

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended: **March 31, 2023**

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

For the transition period from _____ to _____

Commission File Number: **001-34487**

LIGHTBRIDGE CORPORATION

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

91-1975651

(I.R.S. Employer Identification No.)

11710 Plaza America Drive, Suite 2000 Reston, VA 20190

(Address of principal executive offices, Zip Code)

(571) 730-1200

(Registrant's telephone number, including area code)

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

Title of Each Class:	Trading Symbol(s):	Name of Each Exchange on Which Registered:
Common Stock, \$0.001 par value	LTBR	The Nasdaq Capital Market

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

The number of shares outstanding of the issuer's common stock, as of May 11, 2023 is as follows:

Class of Securities	Shares Outstanding
Common Stock, \$0.001 par value	12,129,688

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PART I-FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LIGHTBRIDGE CORPORATION
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 28,051,303	\$ 28,899,997
Prepaid expenses and other current assets	393,437	115,264
Total Current Assets	28,444,740	29,015,261
Other Assets		
Prepaid project costs	345,000	345,000
Trademarks	108,225	108,225
Total Assets	<u>\$ 28,897,965</u>	<u>\$ 29,468,486</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 575,978	\$ 350,331
Total Current Liabilities	575,978	350,331
Commitments and contingencies - Note 5		
Stockholders' Equity		
Preferred stock, \$0.001 par value, 10,000,000 authorized shares, 0 shares issued and outstanding at March 31, 2023 and December 31, 2022	—	—
Common stock, \$0.001 par value, 25,000,000 authorized, 12,126,030 shares and 11,900,217 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	12,126	11,900
Additional paid-in capital	174,825,571	173,595,385
Accumulated deficit	(146,515,710)	(144,489,130)
Total Stockholders' Equity	28,321,987	29,118,155
Total Liabilities and Stockholders' Equity	<u>\$ 28,897,965</u>	<u>\$ 29,468,486</u>

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

LIGHTBRIDGE CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended	
	March 31,	
	2023	2022
Revenue	\$ —	\$ —
Operating Expenses		
General and administrative	1,865,929	1,913,564
Research and development	448,044	262,823
Total Operating Expenses	<u>2,313,973</u>	<u>2,176,387</u>
Other Operating Income		
Contributed services - research and development	31,028	123,353
Total Other Operating Income	<u>31,028</u>	<u>123,353</u>
Total Operating Loss	<u>\$ (2,282,945)</u>	<u>\$ (2,053,034)</u>
Other Income		
Interest income	256,365	3,505
Total Other Income	<u>256,365</u>	<u>3,505</u>
Net Loss Before Income Taxes	(2,026,580)	(2,049,529)
Income taxes	—	—
Net Loss	<u>\$ (2,026,580)</u>	<u>\$ (2,049,529)</u>
Net Loss Per Common Share		
Basic and diluted	<u>\$ (0.17)</u>	<u>\$ (0.20)</u>
Weighted Average Number of Common Shares Outstanding	<u>11,673,736</u>	<u>10,283,280</u>

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

LIGHTBRIDGE CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Month Ended	
	March 31,	
	2023	2022
Operating Activities		
Net Loss	\$ (2,026,580)	\$ (2,049,529)
Adjustments to reconcile net loss from operations to net cash used in operating activities:		
Stock-based compensation	284,360	264,936
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(278,173)	(445,325)
Accounts payable and accrued liabilities	440,647	296,305
Net Cash Used in Operating Activities	<u>(1,579,746)</u>	<u>(1,933,613)</u>
Investing Activities		
Net Cash Used in Investing Activities	<u>—</u>	<u>—</u>
Financing Activities		
Net proceeds from the issuances of common stock	731,052	5,412,863
Net Cash Provided by Financing Activities	<u>731,052</u>	<u>5,412,863</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(848,694)	3,479,250
Cash and Cash Equivalents, Beginning of Period	28,899,997	24,747,613
Cash and Cash Equivalents, End of Period	<u>\$ 28,051,303</u>	<u>\$ 28,226,863</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period:		
Interest paid	\$ —	\$ —
Income taxes paid	\$ —	\$ —
Non-Cash Financing Activities:		
Payment of accrued liabilities with common stock	<u>\$ 215,000</u>	<u>\$ 15,000</u>

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

LIGHTBRIDGE CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Equity
	Shares	Amount			
Balance - January 1, 2023	11,900,217	\$ 11,900	\$ 173,595,385	\$ (144,489,130)	\$ 29,118,155
Shares issued - registered offerings - net of offering costs	169,978	170	730,882	—	731,052
Shares issued to consultant & directors for services	55,835	56	214,944	—	215,000
Stock-based compensation	—	—	284,360	—	284,360
Net loss for the three months ended March 31, 2023	—	—	—	(2,026,580)	(2,026,580)
Balance - March 31, 2023	<u>12,126,030</u>	<u>\$ 12,126</u>	<u>\$ 174,825,571</u>	<u>\$ (146,515,710)</u>	<u>\$ 28,321,987</u>

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Equity
	Shares	Amount			
Balance - January 1, 2022	9,759,223	\$ 9,759	\$ 161,772,641	\$ (136,991,273)	\$ 24,791,127
Shares issued - registered offerings - net of offering costs	820,641	822	5,412,041	—	5,412,863
Shares issued to consultant & directors for services	8,810	8	14,992	—	15,000
Stock-based compensation	—	—	264,936	—	264,936
Net loss for the three months ended March 31, 2022	—	—	—	(2,049,529)	(2,049,529)
Balance - March 31, 2022	<u>10,588,674</u>	<u>\$ 10,589</u>	<u>\$ 167,464,610</u>	<u>\$ (139,040,802)</u>	<u>\$ 28,434,397</u>

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

LIGHTBRIDGE CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation, Summary of Significant Accounting Policies, and Nature of Operations

Basis of presentation

The accompanying unaudited condensed consolidated financial statements of Lightbridge Corporation and its subsidiaries have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission, or the SEC, including the instructions to Form 10-Q and Regulation S-X. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America, including a summary of the Company's significant accounting policies, have been condensed or omitted from these statements pursuant to such rules and regulations and, accordingly, they do not include all the information and notes necessary for comprehensive condensed consolidated financial statements and should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2022, included in our Annual Report on Form 10-K for the year ended December 31, 2022.

