

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
enCore Energy Corp. (as acquirer of Azarga Uranium Corp.)		98-1573653	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Carrie Mierkey	361-239-5450	Cmierkey@encoreuranium.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
101 N. Shoreline Blvd, Suite 450		Corpus Christi, TX 78401	
8 Date of action		9 Classification and description	
December 31, 2021		Common shares; common share stock options and purchase warrants	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
29259	N/A	TSXV:EU, OTCQB:ENCUF	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On December 31, 2021, pursuant to the definitive arrangement agreement dated September 7, 2021, enCore Energy Corp. ("enCore") has acquired all of the issued and outstanding common shares of Azarga Uranium Corp. ("Azarga Uranium") on the basis of 0.375 common shares of enCore for each Azarga Uranium share (the "Arrangement"). Outstanding warrants and options to purchase common shares of Azarga Uranium were deemed to be exchanged for options and warrants to purchase common shares of enCore and were adjusted in accordance with their terms based on the exchange ratio.

The Arrangement is described in the October 22, 2021 Management Information Circular (the "Circular"), which is available on www.sedar.com.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The exchange of Azarga Uranium common shares and purchase warrants for enCore common shares and purchase warrants is intended by the Company to qualify under Internal Revenue Code (IRC) §368(a) as a non-taxable transaction. As a result, the holder's U.S. tax basis in each enCore common share or common share purchase warrant received in the Arrangement will generally equal the original tax basis of the holder's Azarga Uranium common share or common share purchase warrant exchanged.

Shareholders are urged to refer to the "CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS FOR SHARERS – HOLDERS RESIDENT IN CANADA & HOLDERS NOT RESIDENT IN CANADA" sections of the Circular and to consult with their own tax advisor regarding the consequences of the Arrangement including the applicability and effect of all U.S. federal, state and local and non-U.S. tax laws.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Not applicable.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____
IRC § 368(a)

18 Can any resulting loss be recognized? ▶ **Not applicable.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____
The Arrangement was completed on December 31, 2021. For an Azarga Uranium shareholder whose taxable year is the calendar year, the reportable tax year is 2021. For an Azarga Uranium shareholder whose reporting taxable income on a basis other than calendar year, the reportable year is the shareholder's fiscal year that includes December 31, 2021.

THE INFORMATION ABOVE IS NOT TAX ADVICE, AND IT IS NOT A COMPLETE ANALYSIS OR DESCRIPTION OF EVERY POTENTIAL U.S. FEDERAL INCOME TAX CONSEQUENCE OR ANY OTHER TAX CONSEQUENCE OF THE ARRANGEMENT. IN ADDITION, THE INFORMATION ABOVE DOES NOT ADDRESS U.S. FEDERAL INCOME TAX CONSEQUENCES THAT MAY VARY WITH, OR ARE CONTINGENT ON, INDIVIDUAL CIRCUMSTANCES, NOR DOES IT ADDRESS ANY U.S. NON-INCOME, STATE, LOCAL OR NON-U.S. TAX CONSEQUENCES. ACCORDINGLY, EACH STOCKHOLDER IS URGED TO CONSULT WITH HIS, HER OR ITS OWN TAX ADVISOR TO DETERMINE THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO HIM, HER OR IT OF THE ARRANGEMENT.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ Carrie Mierkey Date ▶ 01/18/2022
Print your name ▶ **CARRIE MIERKEY** Title ▶ **Chief Financial Officer**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.