

# enCore Energy Corp.

TSX.V:EU

**enCore Energy Corp.**  
**(formerly Wolfpack Gold Corp.)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited - Expressed in Canadian Dollars)**

**FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014**

**Notice of Non-review of Condensed Interim Consolidated Financial Statements**

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The attached condensed interim consolidated financial statements for the three months ended March 31, 2015 and 2014 have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

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**enCore Energy Corp. (formerly Wolfpack Gold Corp.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As at March 31, 2015 and December 31, 2014  
(Expressed in Canadian Dollars)

	Notes	March 31, 2015	December 31, 2014
		(Unaudited)	
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 328,660	\$ 425,500
Receivables and prepaid expenses		41,372	67,687
Marketable securities	5	389,470	308,103
		759,502	801,290
<b>Mineral properties</b>	4, 7	2,730,415	2,495,461
		\$ 3,489,917	\$ 3,296,751
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	8	\$ 143,327	\$ 167,391
		143,327	167,391
<b>Shareholders' equity</b>			
Share capital	9	20,811,938	20,811,938
Contributed surplus		749,237	749,237
Accumulated other comprehensive income		718,946	400,404
Deficit		(18,933,531)	(18,832,219)
		3,346,590	3,129,360
		\$ 3,489,917	\$ 3,296,751

APPROVED BY THE BOARD OF DIRECTORS:

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"William M. Sheriff" Director

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"William B. Harris" Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

**enCore Energy Corp. (formerly Wolfpack Gold Corp.)**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE INCOME

For the three months ended March 31, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

	Notes	March 31, 2015	March 31, 2014
<b>Expenses</b>			
General and administrative		24,049	88,248
Professional fees		43,149	13,745
Staff costs	10	35,365	66,261
Mineral exploration and evaluation costs		47,661	—
		(150,224)	(168,254)
<b>Other items</b>			
Other Income		45,207	18,209
Realized gain/(loss) on sale of marketable securities	5	3,705	(14,899)
Change in fair value of marketable securities		—	112,500
Change in fair value of embedded derivative		—	(6,984)
Write-down of mineral properties		—	(3,187,343)
		\$ (101,312)	\$ (3,246,771)
<b>Loss for the period</b>			
<b>Other comprehensive income (loss)</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
Exchange differences on translating foreign operations		\$ 219,824	\$ (3,884)
Reclassification of realized gain on sale of marketable securities	5	(3,705)	383,389
Gain (loss) on marketable securities		102,423	(14,899)
		\$ 318,542	\$ 364,606
<b>Other comprehensive income for the period</b>			
		\$ 217,230	\$ (2,882,165)
<b>Comprehensive income for the period</b>			
		\$ 0.00	\$ (0.07)
<b>Basic and diluted loss per common share</b>			
		57,242,750	49,897,750
<b>Weighted average number of common shares outstanding</b>			

The accompanying notes are an integral part of these condensed interim consolidated financial statements

**enCore Energy Corp. (formerly Wolfpack Gold Corp.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the three months ended March 31, 2015 and 2014  
(Unaudited - Expressed in Canadian Dollars)

	Notes	March 31, 2015	March 31, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss for the period		\$ (101,312)	\$ (3,246,771)
Items not affecting cash:			
Depreciation		—	3,979
Stock option expense		—	9,683
Write down of mineral properties		—	3,187,343
Realized (gain)/loss on sale of marketable securities	5	(3,705)	14,899
Change in fair value of marketable securities		—	(112,500)
Accretion of loan		—	(1,052)
Other		884	6,936
		<u>(104,133)</u>	<u>(137,483)</u>
Changes in non-cash working capital items:			
Receivables and prepaids		26,315	(14,339)
Accounts payable and accrued liabilities		(24,064)	44,893
		<u>(101,882)</u>	<u>(106,929)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in mineral properties		(16,014)	(273,401)
Proceeds from sale of marketable securities		21,056	485,581
Loan to Timberline	6	—	(552,700)
		<u>5,042</u>	<u>(340,520)</u>
<b>Decrease in cash during the period</b>		(96,840)	(447,449)
<b>Cash, beginning of the period</b>		425,500	5,202,931
<b>Cash, end of the period</b>		<u>\$ 328,660</u>	<u>\$ 4,755,482</u>

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**enCore Energy Corp. (formerly Wolfpack Gold Corp.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For the three months ended March 31, 2015 and 2014  
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
<b>Balance, December 31, 2013</b>	49,897,750	\$20,102,950	\$ 730,411	\$ 121,704	\$ (7,481,931)	\$ 13,473,134
Recapitalization transactions:						
Stock option expense	—	—	9,683	—	—	9,683
Loss and comprehensive loss for the period	—	—	—	364,606	(3,246,771)	(2,882,165)
<b>Balance, March 31, 2014</b>	49,897,750	\$20,102,950	\$ 740,094	\$ 486,310	\$ (10,728,702)	\$ 10,600,652
<b>Balance, December 31, 2014</b>	57,242,750	\$20,811,938	\$ 749,237	\$ 400,404	\$ (18,832,219)	\$ 3,129,360
Issued during the period:						
Loss and comprehensive loss for the period	—	—	—	318,542	(101,312)	217,230
<b>Balance, March 31, 2015</b>	57,242,750	\$20,811,938	\$ 749,237	\$ 718,946	\$ (18,933,531)	\$ 3,346,590

The accompanying notes are an integral part of these condensed interim consolidated financial statements

**1. NATURE OF OPERATIONS**

enCore Energy Corp. (formerly Wolfpack Gold Corp.) was incorporated on October 30, 2009 under the Laws of British Columbia. enCore Energy Corp., together with its subsidiaries (collectively referred to as the “Company” or “enCore”), is principally engaged in the acquisition and exploration of resource properties in the United States. The Company’s common shares trade on the TSX Venture Exchange under the symbol “EU.V.”