In the opinion of the management of the Company, all adjustments, which are of a normal recurring nature, necessary for a fair statement of the results for the three-month period have been made. Results for the interim period presented are not necessarily indicative of the results that might be expected for the entire fiscal year. When used in these notes, the terms "Lightbridge", "Company," "we," "us" or "our" mean Lightbridge Corporation and all entities included in our condensed consolidated financial statements.

The Company was formed on October 6, 2006, when Thorium Power, Ltd., which was incorporated in the state of Nevada on February 2, 1999, merged with Thorium Power, Inc. (TPI), which was incorporated in the state of Delaware on January 8, 1992 (subsequently and collectively referred to as "we" or the "Company"). On September 29, 2009, the Company changed its name from Thorium Power, Ltd. to Lightbridge Corporation and began its focus on developing and commercializing metallic nuclear fuels. The Company is a nuclear fuel technology company developing its next generation nuclear fuel technology.

Basis of Consolidation

These condensed consolidated financial statements include the accounts of Lightbridge, a Nevada corporation, and the Company's wholly-owned subsidiaries, TPI, a Delaware corporation, and Lightbridge International Holding LLC, a Delaware limited liability company. These wholly-owned subsidiaries are inactive. All significant intercompany transactions and balances have been eliminated in consolidation.

Fair Value of Financial Instruments

In accordance with the provisions of ASC 820, "Fair Value Measurements," the Company determines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between unaffiliated market participants at the measurement date. The Company generally applies the income approach to determine fair value. This method uses valuation techniques to convert future amounts to a single present amount. The measurement is based on the value indicated by current market expectations with respect to the future amounts.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the market and the degree that the inputs are observable. The hierarchy gives the highest priority to active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include 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 and inputs other than quoted prices that are observable for the asset or liability

Level 3 - Unobservable inputs that reflect management's assumptions.

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For disclosure purposes, assets and liabilities are classified in their entirety in the fair value hierarchy level based on the lowest level of input that is significant to the overall fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy levels.

The Company's financial instruments consist principally of cash and cash equivalents, accounts payable and accrued liabilities. The carrying amounts of cash and cash equivalents (which includes U.S. treasury bills), accounts payable and accrued liabilities are considered to be representative of their respective fair values because of the short-term nature of those instruments. U.S. treasury bills are classified as Level 1 on the fair value hierarchy as there are quoted prices in active markets for identical assets.

Certain Risks and Uncertainties

The Company will need additional funding by way of a combination of strategic alliances, government grants, further offerings of equity securities, or an offering of debt securities in order to support its future research and development (R&D) activities required to further enhance and complete the development of its fuel products to a proof-of-concept stage and a commercial stage thereafter.

There can be no assurance that the Company will be able to successfully continue to conduct its operations if there is a lack of financial resources available in the future to continue its fuel development activities, and a failure to do so would have a material adverse effect on the Company's future R&D activities, financial position, results of operations, and cash flows. Also, the success of the Company's operations will be subject to other numerous contingencies, some of which are beyond management's control. These contingencies include general and regional economic conditions, contingent liabilities, potential competition with other nuclear fuel developers, including those entities developing accident tolerant fuels, changes in government regulations, support for nuclear power, changes in accounting and taxation standards, inability to achieve overall short-term and long-term research and development milestones toward commercialization, future impairment charges to its assets, and global or regional catastrophic events. The Company may also be subject to various additional political, economic, and other uncertainties.

Cash and Cash Equivalents

The Company may at times invest its excess cash in interest bearing accounts and U.S. treasury bills. It classifies all highly liquid investments with original stated maturities of three months or less from date of purchase as cash equivalents and all highly liquid investments with stated maturities of greater than three months as marketable securities. The Company holds cash balances in excess of the federally insured limits of \$250,000. It deems this credit risk not to be significant as cash is held by two prominent financial institutions in 2023 and 2022. The Company buys and holds short-term U.S. treasury bills to maturity. U.S. treasury bills totaled \$20.0 million and \$19.9 million at March 31, 2023 and December 31, 2022, respectively. The remaining \$8.1 million and \$9.0 million at March 31, 2023 and December 31, 2022, respectively, are on deposit with two notable financial institutions.

Contributed services - Research and Development

The Company was awarded a grant in 2019 and a second grant in 2021 from the United States Department of Energy (DOE) which represented contributed services to further the Company's R&D activities. The Company concluded that its government grants were not within the scope of the revenue recognition standard ASC Topic 606 as they did not meet the definition of a contract with a customer. Additionally, the Company concluded that the grants met the definition of a contribution, as the grants were a non-reciprocal transaction. As such, the Company determined that Subtopic 958-605, Not-for-Profit-Entities-Revenue Recognition applies for these contributed services, even though the Company is a business entity, as guidance in the contributions received subsections of Subtopic 958-605 applies to all entities (not-for-profits and business entities).

Subtopic 958-605 requires that nonfinancial assets, which includes services, such as the research and development services provided under the Gateway for Accelerated Innovation in Nuclear (GAIN) vouchers described in Note 6, should be shown on a gross method at the fair value of the services contributed, with contributed services - research and development shown as other operating income and the related costs as a charge to research and development expense, rather than depicting contributed services - research and development as a reduction of research and development expense. The fair value of contributed services was determined by the cost of professional time and materials which were charged by the subcontractor who fulfilled the services contributed under the grant award. The principal market used to arrive at fair value is the market in which the Company operates.

Stock-Based Compensation

The stock-based compensation expense incurred by Lightbridge for employees and directors in connection with its equity incentive plan is based on the employee model of ASC 718, and the fair value of any stock options granted is measured at the grant date. In accordance with ASU 2018-07, Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting, options granted to our consultants are accounted for in the same manner as options issued to employees.

