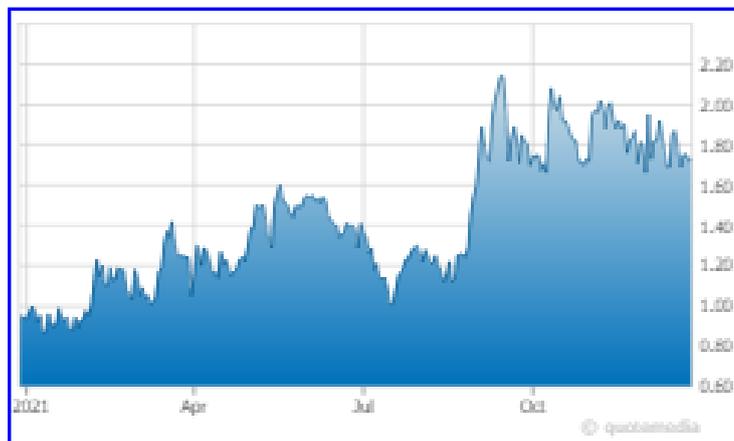


Uraniumletter INTERNATIONAL

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Investment Alert – December 27, 2021

www.encoreenergycorp.com



enCore Energy Corp. (C\$ 1.73)

TSX.V : EU
OTCQB : ENCUF

H+L prices (12 months) : C\$ 2.27 – 0.80

Issued shares : 201.2 million
Fully diluted : 225.6 million

Market capitalization : C\$ 348.2 million
(US\$ 271.4 million)

2022 price target: C\$ 2.50

INVESTMENT ALERT

► **enCore Energy and Azarga Uranium receive final order approval Plan of Arrangement**

On December 23, 2021, **enCore Energy Corp.** (“**enCore**”) and **Azarga Uranium** announced that Azarga has received a final order from the Supreme Court of British Columbia approval the previously announced Plan of Arrangement whereby **enCore** will on closure acquire all of the issued and outstanding common shares of Azarga Uranium.

Closing of the Arrangement is expected to occur on December 31, 2021, subject to customary closing conditions. On closing, the current board of directors and management of **enCore** and **Azarga Uranium** will remain unchanged.

The transaction consolidates an industry leading pipeline of exploration and development staged in-situ recovery (“ISR”) focused uranium projects located in the **United States**, including the licenced **Rosita & Kingsville** production facilities in **South Texas**, the advanced-stage **Dewey Burdock** development project in **South Dakota**, which has been issued its key federal permits, the PEA-staged **Gas Hills Project**, located in **Wyoming**, and a portfolio of resource staged projects throughout the **United States**.

The combined company will possess a uranium resource base of 90.0 million pounds U3O8 in the Measured and Indicated category, 9.9 million pounds U3O8 in the Inferred category, as well as 68.4 million pounds U3O8 in the historic category.

Under the terms of the Agreement **Azarga** shareholders will receive 0.375 common shares of **enCore** for each Azarga common share held. The Exchange Ratio implies consideration of C\$ 0.71 per Azarga common share based on the closing price of the **enCore** common shares on the TSX Venture Exchange on September 3rd 2021 (C\$ 1.89).

► **Transaction highlights:**

- **Creation of a top-tier American uranium ISR mining company with multiple assets at various stages of development;**
- **Two licensed ISR production facilities and multiple potential satellite exploration and development projects in South Texas;**
- **Advanced stage Dewey Burdock development project in South Dakota with key federal permits issued;**
- **Recently published preliminary economic assessment for the Gas Hills project in Wyoming;**
- **Large uranium resource endowment in New Mexico including the Marquez-Juan Tafoya project, for which a recent preliminary economic assessment was published and the Crownpoint and Hosta Butte project;**
- **Well positioned to benefit from America's nuclear renaissance, which boasts bi-partisan political support; and**
- **Management team and board with unrivalled experience in the permitting, development, and mining of ISR uranium deposits in the USA.**

Paul Goranson, CEO of enCore, commented: *"enCore is delighted to combine our assets with those of Azarga. Dewey Burdock is an excellent ISR uranium project and we look forward to building upon Azarga's successes to create additional value through development progress and eventually production. In addition to the execution of plans for near term production in Texas and a dominant mineral position in New Mexico, this combination will see enCore take another leap forward towards realizing the goal of becoming a larger and more diversified uranium development company during a time of positive sentiment for nuclear energy."*

