



**ENCORE ENERGY CORP.**

**CHARTER OF THE AUDIT COMMITTEE**

**(As approved by the Board on August 17, 2022 and amended on January 11, 2023)**

The responsibilities and composition requirements of audit committees are as set out in the Canadian Securities Administrators' National Instrument 52-110 Audit Committees ("NI 52-110"), the listing rules of the TSX Venture Exchange and the NYSE American LLC, as applicable (the "**Listing Rules**") and the rules and regulations promulgated by the Canadian Securities Administrators and the United States Securities and Exchange Commission ("**SEC**").

**Audit Committee Mandate**

The Audit Committee (the "**Committee**") is a committee established and appointed by and among the Board of Directors (the "**Board**") of enCore Energy Corp. (the "**Company**") to assist the Board in fulfilling its financial oversight responsibilities of the Company. In so doing, the Committee provides an avenue of communication among the independent external auditor, management, and the Board. The Committee's purpose is to review, consider and ensure the integrity of financial reporting and the audit process, and that sound risk management and internal control systems are developed and maintained. In pursuing these objectives, the Audit Committee oversees relations with the independent external auditor and the accounting and financial reporting processes of the Company and audits of financial statements of the Company.

**Responsibilities**

The Committee's primary duties and responsibilities are as follows:

1. The appointment, compensation, retention and oversight of the independent external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including approval, prior to the auditor's audit, of the auditor's work plan and scope of the auditor's review and all related fees. The external auditor shall report directly to the Committee. In carrying out this duty, the Committee shall be directly responsible for:
  - (a) nominating the external auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
  - (b) reviewing (by discussion and enquiry) the external auditors' proposed audit scope and approach;
  - (c) reviewing the performance of the external auditor and determining the appointment or discharge of the external auditors;
  - (d) determining the compensation to be paid to the external auditors; and
  - (e) reviewing and confirming the independence of the external auditors by reviewing the non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) provided and the external auditors' assertion of their independence in accordance with professional standards.

2. Overseeing the work of the independent external auditor engaged to prepare or issue an audit report or perform other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. Consulting with the Company's Chief Financial Officer for the hiring of any Member of the Audit Engagement Team to a Financial Reporting Oversight Role in the Company (as such terms are defined in the Company's Policy for Hiring Members (or Former Members) of Independent Public Auditors).
4. Pre-approving all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor.
5. Delegating, at the Committee option, to one or more independent members of the Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Committee at its next scheduled meeting.
6. Reviewing the Company's annual financial statements, management's discussion and analysis ("MD&A"), auditor's report (if any) prepared in relation to those financial statements, and annual earnings press releases, and any other set of financial statements which will be released to shareholders, other security holders or regulatory agencies and/or which will form part, either directly or by reference, of any registration statement, including a prospectus or prospectus supplement, offering circular, information circular, proxy statement, annual information form ("AIF"), or annual report filed with the SEC, British Columbia Securities Commission (the "BCSC") or any other securities regulatory authority, before recommending them to the Board for approval and before such documents are published and publicly disclosed by the Company. In carrying out this duty, the Committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions;
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate;