Awards with service-based vesting conditions only: Expense is recognized on a straight-line basis over the requisite service period of the award.

Awards with performance-based vesting conditions: Expense is not recognized until it is determined that it is probable the performance-based conditions will be met. When achievement of a performance-based condition is probable, a catch-up of expense is recorded as if the award had been vesting on a straight-line basis from the award date. The award will continue to be expensed on a straight-line basis over the requisite service period until a higher performance-based condition is met, if applicable.

Awards with market-based vesting conditions: Expense is recognized on a straight-line basis over the requisite service period, which is the lesser of the derived service period or the explicit service period if one is present. However, if the market condition is satisfied prior to the end of the requisite service period, the Company accelerates all remaining expense to be recognized.

Awards with both service-based or performance-based and market-based vesting conditions: If an award vesting or exercisability is conditional upon the achievement of either a market condition or performance or service conditions, the requisite service period is generally the shortest of the explicit, implicit, and derived service period.

The Company elected to use the Black-Scholes pricing model to determine the fair value of stock options on the measurement date of the grant for service-based vesting conditions and the Monte-Carlo valuation method for performance-based or market-based vesting conditions for stock options. The Company estimates forfeitures at the time of grant and revises the estimate, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The forfeiture rate estimate used for all equity awards was zero, based on the experience of the Company having an insignificant historical forfeiture rate. Shares that are issued to employees upon exercise of the stock options or vesting of Restricted Stock Units or Restricted Stock Awards (RSAs) grants may be issued net of a number of shares with a fair value equal to the required tax withholding requirements to be paid by the Company regarding its tax withholding obligations. As a result, the actual number of shares issued with tax withholding obligations are fewer than the actual number of shares exercised under the stock option or on the dates of vesting of restricted stock unit or RSAs grants.

The Company grants two types of RSAs. The first type is an award of our shares that have full voting rights and dividend rights (with dividends paid upon vesting of the RSA) but are restricted with regard to sale or transfer before vesting. These restrictions lapse over the vesting period. The shares are forfeited and returned to the Company if they do not vest. The RSAs are included in common stock issued and outstanding and are considered contingently issuable in the calculation of weighted-average shares outstanding for purposes of calculating earnings per share. The condensed consolidated statement of changes in stockholders' equity shows the initial grant of RSAs as a reclassification from additional paid-in capital to common stock, with any compensation expense related to the RSAs included in stock-based compensation. The second type of RSAs that can be granted by the Company can have only performance conditions. These RSAs do not have voting and dividend rights until they vest as ordinary common shares and are not included in common stock issued and outstanding.

Recently Adopted Accounting Pronouncement

The FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326). This standard requires a financial asset to be presented at the net amount expected to be collected. The financial assets of the Company in scope of ASU 2016-13 will primarily be accounts receivable. The Company will estimate an allowance for expected credit losses on accounts receivable that result from the inability of customers to make required payments. In estimating the allowance for expected credit losses, consideration will be given to the current aging of receivables, historical experience, and a review for potential bad debts. The Company does not expect to have revenue or substantial receivables for the foreseeable future. The Company adopted this guidance in the first quarter of fiscal 2023 and it did not have a material impact since the Company had no outstanding accounts receivable on which to apply this new standard.

Note 2. Net Loss Per Share

Basic net loss per share is computed using the weighted-average number of common shares outstanding during the reporting period except that it does not include unvested common shares subject to repurchase or cancellation. Diluted net loss 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, warrants and convertible preferred shares (see Note 7. Stockholders' Equity and Stock-Based Compensation). The common stock equivalents of performance-based milestone compensation arrangements are included as potentially dilutive shares only if the performance condition has been met as of the end of the reporting period.

The treasury stock method is used in calculating diluted net loss per share for potentially dilutive stock options and share purchase warrants, which assumes that any proceeds received from the exercise of in-the-money stock options and share purchase warrants would be used to purchase common shares at the average market price for the period, unless including the effects of these potentially dilutive securities would be anti-dilutive.

The following table sets forth the computation of the basic and diluted loss per share (dollars in millions, except share data):

	Three Months Ended March 31,	
	2023	2022
Basic		
Numerator:		
Net loss attributable to common stockholders	\$ (2.0)	\$ (2.0)
Denominator:		
Weighted-average common shares outstanding	11,673,736	10,283,280
Basic net loss per share	<u>\$ (0.17)</u>	<u>\$ (0.20)</u>
Diluted		
Numerator:		
Net loss attributable to common stockholders, basic	\$ (2.0)	\$ (2.0)
Effect of dilutive securities	—	—
Net loss, diluted	<u>\$ (2.0)</u>	<u>\$ (2.0)</u>
Denominator:		
Weighted average common shares outstanding - basic		
Potential common share issuances:	11,673,736	10,283,280
Incremental dilutive shares from equity instruments (treasury stock method)	—	—
Weighted-average common shares outstanding	<u>11,673,736</u>	<u>10,283,280</u>
Diluted net loss per share	<u>\$ (0.17)</u>	<u>\$ (0.20)</u>

The following outstanding securities have been excluded from the computation of diluted weighted shares outstanding for the periods noted below, as they would have been anti-dilutive due to the Company's losses for the three months ended March 31, 2023 and 2022 and also because the exercise price of certain of these outstanding securities was greater than the average closing price of the Company's common stock.

	Three Months Ended March 31,	
	2023	2022
Warrants outstanding	—	45,577
Stock options outstanding	525,903	543,297
RSAs outstanding	416,316	188,588
Total	<u>942,219</u>	<u>777,462</u>

Note 3. Prepaid Project Costs

In 2022, the Company entered into agreements with Idaho National Laboratory (INL), in collaboration with the DOE, to support the development of Lightbridge Fuel™. The Company made advanced payments for future project work totaling \$0.4 million to Battelle Energy Alliance, LLC (“BEA”), DOE’s operating contractor for INL, as of March 31, 2023 and December 31, 2022.

