



# Uranium Consolidation in the United States

## Gold Forum Corporate Presentation

September 2021

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# enCore Energy: A Path to Success

2022 – 2024

Work towards production at Texas, Wyoming and South Dakota facilities, continue consolidation through M&A

2021

enCore Energy Corp. announces acquisition of Azarga Uranium, advances Texas facilities towards production

2020

enCore Energy Corp. acquires Westwater Resources, commences consolidation strategy  
Expands team with addition of Paul Goranson as CEO

2011 - 2020

enCore Energy Corp. forms, assembles a strong team  
Focused on acquiring and developing ISR operations in the USA, holding until market conditions improve

Mestena Uranium continues to operate ISR production to 2020

2004 - 2008

Energy Metals Corp. formed to pursue ISR operations in the USA  
- Consolidates sector through acquisitions, advances to production  
- Sold to Uranium One for \$1.8Bn

Mestena Uranium formed to pursue ISR operations in the USA  
- Commences production, sets high price for uranium sales at \$135 spot price





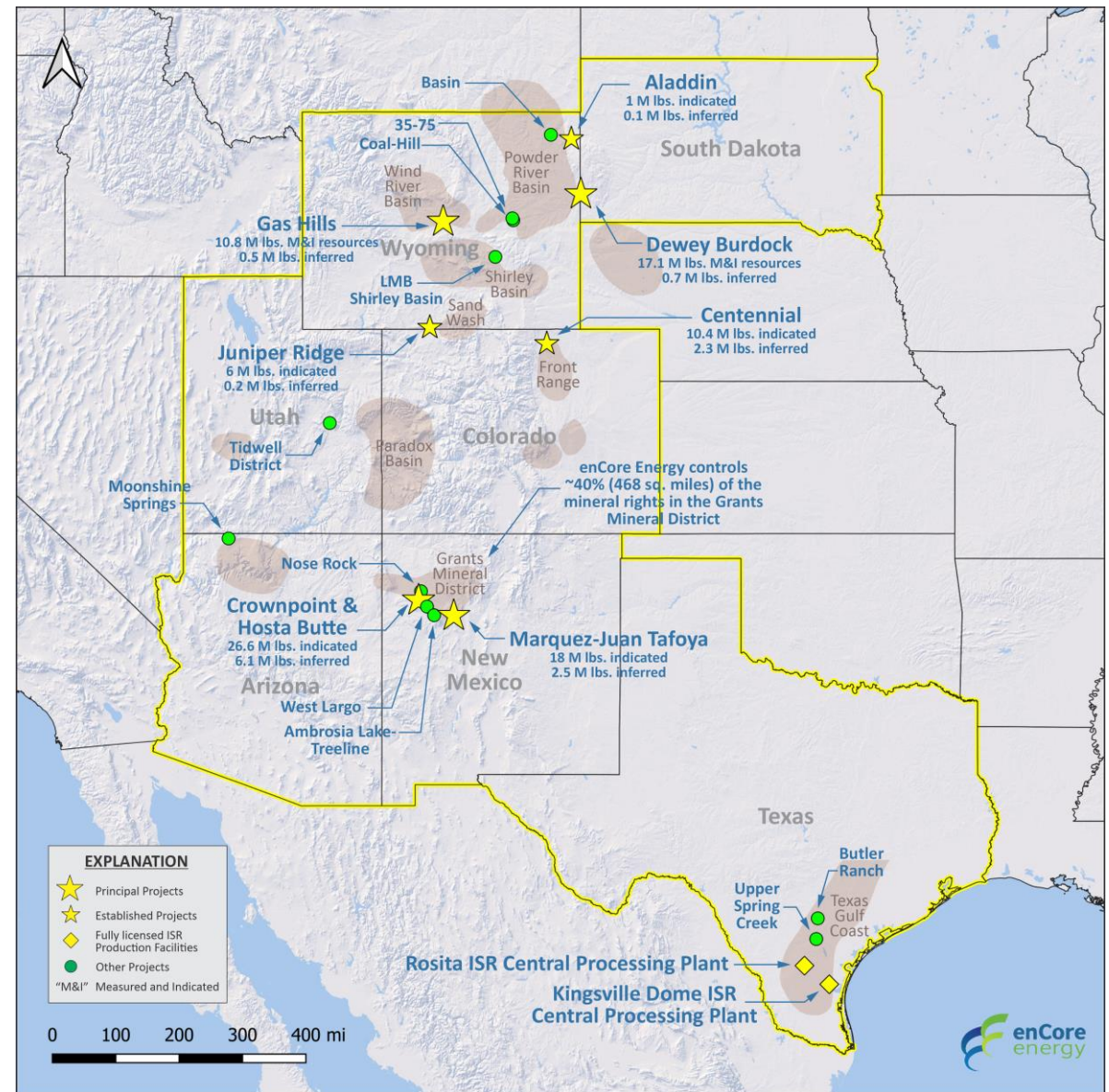
# Investment Overview

- ▶ Most diversified US ISR uranium development company
  - Two licensed processing plants in Texas, two of only 11 licensed in the US
  - Turnkey production capability (Texas)
  - Advanced-stage Dewey Burdock project (South Dakota)
  - Pipeline project at Gas Hills (Wyoming)
  - Significant uranium resource endowment (New Mexico)
- ▶ Combined M&I resources of 90Mlbs uranium
- ▶ Well positioned to benefit from America's nuclear renaissance, which boosts bi-partisan political support
- ▶ Proven management and board with key US uranium development and operating experience



# American Uranium

- ▶ An industry leading pipeline of exploration and development staged ISR focused uranium projects throughout the Western US
- ▶ Combined resource base of 90.0Mlbs in the M&I category, 9.9Mlbs in the Inferred category, and 68.4Mlbs in the historic category\*
- ▶ Portfolio diversity allows for advancement of projects simultaneously across multiple jurisdictions
- ▶ Reinforces the company's strategy to achieve a deep development pipeline and maximize resource scale
