

November 12, 2018



Lightbridge Reports Financial Results for the Third Quarter of 2018 and Provides Business Update on Enfission and Other Developments

RESTON, Va., Nov. 12, 2018 (GLOBE NEWSWIRE) -- **Lightbridge Corporation (NASDAQ: LTBR)**, a U.S. nuclear fuel technology company, today provided a business update and reported financial results for the third quarter ended September 30, 2018. The Company also plans to host a third quarter conference call; however, the time and date have not been finalized and will be announced separately.

Seth Grae, President & Chief Executive Officer of Lightbridge Corporation, commented, "Enfission, our joint venture with Framatome, is making tremendous progress towards validation and commercialization of Lightbridge's metallic nuclear fuel. During the quarter, we announced several key progress updates for Enfission. We announced that we began preparatory work at the Framatome fuel fabrication facility in Richland, Washington, which will be used to manufacture fuel assemblies for nuclear power plants based on our patented metallic fuel. We are also preparing the facility licensing package for review and approval by the U.S. Nuclear Regulatory Commission (NRC). On August 15th, we met with representatives of the NRC, where we discussed the development and regulatory licensing of Lightbridge Fuel for the U.S. market. We look forward to working closely with the NRC staff throughout the licensing process."

ENFISSION R&D ADVANCEMENTS THIS QUARTER

1. Fabrication:

- Completed several studies on key fabrication steps, particularly relating to the co-extrusion process modeling, billet preparation conditions, and material flows
- Established purchasing process for equipment
- Continued further refinement of fabrication process steps, material flows, and equipment needs and specifications
- Researched material properties and prepared material data manual

2. Fuel Design:

- Prepared product requirements document and data sheet
- Initiated next phase of neutronics code modifications to model Lightbridge Fuel™ geometry
- Developed 3D model for Computational Fluid Dynamics (CFD) analysis
- Developed fuel assembly CFD model to investigate Critical Heat Flux (CHF) performance

3. Regulatory Licensing:

- Established regular interaction with the NRC, with the first Enfission project kickoff meeting held in August 2018
- Continued development of fuel design limits in support of licensing activities

Balance Sheet Overview

Our balance sheet remains strong and we ended the quarter with approximately \$25.3 million of cash and cash equivalents as of September 30, 2018. We had approximately \$4.5 million of cash at December 31, 2017. The \$20.8 million increase in cash and cash equivalents resulted from the net proceeds from the sale of approximately \$27.6 million of common stock and \$3.9 million of preferred stock during the nine months ended September 30, 2018. This amount of cash inflow from financing activities was offset by net cash used in operating activities of approximately \$5.3 million and our cash used in investing activities, which was primarily capital contributions for our capital investment in Enfission of approximately \$5.2 million in 2018. Cash used in operating activities for the nine months ended September 30, 2018 was primarily related to fund our ongoing research and development activities and general and administrative expenses. We had a working capital surplus of approximately \$24.6 million. Stockholders' equity at September 30, 2018 was approximately \$26.8 million compared to stockholders' equity of approximately \$5.8 million at December 31, 2017.

Operating Results – Third Quarter of Fiscal 2018 Compared to Third Quarter of Fiscal 2017

Net losses incurred for the three months ended September 30, 2018 and 2017 amounted to approximately \$4.2 million and \$1.7 million respectively. Total operating expenses incurred for the three months ended September 30, 2018 and 2017 amounted to approximately \$2.8 million and \$1.6 million respectively. For the third quarter ended September 30, 2018, total general and administrative expenses increased by \$0.8 million as compared to the three months ended September 30, 2017 and total research and development expenses increased by \$0.4 million for the three-months ended September 30, 2018, as compared to the three months ended September 30, 2017. The increase was primarily due to an increase in employee compensation expense and the issuance of performance-based stock options issued in 2018. Total equity in loss from our Enfission joint venture was \$1.7 million, which was primarily research and development expenses.