Note 4. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following (rounded in millions):

	March 31, 2023	December 31, 2022
Trade payables	\$ 0.2	\$ 0.2
Accrued legal and consulting expenses	0.2	0.2
Accrued bonus	0.2	—
Total	<u>\$ 0.6</u>	<u>\$ 0.4</u>

Note 5. Commitments and Contingencies**Commitments****Operating Leases**

The Company leased office space for a 12-month term from January 1, 2023 through December 31, 2023 with a monthly payment of approximately \$,000. The future minimum lease payments required under the non-cancellable operating leases for 2023 total \$0.1 million. Total rent expense for the three months ended March 31, 2023 and 2022 was approximately \$24,000 for both periods.

Project Task Statements (Purchase Orders)

The Company has approximately \$3.2 million in outstanding project task statement obligations (PTS) to BEA relating to the research and development being conducted under the Strategic Partnership Project Agreement and Cooperative Research and Development Agreement at INL (see Note 6. Research and Development Costs). Performance of work under these agreements may be terminated at any time by either party, without liability, upon giving a thirty-day written notice under the Strategic Partnership Project Agreement and a sixty-day written notice under the Cooperative Research and Development Agreement, to the other party. In the event of termination, the Company shall be responsible for the BEA’s costs (including the closeout costs), through the effective date of termination, but in no event shall the Company’s cost responsibility exceed the total estimated cost stated in each PTS and any subsequent modification to the PTS.

Note 6. Research and Development Costs

In 2022, Lightbridge entered into agreements with INL, in collaboration with the DOE, to support the development of Lightbridge Fuel™. These framework agreements use an innovative structure and consist of an “umbrella” Strategic Partnership Project Agreement and an “umbrella” Cooperative Research and Development Agreement (CRADA), each with BEA, DOE’s operating contractor for INL, with an initial duration of seven years. Throughout the duration of these umbrella agreements, all R&D work contracted with BEA is through the issuance of project task statements.

On March 25, 2021, the Company was awarded a second voucher from the DOE’s GAIN program to support development of Lightbridge Fuel™ in collaboration with the Pacific Northwest National Laboratory (PNNL). The scope of this project was to demonstrate Lightbridge’s nuclear fuel casting process using depleted uranium, a key step in the manufacture of Lightbridge Fuel™. The total project value was \$0.7 million, with three-quarters of this amount expected to be paid by DOE for the scope of work performed by PNNL and the remaining amount provided by Lightbridge, by providing in-kind services to the project. The PNNL GAIN voucher project was completed on January 31, 2023. During the three months ended March 31, 2023 and 2022, the Company recorded \$31,000 and \$0.1 million of contributed services - research and development, respectively, for work that was completed that caused the DOE to incur payment obligations to its contractor related to the GAIN voucher. The Company recorded the corresponding amount as research and development expenses for the work that was completed by the DOE contractor.

The R&D services provided under the GAIN vouchers are utilized by the Company in its ongoing development of its next generation nuclear fuel technology. The Company believes that the amounts paid by the DOE to its contractor for the services provided does not differ materially from what the Company would have paid had it directly contracted for these services for its R&D activity.

Note 7. Stockholders' Equity and Stock-Based Compensation

At March 31, 2023, the Company had 12,126,030 common shares outstanding (including outstanding restricted stock awards totaling 416,316 shares). Also outstanding were stock options relating to 525,903 shares of common stock (514,513 stock options were vested), all totaling 12,651,933 shares of common stock and all common stock equivalents, outstanding at March 31, 2023.

At December 31, 2022, the Company had 11,900,217 common shares outstanding (including outstanding restricted stock awards totaling 416,316 shares). Also outstanding were stock options relating to 525,903 shares of common stock (514,513 stock options were vested), all totaling 12,426,120 shares of common stock and all common stock equivalents, outstanding at December 31, 2022.

Common Stock Equity Offerings

ATM Offerings

On November 9, 2022, the Company filed a prospectus supplement with the SEC pursuant to which the Company may offer and sell shares of common stock having an aggregate offering price of up to \$20.0 million from time to time through its ATM. On April 4, 2023, the Company filed an additional prospectus supplement revising the amount available to \$17.9 million.

The Company records its ATM sales on a settlement date basis. The Company sold approximately 0.2 million shares under the ATM for the three months ended March 31, 2023 resulting in net proceeds of \$0.7 million. The Company sold approximately 0.8 million shares under the ATM for the three months ended March 31, 2022 resulting in net proceeds of \$5.4 million.

Stock-based Compensation

2020 Equity Incentive Plan

On March 9, 2020, the Board of Directors adopted the Company's 2020 Omnibus Incentive Plan (the "2020 Plan"). On September 3, 2020, the shareholders approved the 2020 Plan to authorize grants of the following types of awards (a) Options, (b) Stock Appreciation Rights, (c) Restricted Stock and Restricted Stock Units, and (d) Other Stock-Based and Cash-Based Awards. The number of shares of common stock available for issuance under this Incentive Plan is 1,100,000 shares.

Common Share Issuances

For the three months ended March 31, 2023 and 2022, the Company issued 3,750 shares and 2,262 shares of common stock, respectively, to its investor relations firm for services provided during the period.

On December 15, 2022, the Board of Directors approved an equity grant value at \$00,000 in total to its five directors, which resulted in the issuance of a total of 52,085 shares of common stock to the five directors, valued on the grant date at \$3.84 per share and issued on January 3, 2023.

On November 18, 2021, the Board of Directors approved an equity grant value at \$10,000 in total to its six directors, which resulted in the issuance of a total of 19,644 shares of common stock to the six directors, valued on the grant date at \$10.69 per share. There were 13,096 common shares issued to four directors on November 18, 2021 and the remaining 6,548 shares of common shares were issued to the two remaining directors on January 1, 2022

Restricted Stock Awards Issued

As of March 31, 2023 and December 31, 2022, there were 416,316 RSAs included in the total issued and outstanding common stock. Compensation expense is recognized straight line over the three-year vesting period. A total of \$0.3 million and \$0.3 million of compensation expense was recorded for the three months ended March 31, 2023 and March 31, 2022, respectively, for the RSAs.