- ▶ Advanced permitting in South Dakota and Texas
- ▶ Texas and Wyoming are Agreement States with advanced ISR uranium regulatory environments



\*A Qualified Person (as defined in NI43-101) 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 resource and it should not be relied upon.

\*See Appendix slides 24 to 26 for resource summary and disclosure.

# Strong Board & Management



## William M. Sheriff, MSc

*Executive Chairman*

Mr. Sheriff was a pioneer in the uranium renaissance as co-founder and Chairman of **Energy Metals Corp.**, which was acquired in 2008 for \$1.8 billion. He was responsible for compiling the largest domestic uranium resource base in US history.



## Paul Goranson, MSc, P. E.

*Chief Executive Officer and Director*

Mr. Goranson has over 30 years of mining, processing and regulatory experience in the uranium extraction industry that includes both conventional and ISR mining. Previously served as Chief Operating Officer of **Energy Fuels Inc.**, President of **Cameco Resources**, **Uranerz Energy Corp.** and has held senior positions with **Mesteña Uranium LLC**, **Rio Algom Mining** and **Uranium Resources Inc.**



## Dr. Dennis Stover, PhD

*Chief Technical Officer and Director*

Dr. Stover has a +40-year career focused on direct involvement with commercial uranium exploration, project development, and mining operations. Dr. Stover previously served in senior roles at **Energy Metals Corp** and **Uranium One, Inc.** where he oversaw commercial development of Uranium One's substantial U.S. conventional and ISR uranium assets.



## Blake Steele

*Strategic Advisor*

Experienced metals and mining industry executive with extensive knowledge across public companies and capital markets. President & CEO of **Azarga Uranium** and public company director. Formerly with SouthGobi Resources Limited (Ivanhoe Mines Group).



## Richard M. Cherry, MSc, P.E.

*Independent Director*

Mr. Cherry is a veteran executive with over 40-years of experience in the nuclear industry, having worked for **Cotter Corp** and **Nuclear Fuels Corp** in the areas of uranium mining, production, conversion, marketing and power generation.