Annual Financial Statements

- (c) prior to public disclosure, review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
  - (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
  - (e) review MD&A respecting the annual reporting period prior to its public disclosure.
7. Reviewing and approving the Company's interim financial statements, MD&A and interim earnings press releases or quarterly reports filed with the SEC, BCSC or any other securities regulatory authority and report to the Board, before such documents are published and publicly disclosed by the Company.
  8. In accordance with the Company's Corporate Disclosure Policy, reviewing all financial material documents and certain disclosures in advance of their public release by the Company.
  9. Satisfying itself that adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the Committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
  - (b) ensure that the external auditors discuss with the Committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.
10. The Committee must satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in 5 above, and must periodically assess the adequacy of those procedures.
11. Establishing procedures (the "**Whistleblower Policy**") for:
- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
12. Reviewing and evaluating the Company's Whistleblower Policy on a periodic basis to determine whether it is effective in providing a confidential and anonymous procedure to report violations or Complaints regarding accounting, internal accounting controls or auditing matters. The Chair of the Committee will review and consider any complaints or concerns submitted in accordance with the Whistleblower Policy and the Company's Code of Business Conduct and Ethics.
13. Reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditors of the Company.
14. Ensuring the receipt from the external auditor of a formal written statement delineating all relationships between the auditor and the Company, consistent with Independence Standards Board Standard 1 or the standards set by the Public Company Accounting Oversight Board (the "**PCAOB Standards**"), as applicable, actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may affect the objectivity and independence of the auditor and for taking, or recommending that the full Board take, appropriate action to oversee the independence of the external auditor.
15. Prior to the completion of the annual audit, and at any other time deemed advisable by the Committee, reviewing and discussing with management and the external auditor the quality of the Company's accounting policies and financial statement presentation, including (without limitation) the following:
- (a) all critical accounting policies and practices to be used, including without limitation the reasons why certain estimates or policies are or are not considered critical and how current and anticipated future events may affect those determinations, as well as an assessment of any proposed modifications by the external auditor that were not made;
  - (b) all alternative accounting treatments for policies and practices that have been discussed by management and the external auditor; and
  - (c) other material written communications between the external auditor and management, including (without limitation) any management letter, schedule of unadjusted differences, the management representation letter, report on internal controls, as reported to the Committee by the Chief Financial Officer on an annual basis, or more frequently if required (to include, at a minimum, an evaluation and status of remediation of any significant deficiencies or material weaknesses, if any), as well as the engagement letter and the independence letter.

16. Reviewing annually the accounting principles and practices followed by the Company and any changes in the same as they occur, and reviewing new accounting principles of the Chartered Professional Accountants Canada and the International Financial Reporting Standards or under the United States generally accepted accounting principles (“GAAP”), or PCAOB Standards, as applicable, that have a significant impact on the Company’s financial reporting as reported to the Committee by management.
17. Reviewing the status of material contingent liabilities, potentially significant tax issues, and any errors or omissions in the current or prior years’ financial statements that appear material, as reported to the Committee by management.
18. Overseeing management’s design, testing, implementation and maintenance of the Company’s internal controls and management information systems and reviewing the adequacy and effectiveness thereof.
19. Ensuring that significant findings and recommendations made by management and external auditor are received by the Committee and discussed on a timely basis.
20. Overseeing and enforcing the Code of Ethics for the Chief Executive Officer, senior financial officers and other officers of the Company, subject to supervision by the Board.
21. Querying management and the external auditor as to any activities that may appear to be illegal or unethical, and review with management and the external auditor any frauds reported to the Committee, as appropriate.
22. Reviewing the results of the annual fraud risk assessment conducted by executive management, with participation from legal, finance, information systems and operations, for the purpose of ensuring that significant fraud risks, if any, are sufficiently identified, properly prioritized, effectively mitigated by internal controls and consistently monitored.
23. Confirming on an annual basis whether the objectives of the fraud risk assessment have been achieved.
24. Reporting and making recommendations to the Board, as the Committee considers appropriate.
25. Approving the Company’s Disclosure Controls and Procedures and review report from the Disclosure Committee regarding the Company’s Corporate Disclosure Policy and Disclosure Controls and Procedures.
26. Performing other oversight functions as requested by the Board.

#### **Authority of the Committee**

The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors engaged by it. The Company must also provide for appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the board of directors, for payment of ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Committee shall also have the authority to communicate directly with the independent external auditor.

#### **Composition**

The Committee members shall meet the requirements of the BCSC, the TSX Venture Exchange (the “TSXV”), the SEC and the NYSE American LLC, as required. The Audit Committee shall consist of at least three (3) Directors. All members of the Audit Committee shall be “independent” in accordance with NI 52-110, the Listing Rules and Rule 10A-3 of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”) and shall meet all other requirements of the Listing Rules. All members must be able to read and understand fundamental financial statements (including a company’s balance sheet,

income statement, and cash flow statement), the Chair of the Audit Committee shall be “financially literate” as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three-month period in which to achieve the required level of literacy. An individual will be considered financially literate if he or she has the ability to understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be expected to be raised by the Company's financial statements. At least one member of the Committee must qualify as an “Audit Committee Financial Expert,” as defined from time to time by the SEC, which member shall also thereby qualify as “financially sophisticated,” in that he or she has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including but not limited to being or having been a chief executive officer, chief financial officer, other senior officer with financial oversight responsibilities. A quorum shall consist of not less than two (2) members of the Audit Committee.