As of March 31, 2023, there was \$2.3 million of total unrecognized compensation cost related to these unvested RSAs. The compensation expense will be recognized on a straight-line basis over the three-year vesting period and the total unrecognized compensation is expected to be recognized over a weighted-average period of 2.20 years.

The components of total stock-based compensation expense included in the Company's condensed consolidated statements of operations for the three months ended March 31, 2023 and 2022 are as follows (rounded in millions):

	Three Months Ended	
	March 31,	
	2023	2022
Research and development expenses	\$ —	\$ —
General and administrative expenses	0.3	0.3
Total stock-based compensation expense	\$ 0.3	\$ 0.3

Note 8. Related Party Transactions

On February 9, 2022, the Company entered into an agreement with We Don't Have Time Inc. ("WDHT"), an organization with a social media network platform dealing with the climate crisis, pursuant to which WDHT provides a variety of climate-change related consulting services to the Company and the Company pays a monthly membership fee of \$1,200 to WDHT. Dr. Chakraborty, a member of the Company's Board of Directors, is also the CEO of WDHT's US division. For the three months ended March 31, 2023 and 2022, the Company incurred \$3,600 in dues to WDHT.

In addition, for the three months ended March 31, 2022, the Company incurred \$50,000 in fees to WDHT to attend conferences in which the Company participated with WDHT to promote the Company's nuclear fuel.

FORWARD-LOOKING STATEMENTS

In addition to historical information, this report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. We use words such as “believe”, “expect”, “anticipate”, “project”, “target”, “plan”, “optimistic”, “intend”, “aim”, “will”, or similar expressions, which are intended to identify forward-looking statements. Such statements include, among others:

- those concerning market and business segment growth, demand, and acceptance of our nuclear fuel technology and other steps to commercialization of Lightbridge Fuel™;
- any projections of sales, earnings, revenue, margins, or other financial items;
- any statements of the plans, strategies, and objectives of management for future operations and the timing and outcome of the development of our nuclear fuel technology;
- any statements regarding future economic conditions or performance;
- any statements about future financings and liquidity;
- the Company’s anticipated financial resources and position; and
- all assumptions, expectations, predictions, intentions, or beliefs about future events and other statements that are not historical facts.

You are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, as well as assumptions that if they were to ever materialize or prove incorrect, could cause the results of the Company to differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties, among others, include:

- our ability to commercialize our nuclear fuel technology, including risks related to the design and testing of nuclear fuel incorporating our technology and the degree of market adoption of the Company’s product and service offerings;
- dependence on strategic partners;
- any adverse changes to our agreements or relationship with the U.S. government and its national laboratories;
- our ability to fund our future operations, including general corporate overhead and outside research and development costs, and continue as a going concern;
- the demand for our fuel for nuclear reactors and our ability to attract customers;
- our ability to manage the business effectively in a rapidly evolving market;
- our ability to employ and retain qualified employees and consultants that have experience in the nuclear industry;
- competition and competitive factors in the markets in which we compete, including from accident tolerant fuels;
- the availability of nuclear test reactors and the risks associated with unexpected changes in our nuclear fuel development timeline;
- the increased costs associated with metallization of our nuclear fuel;

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- uncertainties related to conducting business in foreign countries;
- public perception of nuclear energy generally;
- changes in laws, rules, and regulations governing our business;
- changes in the political environment;
- development and utilization of, and challenges to, our intellectual property domestically and abroad;
- the trading price of our securities is likely to be volatile, and purchasers of our securities could incur substantial losses and;
- the other risks and uncertainties identified in Item 1A. Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2022.

Most of these factors are beyond our ability to predict or control and you should not put undue reliance on any forward-looking statement. Future events and actual results could differ materially from those set forth in, contemplated by or underlying the forward-looking statements. Forward-looking statements speak only as of the date on which they are made. The Company assumes no obligation and does not intend to update these forward-looking statements for any reason after the date of the filing of this report, to conform these statements to actual results or to changes in our expectations, except as required by law.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations, or MD&A, is intended to help the reader understand Lightbridge Corporation, our operations, and our present business environment. MD&A is provided as a supplement to, and should be read in conjunction with, our condensed consolidated financial statements and the accompanying notes thereto contained in Part I, Item 1 of this report, as well as those included in our Annual Report on Form 10-K for the year ended December 31, 2022.

This MD&A consists of the following sections:

- Overview of Our Business and Development of Lightbridge Fuel™- a general overview of our business and updates;
- Critical Accounting Policies and Estimates - a discussion of accounting policies that require critical judgments and estimates;
- Operations Review - an analysis of our condensed consolidated results of operations for the periods presented in our condensed consolidated financial statements; and
- Liquidity, Capital Resources, and Financial Position - an analysis of our cash flows, and an overview of our financial position.

As discussed in more detail under "Forward-Looking Statements" immediately preceding this MD&A, the following discussion contains forward-looking statements that are based on our management's current expectations, estimates, and projections, which are subject to a number of risks and uncertainties. Our actual results may differ materially from those discussed in these forward-looking statements because of the risks and uncertainties inherent in future events.

OVERVIEW OF OUR BUSINESS AND DEVELOPMENT OF LIGHTBRIDGE FUEL™

When used in this Quarterly Report on Form 10-Q, the terms "Lightbridge", the "Company", "we", "our", and "us" refer to Lightbridge Corporation together with its wholly-owned subsidiaries Lightbridge International Holding LLC and Thorium Power Inc. Lightbridge's principal executive offices are located at 11710 Plaza America Drive, Suite 2000, Reston, Virginia 20190 USA.

