather than to stockholders' (deficit) equity. ASU 2018-11 provides an alternative transition method and practical expedient for separating contract components for the adoption of Topic 842. In February 2016, the FASB issued ASU 2016-02 Leases (Topic 842) which requires an entity to recognize assets and liabilities arising from a lease for both financing and operating leases with terms greater than 12 months. ASU 2018-11, ASU 2018-10, and ASU 2016-02 (collectively, "the new lease standards") are effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The Company adopted ASU 2018-10, and has determined that there are no material impacts to the condensed consolidated financial statements.

NOTE 4 - MINERAL ASSETS, KINETIC SEPARATION INTELLECTUAL PROPERTY AND OTHER PROPERTY

The Company's mining properties acquired on August 18, 2014 that the Company retains as of September 30, 2019, include: San Rafael Uranium Project located in Emery County, Utah; The Sunday Mine Complex located in western San Miguel County, Colorado; The Van 4 Mine located in western Montrose County, Colorado; The Sage Mine project 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 September 30, 2019, include Hansen, North Hansen, High Park, Hansen Picnic Tree, and Taylor Ranch, located in Fremont and Teller Counties, Colorado. The Company also acquired the Keota project located in Weld County, Wyoming and the Ferris Haggerty project located in Carbon County Wyoming. These mining assets include both owned and leased land in the states of Utah, Colorado and Wyoming. All of the mining assets represent properties which have previously been mined to different degrees for uranium.

As the Company has not formally established proven or probable reserves on any of its properties, there is inherent uncertainty as to whether or not any mineralized material can be economically extracted as originally planned and anticipated.

The Company's mineral properties and equipment and kinetic separation intellectual property are:

	As of	
	September 30, 2019	December 31, 2018
Mineral properties and equipment	$ 11,748,807	$ 11,681,720
Kinetic separation intellectual property	$ 9,488,051	$ 9,488,051

Oil and Gas Lease and Easement

On July 18, 2017, an oil and gas lease 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 Company received $120,000 during the third quarter of 2017. The lease will be in force for an initial term of three years and may be extended by the lessee at 150% of the initial rate. The lessee has also agreed to pay the Company a royalty of 18.75% of the lessee's revenue attributed to oil and gas produced, saved, and sold attributable to the net mineral interest. The Company is recognizing the initial payment incrementally over the term of the lease.

On February 26, 2018, the Company entered into a further agreement with the same entity as the oil and gas lease to provide them with an easement to an additional part of the Company's property solely for the purposes of transporting the oil and gas extracted via a pipeline. As consideration for the easement, the Company received $36,960 during the first quarter of 2018. The Company is recognizing this payment incrementally over the eight year term of the easement.

During the three months ended September 30, 2019 and 2018 the Company recognized aggregate revenue of $11,155 and $11,155 and for the nine months ended September 30, 2019 and 2018 the Company recognized aggregate revenue of $33,465 and $33,465, 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 as of September 30, 2019 and December 31, 2018, to be approximately $897,297 and $889,030, respectively. During the three months ended September 30, 2019 and 2018, the accretion of the reclamation liabilities was $2,761 and $2,729, and for the nine months ended September 30, 2019 and 2018 was $11,289 and $7,942, respectively, which is included in interest expense, net on the Company's condensed consolidated statements of operations. The Company expects to begin incurring the reclamation liability after 2054 and accordingly, has discounted the gross liabilities over their remaining lives using a discount rate of 5.4% to net discounted aggregated values as of September 30, 2019 and December 31, 2018 of $235,934 and $224,645, respectively. The gross reclamation liabilities as of September 30, 2019 and December 31, 2018 are secured by certificates of deposit in the amount of $897,492 and $889,030, respectively.