About Lightbridge Corporation

Lightbridge (NASDAQ: LTBR) is a nuclear fuel technology development company based in Reston, Virginia, USA. The Company develops proprietary next generation nuclear fuel technologies for current and future reactors, which significantly enhances the economics and safety of nuclear power, operating about 1000° C cooler than standard fuel. In January 2018, Lightbridge and Framatome, Inc. formed a 50-50 joint venture, Enfission, LLC, to develop, license, manufacture, and sell nuclear fuel assemblies based on Lightbridge-designed metallic fuel technology and other advanced nuclear fuel intellectual property. Enfission has the exclusive rights to this technology and is responsible for the development of manufacturing processes and fuel assembly designs for pressurized water reactors (PWRs), boiling water reactors (BWRs), water-cooled small modular reactors, and water-cooled

research reactors developed around this intellectual property. PWRs and BWRs constitute the most widely used reactor types in the world. Four large electric utilities that generate about half the nuclear power in the US already advise Lightbridge on fuel development and deployment. In addition to distributions from Enfission based on the parties' ownership interest in the joint venture, Lightbridge anticipates receiving future licensing revenues in connection with sales by Enfission of nuclear fuel incorporating its intellectual property. Lightbridge also provides comprehensive advisory services for established and emerging nuclear programs based on a philosophy of transparency, non-proliferation, safety and operational excellence. For more information please visit: www.ltbridge.com.

To receive Lightbridge Corporation updates via e-mail, subscribe at <http://ir.ltbridge.com/alerts.cfm>.

Lightbridge is on Twitter. Sign up to follow @LightbridgeCorp at <http://twitter.com/lightbridgecorp>.

Forward Looking Statements

With the exception of historical matters, the matters discussed in this news release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the Company's competitive position, the timing of demonstration testing and commercial production, the Company's entry into agreements with nuclear fuel manufacturers and the timing thereof, the potential impact of the U.S. Clean Power Plan and similar regulations, the Company's anticipated financial resources and position, the Company's product and service offerings, the expected market for the Company's product and service offerings. These statements are based on current expectations on the date of this news release and involve a number of risks and uncertainties that may cause actual results to differ significantly from such estimates. The risks include, but are not limited to, the degree of market adoption of the Company's product and service offerings; market competition; dependence on strategic partners; demand for fuel for nuclear reactors; the Company's ability to manage its business effectively in a rapidly evolving market; as well as other factors described in Lightbridge's filings with the Securities and Exchange Commission. Lightbridge does not assume any obligation to update or revise any such forward-looking statements, whether as the result of new developments or otherwise. Readers are cautioned not to put undue reliance on forward-looking statements.

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*** tables follow ***

Lightbridge Corporation Condensed Consolidated Balance Sheets

	September 30, 2018	December 31, 2017
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	<u>(Unaudited)</u>	
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 25,328,649	\$ 4,515,398
Accounts receivable - project revenue and reimbursable project costs	-	10,400
Other receivable from joint venture	521,272	-
Prepaid expenses and other current assets	121,201	70,067
Deferred financing costs, net	-	491,168
Total Current Assets	<u>25,971,122</u>	<u>5,087,033</u>
Investment in Joint Venture	<u>671,888</u>	-
Other Assets		
Patent costs	1,539,881	1,367,692
Deferred financing costs, net	-	491,268
Total Other Assets	<u>1,539,881</u>	<u>1,858,960</u>
Total Assets	<u>\$ 28,182,891</u>	<u>\$ 6,945,993</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,389,124	\$ 1,151,210
Total Current Liabilities	<u>1,389,124</u>	<u>1,151,210</u>
Total Liabilities	<u>1,389,124</u>	<u>1,151,210</u>
Commitments and Contingencies – Note 5		
Stockholders' Equity		
Preferred stock, \$0.001 par value, 10,000,000 authorized shares:		
Convertible Series A preferred shares, 813,624 shares and 1,020,000 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively (liquidation preference \$2,595,441 and \$3,088,764 at September 30, 2018 and December 31, 2017, respectively)	813	1,020
Convertible Series B preferred shares, 2,666,667 and 0 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively (liquidation preference \$4,186,667 at September 30, 2018)	2,667	-
Common stock, \$0.001 par value, 100,000,000 authorized, 30,500,935 shares and 12,737,703 shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively	30,501	12,738
Additional paid-in capital	127,034,386	93,602,539
Accumulated deficit	(100,274,600)	(87,821,514)
Total Stockholders' Equity	<u>26,793,767</u>	<u>5,794,783</u>
Total Liabilities and Stockholders' Equity	<u>\$ 28,182,891</u>	<u>\$ 6,945,993</u>

Lightbridge Corporation
Unaudited Condensed Consolidated Statements of Operations