Our Business

At Lightbridge we are developing the next generation of nuclear fuel to impact, in a meaningful way, the world's climate and energy security problems. Our nuclear fuel could significantly improve the economics and safety of existing and new nuclear power plants, large and small, enhance proliferation resistance of spent nuclear fuel, and have a meaningful impact on addressing climate change and air pollution, all while benefiting national security. We project that the world's energy and climate needs can only be met if nuclear power's share of the energy-generating mix grows substantially in the coming decades. We believe Lightbridge can benefit from a growing nuclear power industry, and we believe our nuclear fuel to help enable that growth to happen.

We believe our metallic fuel will offer significant economic and safety benefits over traditional nuclear fuel, primarily because of the superior heat transfer properties and the resulting lower operating temperature of all-metal fuel. We also believe that uprating a reactor with Lightbridge Fuel™ will add incremental electricity at a lower levelized cost than any other means of generating baseload electric power, including any renewable, fossil, or hydroelectric energy source, or any traditional nuclear fuel.

Emerging nuclear technologies that many in the nuclear power industry believe have the potential to help drive growth in nuclear power include small modular reactors (SMRs), which are now in the development and licensing phases. We expect that Lightbridge Fuel™ can provide SMRs with all the same benefits our technology brings to large reactors, with such benefits being even more meaningful to the economic case for deployment of SMRs, including potential load following capability when included on a low-carbon electric grid with renewable energy sources. We expect Lightbridge Fuel™ to generate more power in SMRs than traditional nuclear fuels, which will help decarbonize sectors that are now powered by fossil fuels. We expect that our ongoing research and development (R&D) initiatives will lead to Lightbridge Fuel™ powering SMRs for multiple purposes. The first SMRs are expected to begin operations as early as 2029.

We have built a significant portfolio of patents reflecting years of R&D, and we anticipate testing our nuclear fuel through third party vendors and others, including the United States Department of Energy's (DOE) national laboratories. Currently, we are performing the majority of our R&D activities with the DOE's national laboratories.

Development of Lightbridge Fuel™

We believe our metallic fuel can be used in different types of water-cooled commercial power reactors, such as pressurized water reactors, boiling-water reactors, Russian-designed water-cooled, water-moderated energetic reactors, Canadian Deuterium Uranium (CANDUs), water-cooled SMRs, and water-cooled research reactors.

We have obtained patent validation in key countries (in our judgement) and will continue to seek patent validation in countries that either currently operate or are expected to build and operate a large number of nuclear power reactors compatible with our fuel technology.

Recent Developments

HALEU Consortium Membership

To support establishment of domestic high-assay low-enriched uranium (HALEU) infrastructure, the DOE announced on December 7, 2022 the creation of a HALEU Consortium. According to the DOE, the purposes of the HALEU Consortium include: (i) Provide the Secretary of Energy HALEU demand estimates for domestic commercial use, (ii) Purchase HALEU made available to members for commercial use under the Program, (iii) Carry out demonstration projects using HALEU under the Program, and (iv) Identify actionable opportunities to improve the reliability of the HALEU supply chain. On December 15, 2022, the Company submitted a formal request to the DOE to join the HALEU Consortium to mitigate HALEU supply risk. On January 12, 2023, the Company received written confirmation from the DOE of Lightbridge's membership in the HALEU Consortium.

Idaho National Laboratory Agreements

In the second half of 2022, Lightbridge entered into agreements with Idaho National Laboratory (INL), in collaboration with the DOE, to support the development of Lightbridge Fuel™. The framework agreements use an innovative structure and consist of an “umbrella” Strategic Partnership Project Agreement (SPP) and an “umbrella” Cooperative Research and Development Agreement (CRADA), each with Battelle Energy Alliance, LLC, the DOE's operating contractor for INL, with an initial duration of seven years.

We anticipate that the initial phase of work under the two agreements that has been released will culminate in irradiation testing in the Advanced Test Reactor (ATR) of our fuel material samples, known as fuel material coupons, using enriched uranium supplied by the DOE. The initial phase of work aims to generate irradiation performance data for Lightbridge's delta-phase uranium-zirconium alloy relating to various thermophysical properties. The data will support fuel performance modeling and regulatory licensing efforts for commercial deployment of Lightbridge Fuel™.

We anticipate that subsequent phases of work under the two umbrella agreements that have not yet been released may include post-irradiation examination of the irradiated fuel material coupons, loop irradiation testing in the ATR, and post-irradiation examination of one or more uranium-zirconium fuel rodlets, as well as transient experiments in the Transient Reactor Test Facility at INL.

During the first quarter of 2023, we worked with INL to complete and issue a Quality Implementation Plan (QIP) for our collaborative project at the lab. The QIP was an essential first step to ensure all future work performed at INL on the project would be conducted in accordance with nuclear quality assurance requirements of the U.S. Nuclear Regulatory Commission. We are currently working with INL to demonstrate casting of delta-phase uranium-zirconium ingots with depleted uranium using existing INL equipment.

Future Steps Toward Our Fuel Development and Timeline For The Commercialization of Our Nuclear Fuel Assemblies

We anticipate fuel development milestones for Lightbridge Fuel™ over the next 2-3 years will consist of the following:

- continue to execute SPP/CRADA work at INL leading to irradiation testing in the ATR of our fuel material coupons using enriched uranium supplied by INL.
- conduct a feasibility study for the use of our nuclear fuel in CANDU heavy water reactors.
- conduct a front-end engineering and design study for a Lightbridge pilot-scale fuel fabrication facility.
- demonstrate extrusion with our uranium-zirconium fuel alloy and produce fuel material coupons for irradiation testing.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make a variety of estimates and assumptions that affect (i) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and (ii) the reported amounts of revenues and expenses during the reporting periods covered by the financial statements. For a discussion of the accounting judgments and estimates that we have identified as critical in the preparation of our financial statements, please see “Critical Accounting Policies and Estimates” under Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 30, 2023. There have been no significant changes in our critical accounting policies and estimates during the three months ended March 31, 2023.