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

Reclamation liability activity for the nine months ended September 30, 2019 and 2018 consists of:

	For the nine months ended September 30,	
	2019	2018
Beginning balance	$ 224,645	$ 196,821
Accretion	11,289	7,942
Additions	-	16,794
Ending Balance	$ 235,934	$ 221,557

Van 4 Mine Permitting Status

A prior owner of the Company's Van 4 Mine had been granted a first Temporary Cessation from reclamation of the mine by the Colorado Mined Land Reclamation Board ("MLRB") which was set to expire June 23, 2017. Prior to its expiration, PRM formally requested an extension through a second Temporary Cessation. PRM subsequently participated in a public process which culminated in a hearing on July 26, 2017. Prior to the hearing, three non-profit organizations who pursue environmental and conservation objectives filed a brief objecting to the extension. The MLRB board members voted to grant a second five-year Temporary Cessation for the Van 4 Mine. Thereafter, the three objecting parties filed a lawsuit on September 18, 2017. The MLRB was named as the defendant and PRM was named as a party to the case due to the Colorado law requirement that any lawsuit filed after a hearing must include all of the parties in the proceeding. The plaintiff organizations are seeking for the court to set aside the board order granting a second five-year Temporary Cessation period to PRM for the Van 4 Mine. The Colorado state Attorney General was defending this action in the Denver Colorado District Court. On May 8, 2018, the Denver Colorado District Court ruled in favor, whereby the additional five-year temporary cessation period was granted. The Plaintiffs appealed this ruling to the Colorado Court of Appeals and on July 25, 2019 the ruling was reversed, whereby the additional five-year temporary cessation period should not have been granted. The Colorado Mined Land Reclamation Board (CMLRB) and the Colorado Attorney General continue to evaluate next steps. In discussions with CMLRB, PRM has been advised to await feedback as the State of Colorado completes its process. MLRB advised Western that it will not make an additional appeal of the ruling. Further, the time period for an appeal has passed. The Judge has subsequently issued an instruction for the MLRB to issue an order revoking the permit and putting the Van 4 Mine into reclamation. The Company has not yet received this notification, but has begun preparations for the reclamation of the Van 4 Mine. The reclamation cost is fully covered by the reclamation bonds posted upon acquisition of the property.

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of:

	As of	
	September 30, 2019	December 31, 2018
Trade accounts payable	$ 421,161	$ 326,250
Accrued liabilities	188,142	167,070
Total accounts payable and accrued liabilities	$ 609,303	$ 493,320

NOTE 6 - SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS

Authorized Capital

The holders of the Company's common stock are entitled to one vote per share. Holders of common stock are entitled to receive ratably such dividends, if any, as may be declared by the Board of Directors out of legally available funds. Upon the liquidation, dissolution, or winding up of the Company, holders of common stock are entitled to share rateably in all assets of the Company that are legally available for distribution. As of September 30, 2019 and December 31, 2018, an unlimited number of common shares were authorized for issuance.

NOTE 6 - SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS, CONTINUED

Private Placement

On April 16, 2019, the Company completed a private placement of 3,914,632 units at a price of CAD $0.98 (USD $0.73) per unit for gross proceeds of CAD $3,836,340 (USD $2,856,356). Each unit consisted of one share of common stock and a warrant to purchase one-half of one share of common stock. Each warrant is exercisable at a price of CAD $1.70 and expires three years from the date of issuance.

On June 17, 2019, the Company completed a private placement of 192,278 units at a price of CAD $0.98 (USD $0.73) per unit for gross proceeds of CAD $188,432 (USD $140,555). Each unit consisted of one share of common stock and a warrant to purchase one-half of one share of common stock. Each warrant is exercisable at a price of CAD $1.70 and expires three years from the date of issuance.

Incentive Stock Option Plan

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

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

The Plan provides that the aggregate number of common shares for which stock options may be granted will not exceed 10% of the issued and outstanding common shares at the time stock options are granted. As of September 30, 2019 and December 31, 2018, a total of 30,083,747 common shares were outstanding, and at that date the maximum number of stock options eligible for issue under the Plan was 3,008,375.