## Mark Pelizza, MSc, CPG

*Independent Director*

Mr. Pelizza has spent over 40 years in the uranium industry with direct project experience including several ISR operations in Texas. He also held a senior role at **Uranium Resources Inc.**



## William B. Harris, MBA

*Independent Director & Audit Chair*

Mr. Harris previously served as CEO of Hoechst Fibers Worldwide, a \$5 billion operation, comprised of 21,000 employees and production locations in 14 different countries.



## Nathan A. Tewalt, BSc

*Independent Director*

Mr. Tewalt has over 25 years of experience in exploration and management positions in the Western U.S. He served as President and CEO of **Standard Uranium Inc**, which was acquired by Energy Metals Corp. in 2006.



## Sandra MacKay (AZZ Nominee)

*Independent Director*

Ms. MacKay has over 25 years of experience as a corporate commercial lawyer to clients in the private sector. Ms. MacKay was Senior Vice President, Legal with **Uranerz Energy Corporation** from 2009 to 2014.

# Corporate Summaries

	enCore	Azarga
Exchange Listings	TSXV; OTCQB	TSX; OTCQB; Frankfurt
Average Daily Liquidity (3 mo)	\$1.1M	\$0.4M
Research Coverage	Noble	Haywood, Eight, Fundamental
Shares Issued and Outstanding (M)	199	237
Fully Diluted (M)	226	280
Market Capitalization (\$M)	\$403M	\$165M
Cash & Investments (\$M)*	\$20M	\$1M
Attributable Resources (lbs U <sub>3</sub> O <sub>8</sub> ) <i>Note: Values as at market close on August 13, 2021</i>	44.7Mlbs M&I 6.1Mlbs Inferred 68.4Mlbs Historic	45.3Mlbs M&I 3.8Mlbs Inferred
enCore Current Physical Uranium Inventory: 200,000 lbs		

\*As at September 13, 2021

# US Uranium Sector Renaissance

Bi-Partisan Support for Nuclear Energy in US – first time in 48 years Democrat platform supports nuclear

*“We are not going to be able to achieve our climate goals if nuclear plants shut down. We have to find ways to keep them operating” Energy Secretary Granholm*

US Uranium Reserve - \$1.5B requested over 10 years to establish domestic uranium reserve - \$75M appropriated for Fiscal 2021

**Department of Interior – uranium declared a “Critical Mineral” vital to the Nation’s economic and national security**

Nuclear Fuel Working Group - strategy designed to restore America’s competitive nuclear advantages

Russian Suspension Agreement Extended to 2040 – limits and reduces imports of uranium from Russia



# Global Uranium Environment

- ▶ 154 nuclear reactors under construction or planned – 35% of current operating nuclear fleet
- ▶ China/India/Middle East/Russia – accelerating nuclear growth plans
- ▶ Japan – 10 reactors restarted and 16 additional reactors have applied for restarts
- ▶ US – heavy reliance on nuclear power
  - 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**

