

Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

Investment Alert – August 11, 2021

www.encoreenergycorp.com



enCore Energy Corp. (C\$ 1.22)

TSX.V	: EU
OTCQB	: ENCUF
H+L prices (12 months)	: C\$ 1.63 – 0.275
Issued shares	: 199.3 million
Fully diluted	: 225.6 million
Market capitalization	: C\$ 243.2 million (US\$ 193.7 million)

2021 price target: C\$ 2.00

INVESTMENT ALERT

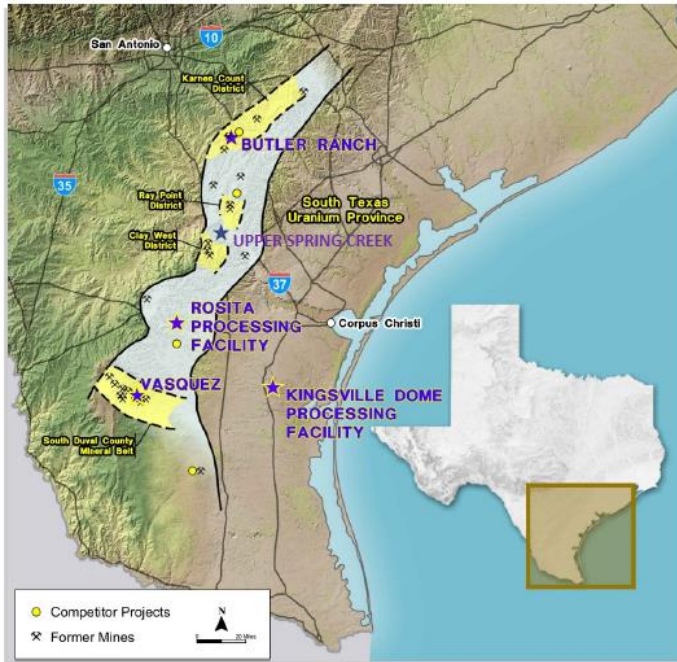
- ▶ **enCore Energy** executes purchase and sales agreement with **UG USA** conversing 2 million pounds U3O8 over a 5-year period starting in 2023

On August 4, 2021, **enCore Energy Corp.** (“enCore”) announced that it has executed a 5-year uranium purchase and sales agreement with **UG USA** starting in 2023. The agreement covers 2 million pounds U3O8 of produced uranium from its **South Texas Uranium Operations** with significant delivery flexibility for market related pricing.

On July 20, 2021, **enCore** provided an update on these operations. Since acquiring the uranium assets from Westwater Resources on December 3, 2020, the Company has aggressively executed its strategy to become the newest in-situ recovery (“ISR”) uranium producer in the United States.

Operational highlights include the acquisition of mineral and surface properties in known uranium historic resource areas, including several that are partially permitted and previously licenced Texas projects, located within 76 miles of the **Rosita Central Processing Plant**. These properties provide a pipeline of future production projects to feed the Rosita plant as satellite operations.

Commencement of the refurbishment and upgrade work for the **Rosita Processing Facility** is projected for completion by Q2 2022.



Texas Uranium Assets

Texas

- ▶ We have four project areas
 - ▶ Rosita Processing Facility
 - ▶ Kingsville Dome Processing Facility
 - ▶ Butler Ranch Exploration Project
 - ▶ Upper Spring Creek Development Project

- ▶ A prolific US district for sandstone-hosted ISR production with historic production of ~80 million pounds

- ▶ Most progressive permitting and production jurisdiction in the US

- ▶ Significant Growth Upside
 - ▶ 47 identified deposits with ~60 million pounds of in-situ mineralization remaining³
 - ▶ The USGS estimates the potential to discover an additional 220 million pounds⁴

Major Asset Summary

TEXAS:

Two licensed ISR uranium production facilities with combined nameplate production capacity of over 1.6 million pounds of U₃O₈. With near term satellite facilities to provide feed for those production facilities.