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Revenue				
Consulting Revenue	\$ -	\$ 15,136	\$ -	\$ 165,046
Cost of Consulting Services Provided	-	9,364	-	99,027
Gross Margin	-	5,772	-	66,019
Operating Expenses				
General and administrative	1,889,401	1,149,847	5,566,022	3,329,440
Research and development	864,060	458,663	2,313,124	1,468,650
Total Operating Expenses	2,753,461	1,608,510	7,879,146	4,798,090
Other Operating Income and (Loss)				
Other income from joint venture	203,180	-	790,554	-
Equity in loss from joint venture	(1,743,340)	-	(4,545,112)	-
Total Other Operating Income and (Loss)	(1,540,160)	-	(3,754,558)	-
Operating Loss	(4,293,621)	(1,602,738)	(11,633,704)	(4,732,071)
Other Income and (Expenses)				
Interest income	79,035	-	163,054	-
Financing costs	-	(130,828)	(982,436)	(384,509)
Other income	-	18	-	61
Total Other Income and (Expenses)	79,035	(130,810)	(819,382)	(384,448)
Loss Before Income Taxes	(4,214,586)	(1,733,548)	(12,453,086)	(5,116,519)
Income Taxes	-	-	-	-

Net Loss	\$ (4,214,586)	\$ (1,733,548)	\$ (12,453,086)	\$ (5,116,519)
Accumulated Preferred Stock Dividend	(119,000)	(49,000)	(333,667)	(147,000)
Deemed additional dividend on preferred stock dividend due the beneficial conversion feature	(49,373)	-	(135,053)	-
Deemed dividend on issuance on Series B convertible preferred stock due to beneficial conversion feature	-	-	(2,624,836)	-
Net Loss Attributable to Common Stockholders	<u>(4,382,959)</u>	<u>(1,782,548)</u>	<u>(15,546,642)</u>	<u>(5,263,519)</u>
Net Loss Per Common Share, Basic and Diluted	<u>\$ (0.15)</u>	<u>\$ (0.16)</u>	<u>\$ (0.63)</u>	<u>\$ (0.53)</u>
Weighted Average Number of Common Shares Outstanding	<u>29,506,791</u>	<u>10,836,115</u>	<u>24,851,212</u>	<u>9,968,425</u>

Lightbridge Corporation
Unaudited Condensed Consolidated Statements of Cash Flows

	Nine Months Ended	
	September 30,	
	2018	2017
Operating Activities		
Net Loss	\$ (12,453,086)	\$ (5,116,519)
Adjustments to reconcile net loss from operations to net cash used in operating activities:		
Stock-based compensation	1,951,394	598,485
Amortization of deferred financing cost	-	368,414
Abandonment loss	-	109,752
Write off of deferred financing costs	982,436	-
Equity in loss from joint venture	4,545,112	-
Changes in operating working capital items:		
Accounts receivable - fees and reimbursable project costs	10,400	373,298
Other receivable from joint venture	(521,272)	-
Prepaid expenses and other assets	(51,134)	(16,634)

Accounts payable and accrued liabilities	237,914	164,302
Deferred lease abandonment liability	-	(68,726)
Net Cash Used In Operating Activities	<u>(5,298,236)</u>	<u>(3,587,628)</u>
Investing Activities		
Investment in joint venture	(5,217,000)	-
Patent costs	(172,189)	(159,253)
Net Cash Used In Investing Activities	<u>(5,389,189)</u>	<u>(159,253)</u>
Financing Activities		
Net proceeds from the issuance of common stock	27,600,675	4,376,455
Net proceeds from the issuance of preferred stock	3,900,001	-
Restricted cash	-	(65)
Net Cash Provided By Financing Activities	<u>31,500,676</u>	<u>4,376,390</u>
Net Increase In Cash and Cash Equivalents	20,813,251	629,509
Cash and Cash Equivalents, Beginning of Period	<u>4,515,398</u>	<u>3,584,877</u>
Cash and Cash Equivalents, End of Period	<u>\$ 25,328,649</u>	<u>\$ 4,214,386</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Non-Cash Financing Activity:		
Deemed dividend on issuance Series B convertible preferred stock due to beneficial conversion feature	<u>\$ 2,624,836</u>	<u>\$ -</u>
Accumulated preferred stock dividend	<u>\$ 333,667</u>	<u>\$ 147,000</u>
Conversion of Series A convertible preferred stock to common stock and payment of paid-in-kind dividends to Series A preferred stockholder	<u>\$ 207</u>	<u>\$ -</u>
Decrease in accrued liabilities - stock-based compensation	<u>\$ -</u>	<u>\$ 121,720</u>



Source: Lightbridge Corporation