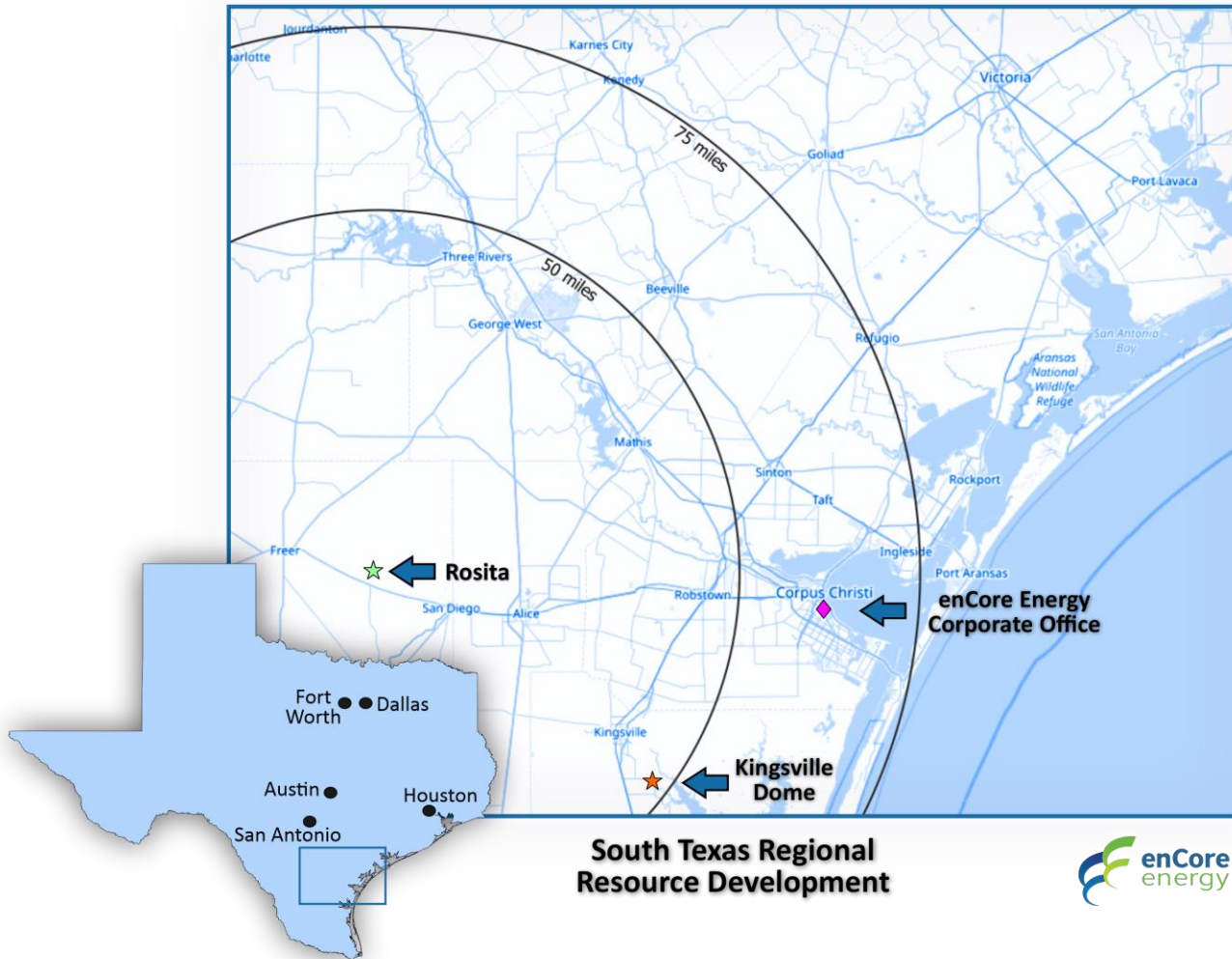
**2021: EXPECTED  
DEMAND OF  
181Mlbs**

**2021: EXPECTED  
PRIMARY SUPPLY  
OF 126Mlbs**

# Texas Uranium Assets

## Texas

- ▶ 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 remaining<sup>3</sup>
  - The USGS estimates the potential to discover an additional 220 million pounds<sup>4</sup>



# Near Term Growth Production

## 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 reasonable capital costs; not limited by current permits
- ▶ Rosita CPP received a full refurbishment and drying capacity in 2008
  - Additional refurbishments already underway with scheduled completion in Q3-2022; lowest cost and fastest timeline to return to commercial production capability, Texas plants are not restricted by permitting as to annual production rates
- ▶ Kingsville Dome CPP received a full refurbishment in 2005
- ▶ Both plants are designed to process feed from multiple satellite operations



# Near Term Growth

## Texas Resource Development

- ▶ Existing wellfield with production resources at Rosita
- ▶ 8 – 1,000 GPM Satellite IX plants that are readily relocatable and combined to new development areas
- ▶ Butler Ranch exploration project (with 1,600 drill holes) already provides significant Historic Mineral Resources to be confirmed using NI 43-101 standards
- ▶ Acquired Upper Spring Creek Project that was previously permitted and licensed, but never produced, with resources that will provide near term uranium feed for the Rosita CPP
- ▶ Actively evaluating additional acquisition opportunities with an emphasis on near-term production potential

