

Uranium Market Update A Market Driven by Geopolitical and Market Disruptions

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The Company reports mineral resources on its projects according to Canadian standards, which differs from the requirements of U.S. securities laws. Mineral resource estimates have been prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") – CIM Definition Standards on Mineral Resources and Mineral Reserves, (the "CIM Standards"). The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with NI 43-101 and the CIM Standards. Mineral property disclosure requirements in the United States (the "U.S. Rules") are governed by subpart 1300 of Regulation S-K of the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") which differ from the CIM Standards. Pursuant to the U.S. Rules, the SEC recognizes "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". Mineralization described using these terms has a greater amount of uncertainty as to its existence and feasibility than mineralization that has been characterized as reserves. Accordingly, U.S. investors are cautioned not to assume that any measured mineral resources" inferred mineral resources that the Company reports are or will be economically or legally mineable. Further, "inferred mineral resources" have a greater amount of uncertainty as to their existence and as to whether they can be mineral resources in the definitions under the U.S. Rules and the CIM Standards.

The mineral resource are estimates and no assurances can be given that the indicated levels of uranium will be produced. By their nature, mineral resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Any inaccuracy or future reduction in such estimates could have a material adverse impact on the Company.

enCore Energy: Fueling the Future Reliable, responsible domestic uranium production in 2023



South Texas Focus: Rosita, Alta Mesa & Kingsville Dome Uranium Processing Plants 2023 production with 3.6 million pounds capacity;



Advanced Assets: US Production Pipeline 93.4 Mlbs in the M&I category, 25.8 Mlbs in the Inferred category, and 68.4 Mlbs in the historic category



In-Situ Recovery: Uranium

Extraction process with proven economic advantages and minimal environmental impact



Industry-Leading Experts Experienced management in ISR uranium development, production and sales



Uranium Sales Strategy

Supported by four uranium sales agreements while preserving exposure to the market



Other Assets & Investments M&A strategy; non-core asset strategy; investing in new technology; exclusive database access

A Qualified Person (as defined in NI 43-101) has not done sufficient work to classify the historical estimate as a current mineral resource. Additional work will be required to verify and update historical estimates, including a review of assumptions, parameters, methods and testing. Historical estimates do not use the current mineral resources categories prescribed under NI 43-101. enCore is not treating the historical estimate as a current mineral resources categories prescribed under NI 43-101.

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enCore: production pipeline

GOALS : 3 million pounds U₃O₈/year production rate by Year 3; 5 million pounds U₃O₈/year production rate by Year 5





energy



Pathway to Production in South Texas

enCore's strategy is focused on being a leading uranium producer in the U.S. using in-situ recovery. South Texas is where that strategy is executed.

Centers on three **licensed** and **constructed** ISR facilities:

- The Alta Mesa Project with its 2 million pound/year central plant, known mineral resources over 200,000 contiguous acres located across Brooks and Jim Hogg County. Production restart is guided to 1Q2024;
- The Rosita Project with its 800 thousand pound/year central processing plant that has been recently rebuilt to receive feed from wellfields using satellite IX systems. Feed will come from mineral resources located in Duval and Live Oak Counties. Production start guided to 3Q2023;
- The Kingsville Dome Project with its 1 million pound per year central processing plant. Past operations ended in 2009, and it will remain on standby for production.



Global Uranium Environment

- As of end of 2022, 437 operating, 56 constructing, and 70 planned nuclear reactors. Combined represent a growth of nearly 30% of over the current operating nuclear fleet¹
- "Global realignment away from Russia in the nuclear fuel supply chain...new emphasis on western and in particular US produced uranium."¹
- Japan 10 reactors restarted and 16 additional reactors have applied for restarts²
- ▶ US heavy reliance on nuclear power³
 - Generates approx. 20% of electricity and 55% of carbon-free electricity
 - Increased power authorization increases fuel demand
- Financial investors and mining company purchases depleting spot market supply





2018-20: URANIUM SUPPLY IN A NET DEFICIT POSITION 2023: EXPECTED DEMAND OF 181 Mlbs 2023 EXPECTED PRIMARY SUPPLY OF 126 Mlbs

The Uranium Market



Ux U3O8 Price (Spot vs. Long-Term)

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Source: UxC, LLC

- In general, uranium prices have held at levels well below the cost of production for at least half of the world's production.
- Reflected by production cutbacks in Canada, Australia, Kazakhstan, and USA.
- Market prices kept low by excess secondary supply from enricher overfeeding and underpriced Russian enriched uranium product.
- Prior to September 2021, market was characterized by expectations of significant mobile inventories and continued availability of low-cost uranium from State owned entities.
- Post September 2021, financial players began to test the availability of those mobile inventories, and the price rose significantly.
- In March 2022, U market was responding to the geopolitical conditions following the invasion by Russia of Ukraine.