The Board shall designate the Chair of the Committee annually. Any member of the Committee may be removed or replaced at any time by the Board. Any member of the Committee ceasing to be a director or ceasing to qualify as a member under any applicable law, rule or regulation shall cease to be a member of the Committee. Subject to the foregoing, each Member of the Committee shall hold office as such until the next annual appointment of members to the Committee after his or her election. Any vacancy occurring in the Committee shall be filled at the next meeting of the Board.

### **Remuneration**

No member of the Committee may earn fees from the Company or any of its subsidiaries other than directors' fees or committee member fees (which fees may include cash, options or other in-kind consideration ordinarily available to directors). For greater certainty, no member of the Committee shall accept any consulting, advisory or other compensatory fee from the Company.

### **Meetings & Operating Procedures**

- The Committee shall meet on at least a quarterly basis annually (i.e., a minimum of four (4) times per year) for regular meetings, or more frequently as circumstances dictate for special meetings. The times of and places where meetings of the Committee shall be held and the calling of and procedures at such meetings shall be determined from time to time by the Committee. Special meetings shall be convened whenever requested by the external auditor, the Chair, or any two (2) members of the Audit Committee.
- Regular meetings shall be called by the Chair of the Committee so as to allow the Committee to review the annual and interim consolidated financial statements and related disclosures of the Company prior to approval of the statements by the Board, as required, and prior to the release of the annual financial statements, the MD&A or the interim reports to shareholders, as applicable.
- Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee (and to the external auditor of the Company, when applicable, so that the auditor shall be entitled to attend) at least 48 hours prior to the time fixed for such meeting; provided, however, that a member may waive notice of a meeting, and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
- The Committee may invite such officers, directors and employees of the Company, as it may see fit from time to time, to attend meetings of the Committee and assist in the discussion and consideration of any matters under consideration by the Committee.
- A quorum shall be a majority of the members.

- In the absence of the Chair of the Committee, the members shall appoint an acting Chair.
- The Committee shall, at the start of the meeting or portion thereof, appoint a secretary, who need not be a director or officer of the Company, for the purposes of recording the minutes of the meeting or portion of the meeting.
- The Committee shall maintain minutes or other records of its meetings and activities. A copy of the minutes of each meeting of the Committee shall be made available, upon request, to each member of the Committee and to each Director of the Company.
- The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- The Committee, in consultation with management and the external auditors, as applicable, shall develop and participate in a process for review of important financial topics that have the potential to impact the Company's financial policies and disclosures.
- The Committee shall communicate its expectations to management and the external auditor with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditor, as applicable, in advance of meeting dates.
- The Committee chair may meet privately with the external auditor on a quarterly or as-needed basis (including any meeting at which financial statements are approved in the absence of management) to discuss any matters that the Committee or its chair believe should be discussed.
- The Committee shall meet at least annually with the Company's Chief Financial Officer and external auditor in separate executive sessions.
- In addition, the Committee, or at least its Chair, should communicate with management and the external auditor, as applicable, quarterly to review the Company's financial statements and significant findings based upon the external auditor's limited review procedures.
- The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities and make any adjustments, as needed, for the effective governance of the Committee and performance of its role and responsibilities.
- The Committee expects that the external auditor, in discharging its responsibilities to the shareholders, shall be accountable to the Board through the Committee. The external auditor shall promptly report all material issues or potentially material issues to the Committee.

### **Review Procedures**

The Committee shall review and reassess the adequacy of this Charter at least annually, submit any proposed changes to the Board for approval, and ensure that it is in compliance with all applicable TSXV, BCSC, SEC and the Listing Rules, as they may change over time.