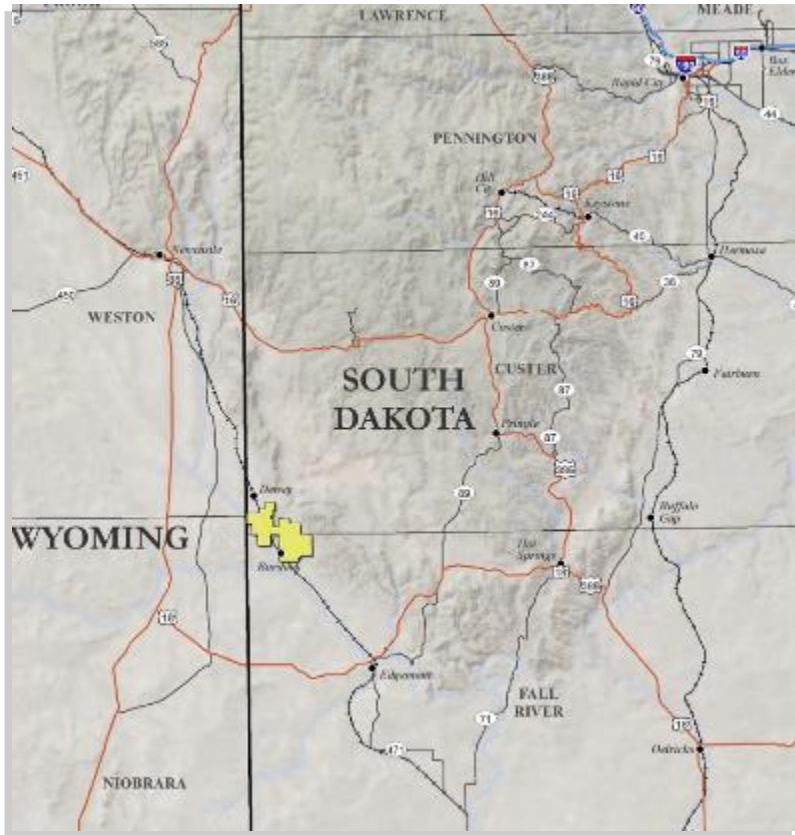


Exploration drilling in South Texas



1,000 GPM Satellite IX Plant located at Kingsville Dome.





# Dewey Burdock ISR Project

## South Dakota

- ▶ Edgemont uranium district in southwest South Dakota, approximately 60 miles from Cameco's Crow Butte mine in Nebraska
- ▶ Mineral rights and surface rights covering approximately 16,960 acres and 12,610 acres, respectively
- ▶ Well served by infrastructure:



Sixteen miles from Edgemont, serviced by two lane, all weather gravel road



Major power lines located across the project; 15 miles of 69kV power line to be built for central processing plant



Two approximately 3,000 foot wells to be drilled on site to pump water from the Madison Formation

## NI 43-101 Compliant ISR Resource

- ▶ Measured mineral resource & Indicated mineral resource: 17,122,147 lbs at avg. grade of 0.116%
- ▶ Inferred mineral resource: 712,624 lbs at avg. grade of 0.055%

Source: Dewey Burdock Technical Report and PEA (see Appendix). Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

# Robust Project Economics

## Dewey Burdock, South Dakota

- ▶ Initial capital costs of US\$31.7m is 'sector leading' for a project of this size
- ▶ Pre-tax IRR of 55% at US\$55/lb long-term uranium price (post-tax IRR of 50%)
- ▶ Strong project economics at low uranium prices; pre-tax IRR 17% at US\$35/lb long-term uranium price