NEW MEXICO:

Dominant position in United States' largest historic uranium district with 300,000 acres (468 sq. miles) of patented mineral rights containing at least 44 M lbs. of Indicated NI 43-101 resources^{1,2}, 6 M lbs. of Inferred¹ and 62 M lbs. of Historic Mineral Resources⁶⁻¹²

OTHER ASSETS:

- Growth pipeline of exploration assets in Wyoming, Utah and Arizona
- 40% interest in Group 11 Technologies, a private company developing in-situ recovery methods using non-toxic solutions to recover precious and other metals from a variety of deposit types

Near Term Growth Production South Texas

- ▶ Kingsville Dome and Rosita Central Processing Plants (“CPP”) have combined nameplate uranium production capacity of 1.6 million pounds U_3O_8 per year
- ▶ Capacity is modularly scalable to over double at manageable capital costs.
- ▶ Rosita CPP received a full refurbishment and drying capacity in 2008.
 - ▶ First in line for additional refurbishments because it is the lowest cost and fastest timeline to return to commercial production capability
- ▶ Kingsville Dome CPP received a full refurbishment in 2005
 - ▶ Remains a production option and will require additional refurbishments, dependent on market
- ▶ Designed to process feed from multiple satellite operations



Kingsville Dome Central Processing Plant located in Kleberg County

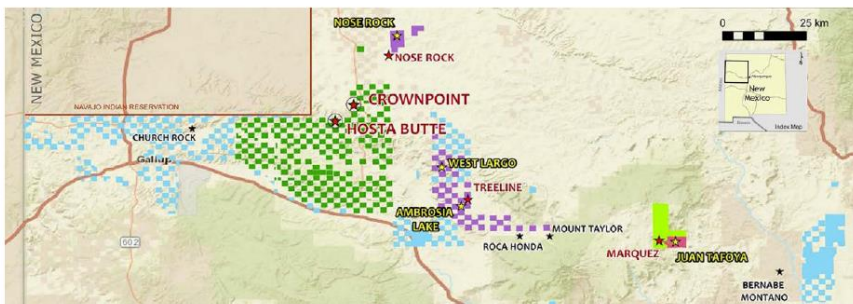


Rosita Central Processing Plant located in Duval County

Dominant New Mexico Position

Several properties already identified as amenable to ISR, consistent with EnCore’s ‘ISR First’ strategy

- ▶ New Mexico’s Grants Uranium District has produced ~350 M lbs. of U_3O_8 , or nearly 40% of all uranium mined in the US and is one of the largest uranium districts in the world
- ▶ Additionally, over 400 M lbs. of unmined mineralization has been identified and several projects are being advanced towards production⁵
- ▶ enCore holds a ‘checkerboard’ position of 468 sq. miles (300,000 acres) of mineral rights (known as the Frisco and Santa Fe railroad grants) with no holding costs or work commitments
- ▶ The mineral rights cover several deposits and vast area along the trend with excellent exploration potential



Legend

enCore Mineral Resources	Land Status	Proposed Land Acquisition
enCore Historic Resources	Marquez Lease (enCore)	Juan Tabora Lease
Historic Resource Acquisition	Existing enCore Mineral Rights	Santa Fe Category 1 Lands
Competitor Deposit		Santa Fe Category 2 Lands



NOTE:
A qualified person has not done sufficient work to classify the historic estimates as a current mineral resource estimates. The Company does not treat these historical estimates as a current mineral resource estimates, and the estimates should not be relied upon.

Uranium Deposit Resource Overview

Current Mineral Resources – Crownpoint and Hosta Butte Project, New Mexico¹

Resource Category	Million Tons	Grade eU ₃ O ₈ %	Attributable U ₃ O ₈ (M lbs.*)
Indicated	12.68	0.105	26.6
Inferred	2.76	0.110	6.1

Marquez-Juan Tafoya Project, New Mexico

Project	Million Tons	Grade eU ₃ O ₈ %	U ₃ O ₈ (M lbs.*)
Marquez-Juan Tafoya Deposit ²			
Indicated (Minimum GxT = 0.60)	7.1	0.127	18.1

Historic Mineral Resources – Significant Projects*

Project	Million Tons	Grade eU ₃ O ₈ %	U ₃ O ₈ (M lbs.*)
Marquez-Juan Tafoya (New Mexico) Sunshine Deposit ⁶	1.1	0.11	2.48
Nose Rock (New Mexico) ^{7,8}	11.8	0.148	35.0
West Largo (New Mexico) ^{9,10}	2.9	0.300	17.2
Ambrosia Lake (New Mexico) ^{10,11,12}	2.0	0.176	7.1
Moonshine Springs (Arizona) ¹³	1.4	0.165	4.7
Butler Ranch (Texas) ¹⁴	0.4	0.15	1.3
Rosita (Texas) ¹⁵	0.4	0.082	0.6
Total Historic Mineral Resources			64.4

*The Company's QP has not done sufficient work to classify the historical estimate as a current mineral resource. The Company is not treating the historical estimate as a current mineral resource and it should not be relied upon.