William Sheriff, Executive Chairman of enCore, stated: *"This strategic acquisition fills the gap in enCore's pipeline of projects with key intermediate development opportunities in Wyoming and South Dakota, in between initial production in Texas and longer-term opportunities in New Mexico. This second major acquisition for enCore within the last 12 months is in keeping with our announced aggressive M&A strategy which was successfully employed at Energy Metals Corp, which was sold for \$1.6 billion during the last cycle. Consolidation in conjunction with an elite operational team are the keys to success in building a leading US ISR company."*

The combined company will be managed by the current **enCore executive team**, led by Paul Goranson as CEO & Director, William Sheriff as Executive Chairman, Carrie Mierkey as Chief Financial Officer and Dennis Storer as Chief Technical Officer.

Blake Steele current President & CEO of Azarga, will continue as a Strategic Advisor to the combined company and John Mays, current COO of Azarga will continue as Chief Operating Officer of the Azarga subsidiaries, with a core focus to manage the combined advancement of the Dewey Burdock and **Gas Hills projects**.

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

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.



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



Near Term Growth Production South Texas

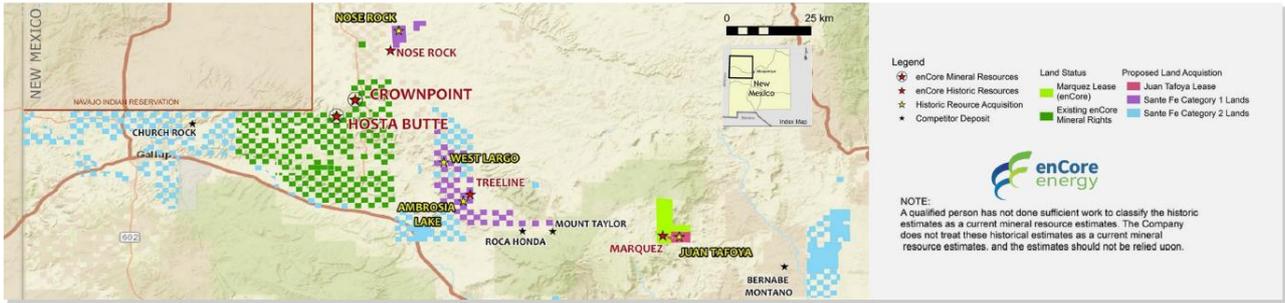
- ▶ Kingsville Dome and Rosita Central Processing Plants (“CPP”) have combined nameplate uranium production capacity of 1.6 million pounds U_3O_8 per year
- ▶ Capacity is modularly scalable to over double at manageable capital costs.
- ▶ Rosita CPP received a full refurbishment and drying capacity in 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



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 U₃O₈, 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



New Mexico: Crownpoint & Hosta Butte Project

- ▶ A large ISR-amenable project that hosts 26 million Indicated pounds and 6.1 million Inferred pounds¹
- ▶ Crownpoint is permitted under Laramide Resources' ("LAM") Nuclear Regulatory Commission License to recover up to 3 million pounds per year
- ▶ Located within 5 miles to a licensed processing facility site
- ▶ Three existing shafts for underground production were developed by Conoco in the 1980s



Crownpoint and Hosta Butte Current Mineral Resource Estimate¹

	Resource Category	Million Tons	Grade eU ₃ O ₈ %	Attributable U ₃ O ₈ (M lbs)
Crownpoint	Indicated	7.88	0.102	16.1
Hosta Butte	Indicated	4.80	0.109	10.5
Total Indicated		12.68	0.105	26.6
Crownpoint	Inferred	0.71	0.105	1.5
Hosta Butte	Inferred	2.05	0.112	4.6
Total Inferred		2.76	0.110	6.1

Investment comments:

enCore Energy 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.

This ambitious strategy has been enhanced by the acquisition of **Azarga Uranium** to create a leading U,S. uranium ISR development company.

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 2022 price target is C\$ 2.50.