Mine Life	16 years (incl. 2 year ramp-up)
Annual Production	1.0 Mlbs/yr
LOM Production	14.3 Mlbs
Initial Capital Costs	US\$31.7M (US\$2.22/lb)
Cash Operating Costs	US\$10.46/lb
- Plant and well field operation	US\$7.58/lb
- Restoration / de-commissioning	US\$1.17/lb
- Site management / overhead	US\$1.71/lb
Local Taxes & Royalties	US\$5.15/lb
Sustaining Capital Costs	US\$11.05/lb
Pre / Post Tax NPV8%*	US\$171.3M / US\$147.5M
Pre / Post Tax IRR*	55% / 50%



Proposed Dewey Burdock Wellfield Site, South Dakota

\* Economics at a uranium price of US\$55/lb U<sub>3</sub>O<sub>8</sub>.

Source: Dewey Burdock Technical Report and PEA (see Appendix); the Dewey Burdock Technical Report and PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would categorize them as Mineral Reserves. There is no certainty that the results of the Dewey Burdock Technical Report and PEA will be realized. Mineral Resources that are not mineral reserves do not have demonstrated economic viability. See the Dewey Burdock Technical Report and PEA for the basis for the preliminary economic assessment and any qualifications and assumptions.

# Gas Hills ISR Project

## Wyoming

### NI 43-101 Compliant ISR Resource

- ▶ Measured mineral resource & Indicated mineral resource: 7,705,610 lbs at avg. grade of 0.101%
- ▶ Inferred mineral resource: 427,817 lbs at average grade of 0.052%



### Uranium Development in a Historic Uranium District

- ▶ Located in Fremont and Natrona Counties, WY
  - Wyoming has long history of successful ISR operations and is an Agreement state with positive permitting timelines
- ▶ 100% ownership; road, power, natural gas and water access available nearby
- ▶ Historic cumulative production of ~100 Mlbs U3O8 in the district, mostly from open pit mining (1957-1989)
- ▶ Sandstone hosted roll-front uranium mineralization
- ▶ Bottle roll and column leach tests indicate uranium recoveries of approximately 90%

Source: Gas Hills Technical Report and PEA (see Appendix). Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

# Gas Hills ISR Project, Wyoming

## 2021 PEA Results

Mine Life	7 years
Annual Production	1.0 Mlbs/yr
LOM Production	6.5 Mlbs
Initial Capital Costs	US\$26.0M (US\$3.99/lb)
Cash Operating Costs	US\$11.52/lb
- Plant and well field operation	US\$5.83/lb
- Resin processing and transport	US\$2.55/lb
- Restoration / de-commissioning	US\$1.38/lb
- Site management / overhead	US\$1.76/lb
Local Taxes & Royalties	US\$3.62/lb
Sustaining Capital Costs	US\$9.07/lb
Pre / Post Tax NPV8%*	US\$120.9M / US\$102.6M
Pre / Post Tax IRR*	116% / 101%



Gas Hills, Wyoming

- ▶ Potential satellite project to Dewey Burdock ISR Project
- ▶ Pre-tax IRR of 116% at US\$55/lb long-term uranium price (post-tax IRR of 101%)
- ▶ Attractive project economics at low uranium prices; pre-tax IRR 44% at US\$35/lb long-term uranium price

\* Economics at a uranium price of US\$55/lb U3O8.