Our management expects to make judgments and estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the future resolution of the uncertainties increase, these judgments become even more subjective and complex. Although we believe that our estimates and assumptions are reasonable, actual results may differ significantly from these estimates. Changes in estimates and assumptions based upon actual results may have a material impact on our results of operations and/or financial condition.

OPERATIONS REVIEW

Financial information is included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Condensed Consolidated Results of Operations - Three Months Ended March 31, 2023 and 2022

The following table presents our historical operating results and the change in amounts for the periods indicated (rounded to millions):

	Three months Ended March 31,		Increase (Decrease) Change \$	Increase (Decrease) Change %
	2023	2022		
Operating Expenses				
General and administrative	\$ 1.9	\$ 1.9	\$ —	—%
Research and development	\$ 0.4	\$ 0.3	\$ 0.1	33%
Total Operating Expenses	\$ 2.3	\$ 2.2	\$ 0.1	5%
Other Operating Income				
Contributed services – research and development	\$ —	\$ 0.1	\$ (0.1)	(100)%
Total Other Operating Income	\$ —	\$ 0.1	\$ (0.1)	(100)%
Total Operating Loss	\$ (2.3)	\$ (2.1)	\$ 0.2	10%
Other Income	\$ 0.3	\$ 0.1	\$ 0.2	200%
Net loss before Income Taxes	\$ (2.0)	\$ (2.0)	\$ —	—%
Net Loss	\$ (2.0)	\$ (2.0)	\$ —	—%

Operating Expenses

General and Administrative Expenses

General and administrative expenses consist mostly of compensation and related costs for personnel and facilities, stock-based compensation, finance, human resources, information technology, and fees for consulting and other professional services. Professional services are principally comprised of legal, audit, strategic advisory services, and outsourcing services.

Total general and administrative expenses remained consistent for the three months ended March 31, 2023, as compared to the three months ended March 31, 2022. There was an increase in stock-based compensation of \$0.1 million, offset by a decrease in employee compensation and employee benefits of \$0.1 million.

Research and Development

Research and development expenses consist primarily of compensation and related fringe benefits including stock-based compensation and related allocable overhead costs for the research and development of our fuel and contributed services - research and development for the R&D work performed under the GAIN vouchers.

Total R&D expenses increased by \$0.1 million for the three months ended March 31, 2023, as compared to the three months ended March 31, 2022. This increase was primarily due to an increase in project labor costs incurred from the U.S. National Laboratories of \$0.2 million, offset by a net decrease in other R&D costs of \$0.1 million.

Due to the nature of our R&D expenditures, cost and schedule, estimates are inherently uncertain and can vary significantly as new information and the outcome of these R&D activities become available. We may have budgetary constraints due primarily to the uncertainty of future liquidity and capital resources available to us to conduct our future R&D activities.

Other Operating Income

There was a decrease in other operating income of \$0.1 million due to a decrease in contributed services - research and development of \$0.1 million for the three months ended March 31, 2022. Contributed services - research and development are recorded with a charge to R&D expenses and a corresponding amount recorded to contributed services - research and development.

Other Income

There was an increase in other income of \$0.2 million due to rising interest rates over the past year which resulted in an increase in interest income earned from the purchase of treasury bills and from our bank savings account for the three months ended March 31, 2023, as compared to the three months ended March 31, 2022.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

Liquidity Outlook

We measure liquidity in terms of our ability to fund the cash requirements of our R&D activities and our general and administrative expenses, including our contractual obligations and other commitments. We believe that based on our current level of operating expenses and currently available cash resources, we will have sufficient funds available to cover our business activities and operating cash needs for the next 12 months. Our long-term cash requirements are currently projected to be an average of \$10 million of outside R&D expenditures per year over the next 10-15 years. These long-term cash requirements for future planned operations to develop and commercialize our nuclear fuel, including any additional expenditures that may result from unexpected developments, will require us to receive government support in the future.

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At March 31, 2023, we had cash and cash equivalents of \$28.1 million, as compared to \$28.9 million at December 31, 2022, a decrease of \$0.8 million. We raised net proceeds of \$0.7 million from the sale of approximately 0.2 million shares of common stock during the three months ended March 31, 2023. Our net cash used in operating activities for the three months ended March 31, 2023 was \$1.5 million and our cash flow projections indicate that we will have continued negative cash flows for the foreseeable future. We are not profitable, and we cannot provide any assurance that we will become profitable in the future. We will continue to incur losses because we are in the early development stage of commercializing our nuclear fuel.

We have approximately \$27.5 million of working capital as of the date of this filing. We currently project a negative cash flow from our operations averaging approximately \$1.1 million per month for both our general and administrative and R&D expenses, for total expected expenditures of approximately \$13.1 million for the next 12 months. Our R&D expenses are expected to increase over the next 12-15 months. Our cash balance at March 31, 2023 and as of the date of this filing exceeds our anticipated cash requirements for the next 12 months. There are inherent uncertainties in forecasting the future required R&D or other expenditures in the future. Once other anticipated agreements are finalized or other future R&D agreements are entered into and the future R&D costs are known, we expect to incur a significantly higher level of future required R&D expenses and higher negative monthly cash flows from operations in the future.

If sufficient funding becomes available to us, our R&D activities may significantly increase in the future. This funding is needed to continue our nuclear fuel development project and to achieve our future R&D milestones. The actual amount of cash we will need to operate is subject to many factors, including, but not limited to, the timing, design and conduct of the R&D work at the DOE's national laboratories for our fuel along with cost to commercialize our nuclear fuel. Accordingly, there is high potential for budget variances in the current cost projections and fuel development timelines of our current planned operations over the fuel development period. We will continue to utilize our ATM (as defined below) to finance our future R&D and corporate activities.