Southern Company's Vogtle 3 AP1000 Nuclear Reactor Building



PG&E's Diablo Canyon Nuclear Power Plant

Some Recent Industry Highlights

- China announced plans to accelerate new nuclear projects to combat future electricity shortages, indicating it could raise the number of new reactor construction approvals to ten or more per year. In 2022, there were ten approvals.
- In Japan, announced a new plan to maximize nuclear power by restarting as many existing reactors as possible, prolonging the operating lives of aging reactors beyond a 60-year limit, and building new reactors. This followed an earlier pledge by Japan's Prime Minister Kishida to have up to 17 reactors restarted by the summer of 2023. decommissioning.
- In France, the government and regulator are working on conditions to extend the operating lives of existing reactors and the start of construction around 2028 for the first two of six new reactors and with plans for eight additional reactors in the future.
- In California, Governor Newsom signed a bill seeking to extend operations at the Diablo Canyon Power Plant for five years beyond its current license, which expires in 2025. Additionally, under the Civilian Nuclear Power Grant Program placed into law in the 2021 Bipartisan Infrastructure Law, the power plant has requested up to \$1.5 billion to fund the life extension.
- Southern Company announced fuel loading began in October 2022 for Vogtle unit 3, the first of two 1,250 MWe AP1000's under construction in Georgia. In March 2023, the company announced that the plant had started criticality, and generating electricity.

Sources of Uranium used in the US for generation



Sources of uranium for U.S. nuclear power plants, 1950-2021 ≡ million pounds of uranium oxide

domestic concentrate production

- purchased imports

U.S. power plant purchases from domestic suppliers

Data source: U.S. Energy Information Administration, *Monthly Energy Review*, Table 8.2, June 2022 Note: Data withheld for U.S. power plant purchases from domestic suppliers in 2019 and for domestic production in 2020 to avoid disclosure of individual company data.

Policy Changes in the U.S.

In the U.S. Congress

- H.R. 1042 Prohibiting Russian Uranium Imports would prohibit the importation of any low-enriched uranium produced the Russian Federation. The legislation does allow the Department of Energy, in consultation with the Departments of State and Commerce, to provide import waivers until January 1, 2028, but reduces the amount available to be imported each year until that date is reached. Senate companion S. 763.
- S. 452 Nuclear Fuel Security Act The bill would DOE to establish and strengthen domestic LEU and HALEU availability and production capacities. Authorizes \$3.5 billion in spending to support the programs.
 At the Administration
- President Biden signed the Inflation Reduction Act of 2022 (IRA) into law. The IRA includes significant support for nuclear power with the establishment of a Production Tax Credit (PTC) to support existing nuclear reactors. The implementation of the PTC has provided the opportunity to U.S. nuclear operators to announce life extensions and power uprates for several existing nuclear reactors. Southern Company also confirmed its plans to apply to have the operating licenses for its Farley and Hatch reactors extended to 80 years. This followed similar announced extensions for Tennessee Valley Authority's Browns Ferry reactor, Xcel Energy's Monticello reactor, Dominion Energy's Virgil C. Summer reactor, and Constellation Energy's Clinton and Dresden 2 and 3 reactors.
- The U.S. Department of Energy (DOE) announced plans to revitalize the U.S. domestic nuclear fuel through the proposed Low Enriched Uranium (LEU) and High Assay Low Enriched Uranium (HALEU) purchase. The estimated budget of up to \$4.3 billion had been suggested.
- In December 2022, the DOE notified successful, qualified bidders to sell uranium to the Strategic Uranium Reserve.
 Five U.S. uranium producers received contracts to supply the DOE.



