



enCorp Energy Corp.

## Environmental, Social and Governance Matters

The long-term success of the Company requires the integration of sustainability into all aspects of our business. Leading environmental, social and governance performance is strongly correlated to strong financial performance and creation of long-term value for our shareholders and other stakeholders. This includes striving to meet the highest standards, contributing toward sustainable development and serving as responsible natural resource stewards to ensure we make positive and lasting impacts on the communities and nations where we operate. enCore is responsible to its shareholders, governments, and community stakeholders as we advance projects forward.

enCore considers appropriate best practices and innovative methods to meet and exceed these responsibilities, within our financial means, to best serve our shareholders' interests and align our Company with the communities where we live and work.

### Environment

enCore is a development company that is committed to be a uranium production company. Uranium is the only fuel that is used for the clean air generation of electricity using nuclear power. Currently, in the U.S., nuclear power generates almost 20% of all the country's electricity. At the same time, it represents 55% of the clean energy generated in the U.S. The advantage of nuclear power is that it can generate this electricity with a relatively small footprint. As a comparison, a 40-acre nuclear power generating station will produce 1,000 MWe at nearly 100% capacity, and on a capacity basis, an equivalent wind generation facility would require almost 400,000 acres of land. Uranium, as a source of energy, provides similar benefits. According to the Department of Energy, one fuel pellet (the size of a pencil eraser) consisting of 4.95% U235 nuclear fuel has the same energy content as 17,000 cubic feet of natural gas, 3 barrels of oil, and one ton of coal.

enCore is committed to producing uranium in a manner that limits environmental impacts and serves to return the environment to conditions that existed prior to commencement of production. As a result, we are focused on in-situ recovery ('ISR') technology to extract uranium. ISR is a lower cost method of uranium extraction with minimal disturbance to existing natural conditions, leaving the host rocks 'in place.' This process has demonstrated superior environmental performance, especially in contrast to underground and open pit mining, and milling. The ISR process eliminates the need to blast, excavate and haul ore using large excavation equipment that can have long truck haul distances that require the consumption of significant quantities of fossil fuels, and often require the surface discharge of large quantities of water and dust emissions as well as large waste rock dumps. Existing uranium mills require large areas for the disposal of tailings, and significant emissions are derived from the processing circuits that are released to the environment. In contrast, the production facilities operated by enCore incorporate leading technologies for reducing and eliminating releases to the environment. As a result, the differences are significant and meaningful for everything from permitting to operations to reclamation. Using ISR technology to produce uranium, enCore is able to leverage the demonstrated environmental protections inherent in the process to produce a yellowcake uranium product that is used to fuel America's nuclear fleet for the generation of 55% of the country's clean energy.

The ISR technology uses injection and recovery wells constructed into a uranium ore body where a chemically benign solution of natural groundwater mixed with oxygen and sodium bicarbonate, similar in chemical strength as club soda. Using pipelines, the resulting uranium bearing water is returned to an ion exchange

facility, where the uranium is removed from the circulating groundwater, and the groundwater is reused for continued uranium recovery. The uranium is removed from the resin using a regeneration process that is commonly used in the water treatment industry. Then using limited quantities chemicals, the uranium is precipitated, dried and packaged. This process is conducted wet, and there are no measurable air emissions from the process. Once the uranium is depleted in the ore body, the groundwater is restored to water quality that matches the quality of use prior to mining. Then the injection and recovery wells are plugged, the infrastructure is removed, and the land and water are returned to their prior use. Throughout this process, groundwater quality and the surrounding environment is monitored using a network of monitor wells and environmental monitoring stations.

The environmental advantages offered by ISR to produce uranium from construction, through production, and for reclamation ultimately allow for a minimal residual footprint throughout the mining cycle without the need for moving massive quantities of waste rock for backfill or a permanent impoundment containing tailings that must be monitored in perpetuity. We operate solely in the United States, where the most advanced environmental and safety regulations are in effect compared to the rest of the world.

enCore Energy is committed to environmental performance, and we do this by:

- managing production operations using best practices and innovative technologies, to protect underground sources of drinking water.
- managing and monitoring our production facilities using best practices and innovative technology to minimize and eliminate potential emissions and releases that have the potential to impact the environment or the public.
- managing our activities for exploration, development, production, and reclamation to minimize our environmental footprint and limit land disturbance.
- treating groundwater impacted by our uranium production activities and restore it to the water quality or class of use that existed prior to production.
- supporting nuclear energy by reliably supplying uranium for the generation of clean air energy, which:
  - Is carbon-free. It is the largest source of carbon-free electricity in the United States and protects air quality by generating electricity without other harmful emissions.
  - Is a zero-emission clean energy source. According to the Nuclear Energy Institute (NEI), the United States avoided more than 476 million metric tons of carbon dioxide emissions in 2019.
  - Produces minimal waste. All the used nuclear fuel produced by the U.S. nuclear energy industry over the last 60 years would fit on a football field to a height of less than 10 yards.
  - Is reliable. Nuclear power plants are the most efficient source of electricity, operating 24/7 at a more than 93 percent average capacity factor. That's more than two times the capacity factor of any other carbon-free source.

## Social

At enCore, we begin by creating a strong, united workforce with a commitment to safety as a way of life. Safety is our first value and leading measure of excellence, and our governing Safety Principles apply to our employees, contractors, visitors, and vendors at our sites, and to any location where an employee is engaged in work activities. We approach safety with both vigilance and humility, understanding that incident-free workplaces can be achieved only by accountability and continuous improvement at all levels of our organization.

We seek a workforce that is comprised of diverse backgrounds, thoughts, and experiences. Our company strives to attract and retain the best people, develop their potential, and align their skills to important initiatives and activities. We believe in fostering an inclusive work environment built on mutual trust, respect, and engagement. And we invest in our employees through health and wellness programs, competitive benefits, and development opportunities. Empowered employees can empower others.

At enCore, we provide an essential product that enables economic prosperity and a better quality of life for individuals and communities worldwide. We are also providing employment opportunities, payroll taxes, royalties, and charitable contributions for the local communities where our employees live and work. Together, that economic activity generates throughout the value chain indirect economic benefits into the communities where we operate that supports direct contributions that create jobs and strengthen communities, including wages, taxes, capital investments and vendor contracts.

The Company enCore is committed to working with local communities and indigenous governments to create positive impact from corporate developments.

## **Governance**

enCore has corporate, health, safety, and environmental policies in place to ensure a safe workplace that is respectful of our employees. Our health and safety policies are reviewed with regulators to ensure compliance and to protect our employees, communities, and shareholders. Our environmental policies address important issues including groundwater protection, waste minimization, and zero discharges. enCore will also assure that it maintains financial responsibility for groundwater restoration, decommissioning, reclamation, and release for unrestricted use as our activities grow and advance.

Executive compensation is managed by an independent compensation committee with pay structures designed to reflect industry standards. Management represents a large percentage of ownership and are motivated to make strategic business decisions designed to create benefit for all our shareholders.

Corporate governance policies range from a Code of Conduct and social media guidelines to the prevention of insider trading and sharing of confidential information. We have policies in place to ensure we do not expose the Company to bribery, extortion and money laundering. Additional information is contained below.