Stock Options

	Number of Shares	Weighted Average Exercise Price (USD)	Weighted Average Contractual Life (years)	Weighted Average Grant Date Fair Value (USD)	Intrinsic Value (USD)
Outstanding - January 1, 2019	2,416,664	$1.67		$0.48	
Forfeited	(59,998)	$3.96			
Outstanding - September 30, 2019	2,356,666	$1.67	3.06	$0.50	$ -
Exercisable - September 30, 2019	2,356,666	$1.67	3.06	$0.50	$ -

The Company's stock based compensation expense related to stock options for the three months ended September 30, 2019 and 2018 was $0 and $90,210 and for the nine months ended September 30, 2019 and 2018 was $180,269 and $145,050, respectively. As of September 30, 2019, the Company had $0 in unamortized stock option expense.

Warrants

	Number of Shares	Weighted Average Exercise Price (USD)	Weighted Average Contractual Life (years)	Intrinsic Value (USD)
Outstanding - January 1, 2019	6,798,401	$ 1.49		
Issued	2,059,825	$ 1.30		
Forfeited	(39,836)	$ 1.78		
Outstanding - September 30, 2019	8,818,390	$ 1.47	1.79	$ 393,192
Exercisable - September 30, 2019	8,818,390	$ 1.47	1.79	$ 393,192

NOTE 7 - MINING EXPENDITURES

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2019	2018	2019	2018
Permits	$ 59,749	$ 23,898	$ 169,071	$102,477
Mining Costs	210,282	-	229,246	3,900
Contract Labor	-	-	-	11,050
	$ 270,031	$ 23,898	$ 398,317	$ 117,427

NOTE 8 - RELATED PARTY TRANSACTIONS

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

Prior to the acquisition of Black Range, Mr. George Glasier, the Company's CEO, who is also a director, transferred his interest in a former joint venture with Ablation Technologies, LLC to Black Range. In connection with the transfer, Black Range issued 25 million shares of Black Range common stock to Seller and committed to pay AUD $500,000 (USD $351,099 as of September 30, 2019) to Seller within 60 days of the first commercial application of the kinetic separation technology. Western assumed this contingent payment obligation in connection with the acquisition of Black Range. At the date of the acquisition of Black Range, this contingent obligation was determined to be probable. Since the deferred contingent consideration obligation is probable and the amount is estimable, the Company recorded the deferred contingent consideration as an assumed liability in the amount of $351,099 and $352,361 as of September 30, 2019 and December 31, 2018, respectively.

NOTE 9 – OPTION AND EXPLORATION AGREEMENT

Hansen and Picnic Tree Loss of Property

On September 16, 2015, in connection with the Company's acquisition of Black Range, the Company assumed an option and exploration agreement (the "Option and Exploration Agreement") with STB Minerals, LLC, a Colorado limited liability company ("STB"). The Option and Exploration Agreement gives the Company the right to purchase 51% of the mineral rights of specific areas of the Hansen and Picnic Tree deposits (for which the Company already holds 49% of the rights). If the Company were to exercise its option under the Option and Exploration Agreement, it would require the Company to (a) make a cash payment of $2,500,000 immediately upon exercise; (b) issue shares of common stock to STB amounting to a value of $3,750,000 immediately upon exercise; and (c) issue shares of common stock to STB amounting to a value of $3,750,000 on the date that is 180 days following exercise. The Option and Exploration Agreement was scheduled to expire by its terms (as extended) on July 28, 2019 if not exercised.

Prior to July 28, 2019, the Company decided not to exercise the option to purchase the remaining 51% of the mineral rights of specific areas of the Hansen and Picnic Tree deposits, and thus the option has expired unexercised.

NOTE 10 – COMMITMENTS AND CONTIGENCIES

Legal Proceedings

On June 13, 2019, Black Range was sued over the original Weld County Colorado deed language. The lawsuit was filed in the Weld County District Court. This deed was negotiated prior to the Company acquiring Black Range in September 2015 by prior management and a bank representing the estate of the property owner. The plaintiff, the estate's beneficiaries, assert that it was the intent that they would receive a production override royalty for oil and gas production from the property, however this language was not included in the deed. Western's attorney has filed a response with the court contesting this allegation. This only involves royalties on oil and gas production on this undeveloped property, thus there is no current economic impact. Court procedure mandates that the parties participate in a mediation process before bringing the matter before the court. Mediation scheduling details have not been finalized as the Company has put forth a settlement proposal.