Figure 10. Annual unfilled uranium market requirements of owners and operators of U.S. civilian nuclear power reactors, at the end of 2021



The Outlook for the Uranium Market

THE SETTING

- In 2022, the discussion around the market was supply chains and bifurcation.
- In 2023, the supply chain issues continue to manifest in surprising unexpected ways, and market bifurcation is an accepted fact.
- Supply chain issues have manifested in limited shipping capacity for Class 7 material globally and a refusal to use Russian ports by most shipping lines.
- Kazakh uranium is most vulnerable due to its location and lack of access to ports. The Trans-Caspian route is challenging, long, and expensive and not without risk if interruptions. Kazakh government is driving Kazatomprom toward Russia and China as statecraft trumps commercial requirements.
- The market is best noted by "Gaps" in conversion and enrichment, and as those gaps are mitigated, uranium demand will firm up

THE OUTLOOK

- New nuclear, restarts, plant life extensions, and power uprates are creating demand that was unexpected three years ago.
- With the continued redirection of the flow of Kazakh uranium away from western markets, the demand is going to look to western production.
- The gap between primary production and demand has increased, and the market needs new production to keep the uranium plants open.
- Already, U.S. nuclear utilities are looking to secure long term supply.







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Wellfield drilling at Alta Mesa Project Production Area 7

enCore Energy Resources: Pathway to Production Assets

Rosita Central Processing Plant, Texas

Currently under development and modernization

Completion date Q3/2022

NI 43-101 Mineral Resources

Resource Category	Million Tons	Grade eU ₃ O ₈ %	Attributable U ₃ O ₈ (M lbs.*)
TOTAL Indicated Mineral Resource			90.0
TOTAL Inferred Mineral Resource			9.9

Dewey Burdock Project, South Dakota¹⁵

Resource Category	Million Tons	Grade eU ₃ O ₈ %	Attributable U ₃ O ₈ (M lbs.*)
Indicated mineral resource	7.39	0.116	17.12
Inferred mineral resource	0.65	0.055	0.71

Gas Hills Project, Wyoming¹⁷

Resource Category	Million Tons	Grade eU ₃ O ₈ %	Attributable U ₃ O ₈ (M lbs.*)
Measured & Indicated mineral resource (ISR)	3.83	0.101	7.71
Inferred mineral resource (ISR)	0.41	0.052	0.43
Measured & Indicated mineral resource (non-ISR)	3.20	0.048	3.06
Inferred mineral resource (non-ISR)	0.12	0.030	0.06

Crownpoint & Hosta Butte Project, New Mexico¹

Resource Category	Million Tons	Grade eU ₃ O ₈ %	Attributable U ₃ O ₈ (M lbs.*)
Indicated mineral resource	12.68	0.105	26.6
Inferred mineral resource	2.76	0.110	6.10



Mineral resources that are not mineral reserves do not have demonstrated economic viability.

enCore Energy Rersoirces: Non-Core Assets

NI 43-101 Mineral Resources

Project	Million Tons	Grade eU ₃ O ₈ %	U ₃ O ₈ (M lbs.*)
Indicated mineral resource (Minimum GxT = 0.60)	7.10	0.127	18.10
Centennial Project, Wyoming ¹⁴			
Project	Million Tons	Grade eU ₃ O ₈ %	U ₃ O ₈ (M lbs.*)
Indicated mineral resource	6.87	0.090	10.37
Inferred mineral resource	1.36	0.090	2.33
Juniper Ridge Project, Wyoming ¹³			
Project	Million Tons	Grade <i>e</i> U ₃ O ₈ %	U ₃ O ₈ (M lbs.*)
Indicated mineral resource (non-ISR)	5.14	0.058	6.01
Inferred mineral resource (non-ISR)	0.11	0.085	0.18
Aladdin Project, Colorado ¹⁶			
Project	Million Tons	Grade eU ₃ O ₈ %	U ₃ O ₈ (M lbs.*)
Indicated mineral resource	0.47	0.111	1.04
Inferred mineral resource	0.04	0.119	0.10
Historic Mineral Resources – Significant Projects*			
Project	Million Tons	Grade eU3O8%	U3O8 (M lbs.*)

Project	Million Ions	Grade eU308%	U308 (MI lbs.*)
Marquez-Juan Tafoya (New Mexico) Southeast Deposit ⁶	1.10	0.11	2.48
Nose Rock (New Mexico) ^{7,8}	11.8	0.148	35.0
West Largo (New Mexico) ^{9,10}	2.90	0.300	17.2
Ambrosia Lake (New Mexico) ^{10,11,12}	2.00	0.176	7.10
Moonshine Springs (Arizona) ¹⁸	1.40	0.165	4.70
Total Historic Mineral Resources			66.50



Marquez-Juan Tafoya Project, New Mexico²

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