We will also need to receive substantial U.S. government support in the form of grants throughout our nuclear fuel R&D period in order to fund our R&D efforts in the future. If we are unable to obtain government funding that meets our future R&D cash requirements, we will need to seek other funding, which may include the issuance of additional shares of the Company's common stock, if available. This will result in dilution to our existing stockholders. If we can raise additional funds through the issuance of preferred stock, other equity or convertible securities, these securities could have rights or preferences senior to those of our common stock and could contain covenants that restrict our operations in the future. There can be no assurance that we will be able to obtain additional equity or debt financing on terms acceptable to us, if at all.

The primary source of cash available to us for the next 12 months, in addition to cash and cash equivalents on hand, is the potential funding from equity issuances pursuant to the ATM equity offering sales agreement, as amended, with Stifel, Nicolaus & Company, Incorporated. The Company has an effective shelf registration statement on Form S-3 that was filed with the Securities and Exchange Commission, or SEC, on March 25, 2021, registering the sale of up to \$75 million of the Company's securities and declared effective on April 5, 2021. We filed a prospectus supplement, dated April 4, 2023, with the SEC pursuant to which we may offer and sell shares of common stock having an aggregate offering price of up to \$17.9 million from time to time, through the ATM. As of the date of this filing, our calculated public float is below \$75.0 million and we are subject to the limitations set forth in General Instruction I.B.6 of Form S-3, which limits the dollar amount of securities that we may offer and sell under the Form S-3 shelf registration statement to one-third of our non-affiliate public float over any 12 calendar month period (the above \$17.9 million fundraising limit).

We have no debt or lines of credit and we have financed our operations to date through the sale of our preferred stock and common stock. Management believes that public or private equity investments may be available in the future; however adverse market conditions, in our common stock price and trading volume, as well as other factors could substantially impair our ability to raise capital in the future and continue developing our nuclear fuel.

Short-Term and Long-Term Liquidity Sources

As discussed above, we will seek new financing bringing us additional sources of capital, depending on the capital market conditions of our common stock. There can be no assurance that these additional sources of capital will be made available to us. The primary potential sources of cash that may be available to us are as follows:

- equity or debt investment from third party investors in Lightbridge;
- collaboration with potential industry partners; and
- strategic investment and U.S. government funding to support the remaining R&D activities required to continue the development of our fuel products and move them to a commercial stage.

In support of our long-term business with respect to our fuel technology business, we endeavor to create strategic alliances with other parties to support the remaining R&D activities that are required to further enhance and complete the development of our fuel products to a commercial stage. We may be unable to form such strategic alliances on terms acceptable to us or at all.

See Note 7. Stockholders' Equity and Stock-Based Compensation of the Notes to our condensed consolidated financial statements included in Part I. Item 1. *Financial Statements*, of this Quarterly Report on Form 10-Q for information regarding our prior equity financings.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is not required to provide the information required by this Item as it is a “smaller reporting company,” as defined in Rule 12b-2 of the Exchange Act.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) that are designed to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (a) recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms, and (b) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating such controls and procedures, the Company recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Our management, under the supervision and with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of March 31, 2023 due to the material weakness in internal control over financial reporting described below.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As previously disclosed in Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2022, in management’s assessment of the effectiveness of internal control over financial reporting as of December 31, 2022, management determined that there were control deficiencies concerning the accounting procedures that support the financial reporting process related to recording accounts payable invoices that were received and approved for payment, and such control deficiencies aggregated to a material weakness. Notwithstanding the material weakness, there were no restatements of prior period financial statements, and no changes in previously released financial results were required as a result of the material weakness.

Ongoing Remediation of Previously Identified Material Weakness

The Company’s management, with the oversight of the Audit Committee, has evaluated the material weakness described above and designed a remediation plan to address this material weakness. Implementation of the remediation plan has been underway to address the material weakness, including (i) implementing multiple reviews of the accounting mailbox where accounts payable invoices are received from vendors, which the multiple reviews of the accounting mailbox was first established in 2022 before the identification of the control deficiency (ii) multiple reviews of the weekly accounts payable schedules and activity reports from the Company’s accounting system, and (iii) contacting vendors on a quarterly basis regarding outstanding invoices. The material weakness will not be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are designed and operating effectively.

Changes in Internal Control Over Financial Reporting

Except as noted above, there were no changes in the Company’s internal control over financial reporting during the first quarter of 2023 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II-OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any such legal proceedings or claims that we believe, either individually or in the aggregate, will have a material adverse effect on our business, financial condition, or results of operations.

ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors from the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES OR USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

EXHIBIT INDEX -

Exhibit Number	Description
31.1	Rule 13a-14(a)/15d-14(a) Certification - Principal Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification - Principal Financial Accounting Officer
32	Section 1350 Certifications
101	Interactive data files pursuant to Rule 405 of Regulation S-T.
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

SIGNATURES

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

Date: May 11, 2023

LIGHTBRIDGE CORPORATION

By: /s/ Seth Grae
Name: Seth Grae
Title: President, Chief Executive Officer and Director
(Principal Executive Officer)

By: /s/ Larry Goldman
Name: Larry Goldman
Title: Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Certification of Principal Executive Officer

I, Seth Grae, certify that:

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

Date: May 11, 2023

By: /s/ Seth Grae

Seth Grae
Principal Executive Officer

Certification of Principal Financial Officer

I, Larry Goldman, certify that:

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

Date: May 11, 2023

By: /s/ Larry Goldman

Larry Goldman
Chief Financial Officer
(Principal Financial and Principal Accounting
Officer)

Section 1350 Certifications
STATEMENT FURNISHED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Executive Officer and Chief Financial Officer of Lightbridge Corporation, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge on the date hereof:

1. The Quarterly Report on Form 10-Q of Lightbridge Corporation for the quarter ended March 31, 2023, filed on the date hereof with the Securities and Exchange Commission (the Report), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Lightbridge Corporation.

Date: May 11, 2023

By: /s/ Seth Grae
Name: Seth Grae
Title: President, Chief Executive Officer and Director
(Principal Executive Officer)

By: /s/ Larry Goldman
Name: Larry Goldman
Title: Chief Financial Officer
(Principal Financial Officer and Principal
Accounting Officer)