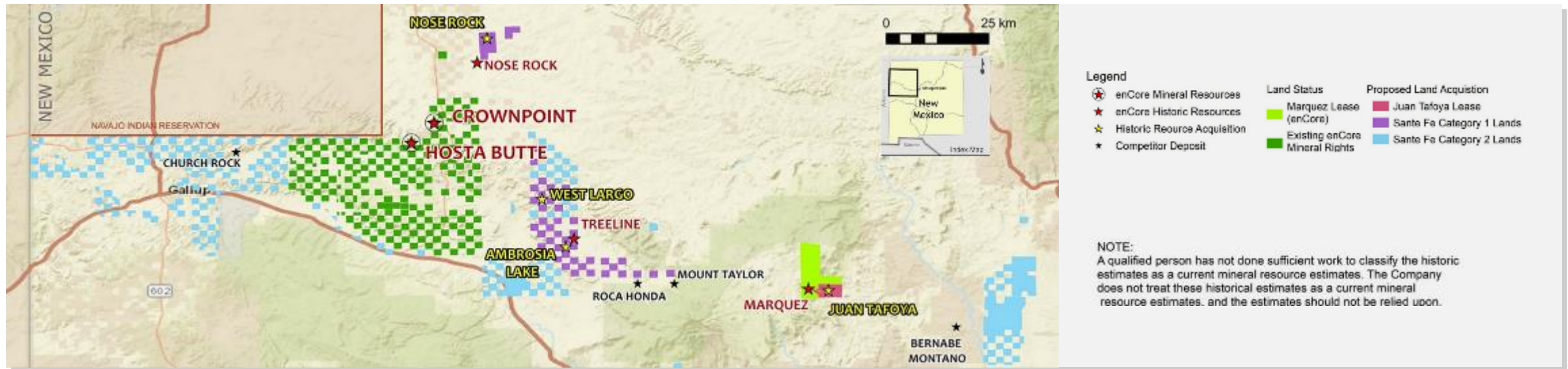
Source: Gas Hills Technical Report and PEA (see Appendix); the Gas Hills Technical Report and Preliminary Economic Assessment is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would categorize them as Mineral Reserves. There is no certainty that the results of the Gas Hills Technical Report and PEA will be realized. Mineral Resources that are not mineral reserves do not have demonstrated economic viability. See the Gas Hills Technical Report and PEA for the basis for the preliminary economic assessment and any qualifications and assumptions.



# Dominant New Mexico Position: America's Kazakhstan

Several properties already identified as amenable to ISR, consistent with enCore's 'ISR First' strategy

- ▶ New Mexico's Grants Uranium District has produced ~350Mlbs U<sub>3</sub>O<sub>8</sub>, or nearly 40% of all uranium mined in the US and is one of the largest uranium districts in the world
- ▶ Additionally, over 400Mlbs of unmined mineralization has been identified and several projects are being advanced towards production<sup>5</sup>
- ▶ 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
- ▶ Total resource endowment of 44.7Mlbs of Indicated mineral resources, 6.1Mlbs of Inferred mineral resources, plus an additional 61.8Mlbs of historic mineral resources\*



\*A Qualified Person (as defined in NI43-101) 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 resource and it should not be relied upon.

# New Mexico: Crownpoint & Hosta Butte Project

- ▶ A large ISR-amenable project that hosts 26.6Mlbs Indicated mineral resource (12.68Mt at 0.105% eU<sub>3</sub>O<sub>8</sub>) and 6.1Mlbs Inferred mineral resource (2.76Mt at 0.110% eU<sub>3</sub>O<sub>8</sub>)<sup>1</sup>
- ▶ Crownpoint is permitted under Laramide Resources Ltd.'s Nuclear Regulatory Commission License to recover up to 3 million pounds per year
- ▶ Located within 5 miles of 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 Estimate<sup>1</sup>

	Resource Category	Million Tons	Grade eU <sub>3</sub> O <sub>8</sub> %	Attributable U <sub>3</sub> O <sub>8</sub> (Mlbs)
Crownpoint	Indicated mineral resource	7.88	0.102	16.1
Hosta Butte	Indicated mineral resource	4.80	0.109	10.5
<b>Total Indicated Mineral Resource</b>		<b>12.68</b>	<b>0.105</b>	<b>26.6</b>
Crownpoint	Inferred mineral resource	0.71	0.105	1.5
Hosta Butte	Inferred mineral resource	2.05	0.112	4.6
<b>Total Inferred Mineral Resource</b>		<b>2.76</b>	<b>0.110</b>	<b>6.1</b>

# Investment Summary



The premier ISR uranium developer in the USA



Pipeline of advanced development projects



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



Leading land position in New Mexico with large endowment of resources



Two uranium production facilities in Texas with potential for expansion



A consolidation agenda modelled after the success of Energy Metals Ltd





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