Investment Summary



A clear goal to become the premier ISR uranium production company in the USA



Existing 43-101 Compliant Resources



A strong team with vast industry expertise across the nuclear fuel cycle



Leading land position in the Grants Mineral District and the SW United States



Two uranium production facilities in Texas with potential for expansion



Solid growth plan

Investment comments:

enCore Energy Corp. is an uranium developer and explorer focused on advancing its portfolio of ISR and conventional uranium assets in the **Southwest United States**.

Aggressively executing its strategy to become the newest in-situ recovery (“USR”) uranium producer in the United States, the uranium sales agreement, covering 2 million pounds U3O8 of produced uranium, with significant delivery flexibility for market related pricing, immediately secures a customer for **enCore**’s position of expected production.

With the acquisition of the **Westwater** uranium properties having been completed effective December 31, 2020, total compensation accruing to **Westwater** as part of the deal is approximately C\$ 1.79 million in **enCore** shares and royalties from future production from the **New Mexico properties**.

The Company has achieved a dominant New Mexico position, with several positions already identified as amenable to ISR, consistent with the Company’s “ISR First Strategy”.

Based on two uranium production facilities in **Texas** with potential for expansion and existing NI 43-101 and a leading land position in de **Grants Mineral District** and the **SW United States**, **enCore Energy**’s clear goal is to become the premier ISR production company in the **United States**.

Having emerged to the highest valued listed exploration/development company since the acquisition of the uranium assets from Westwater Resources, in my view, **enCore Energy** can be considered as one of the most prospective United States-focused uranium companies.

My 2021 price target is C\$ 2.00.

Overviews of worldwide uranium production and exploration companies by country

August 10	Trade symbol	Share price		Change in %	12 months		Market		
		August 10 2021	year-end 2020		H	L	capitalization million		
United States									
Stand-by producers:									
Energy Fuels	1) NYSE MKT UUUU	US\$ 5.39	US\$ 4.26	27	US\$ 7.83	US\$ 1.42	US\$ 801.4	US\$ 801.4	
Uranium Energy	AMEX UEC	2.23	1.76	27	3.67	0.82	519.7	519.7	
Ur-Energy	NYSE MKT URG	1.21	0.80	51	1.74	0.42	236.4	236.4	
Peninsula Energy	2) NYSE OTC PENMF	0.11	0.11	-3	0.15	0.02	105.6	105.6	
Development / Exploration:									
enCore Energy *	3) TSX V EU	C\$ 1.22	C\$ 0.94	30	C\$ 1.63	C\$ 0.28	C\$ 243.2	US\$ 193.3	
Laramide Resources	4) TSX LAM	0.52	0.36	44	0.60	0.21	91.9	73.1	
Azarga Uranium	TSX AZZ	0.31	0.24	27	0.39	0.16	71.9	57.1	
Consolidated Uranium	5) TSX V CUR	1.63	1.37	19	2.70	0.47	63.1	50.1	
Anfield Energy	TSX V AEC	0.10	0.10	-9	0.20	0.05	27.8	22.1	
Standard Uranium	TSX V STND	0.28	0.20	44	0.38	0.12	26.0	20.6	
Virginia Energy	6) TSX V VUI	0.19	0.11	73	0.48	0.07	10.9	8.7	
Superior Lake Resources	ASX SUP	A\$ 0.13	A\$ 0.15	-10	A\$ 0.24	A\$ 0.12	A\$ 21.5	US\$ 15.7	

* featured as a **Special Situation** and included in Shortlist of investment recommendations

1) leading US-based mining company; White Mesa Mill also to produce vanadium and capable to produce REEs

2) also uranium assets in South Africa

3) completed the acquisition of uranium assets of Westwater Resources in Texas and New Mexico, in enCore shares;

; transaction closed on January 5, 2021

4) also projects in Australia

5) announced on July 15, 2021 a definitive asset purchase agreement with Energy Fuels to acquire a portfolio of conventional uranium projects located in Utah and Colorado for consideration of US\$ 8 million for a period of 3 years and 19.9% in outstanding CUR common shares;

6) suing state of Virginia on uranium ban to access \$ 6 billion deposit; trial still to be scheduled