The Company’s head office is located at 11521 North Warren Street, Hayden, ID 83835, USA

**2. BASIS OF PRESENTATION**

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2014. The condensed interim consolidated financial statements have been prepared on a historical cost basis except for marketable securities which are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These financial statements were approved for issuance by the board of directors on May 13, 2015.

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when an investor has existing rights that give it the ability to direct the activities that significantly affect the investee’s returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a Company’s share capital. All significant intercompany transactions and balances have been eliminated.

The condensed interim consolidated financial statements include the financial statements of the Company and its significant subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity	Functional Currency
Tigris Uranium US Corp.	Nevada, USA	100%	Mineral Exploration	USD

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with IFRS requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management’s experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.

Although management uses historical experience and its best knowledge of the expected amounts, events or actions to form the basis for estimates, actual results may differ from these estimates.

The following significant accounting estimates and judgments were noted:

Critical accounting estimates:

- a) **The assessment of the recoverable amount of mineral properties as a result of impairment indicators** - When indicators of impairment are identified, recoverable amount calculations are based either on discounted estimated future cash flows or on comparable recent transactions. The assumptions used are based on management’s best estimates of what an independent market participant would consider appropriate. Changes in these assumptions may alter the results of impairment testing, the amount of the impairment charges recorded in the statement of income and the resulting carrying values of assets.

Critical accounting judgments:

- a) **The assessment of indicators of impairment for mineral properties** - The Company follows the guidance of IFRS 6 to determine when a mineral property asset is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the results of exploration and evaluation activities to date and the company’s future plans to explore and evaluate a mineral property.

**4. SALE OF SUBSIDIARY**

On August 15, 2014, the Company entered into an agreement with Timberline Resources Corporation ("Timberline") whereby Timberline acquired all of the outstanding shares of Wolfpack Gold (Nevada) Corp., a wholly owned subsidiary of the Company (the "Timberline Transaction"). The assets of Wolfpack Gold (Nevada) Corp included a significant amount of the Company's cash. The Timberline Loan (Note 6) was deemed to be repaid on closing of the Timberline Transaction. Timberline issued 42,932,063 common shares to the Company for pro rata distribution to shareholders. Each enCore shareholder of record on August 15, 2014 received 0.75 of a Timberline share for each share of enCore held at closing. The distribution of Timberline shares was accounted for as a dividend, calculated as \$5,795,829 based on the prevailing Timberline share price of \$0.135 on the date of the distribution.

The Company used the August 15, 2014 closing price of CDN\$0.135 per share to determine the fair value of the Timberline shares issued on August 15, 2014. The fair value of the Timberline shares issued on August 15, 2014 was determined to be \$5,795,829. Together with the deemed repayment of the Timberline Loan and accrued interest (\$1,104,703), the aggregate fair value of the consideration paid by Timberline was \$5,795,829. The consideration paid by Timberline for the shares of Wolfpack Gold (Nevada) Corp. was \$4,691,126.

The following table provides details of the assets and liabilities disposed of:

Cash and cash equivalents	\$	3,878,414
Receivables and prepaid expenses		24,557
Equipment		11,817
Reclamation bonds		379,608
Mineral properties		884,585
Accounts payable and accrued liabilities		<u>(8,206)</u>
Net assets sold		5,170,775
42,932,063 common shares of Timberline		5,795,829
Settlement of Timberline Loan (Note 6)		(1,083,300)
Settlement of Timberline Loan interest (Note 6)		<u>(21,403)</u>
Proceeds of disposition		<u>4,691,126</u>
Proceeds less net assets sold		(479,649)
Costs of disposal		(78,793)
Reclassifying cumulative exchange differences on translating foreign operations on sale of subsidiary		<u>235,708</u>
Loss on sale of subsidiary	\$	<u>(322,734)</u>

**5. MARKETABLE SECURITIES**

	Warrants	Shares	Total
Balance, December 31, 2013	\$ 93,750	\$ 1,009,490	\$ 1,103,240
Acquired by purchases	—	102,806	102,806
Disposal by sales	—	(1,135,636)	(1,135,636)
Realized gain on sales	—	163,090	163,090
Change in fair value	<u>(93,750)</u>	<u>168,353</u>	<u>74,603</u>
Balance, December 31, 2014	\$ —	\$ 308,103	\$ 308,103
Disposal by sales	—	(21,056)	(21,056)
Realized gain on sales	—	3,705	3,705
Change in fair value	—	<u>98,718</u>	<u>98,718</u>
Balance, March 31, 2015	<u>\$ —</u>	<u>\$ 389,470</u>	<u>\$ 389,470</u>



The Company has common shares of NexGen Energy Ltd. ("NexGen") and Timberline Resources Corp. ("Timberline").

During the three months ended March 31, 2015, the Company sold 31,000 common shares of NexGen for aggregate gross proceeds of \$15,190 and recorded a gain on sale of marketable securities of \$4,650 (2014: \$14,899 loss).

During the three months ended March 31, 2015, the Company sold 6,900 common shares of Timberline for aggregate gross proceeds of \$5,865 and recorded a loss on sale of marketable securities of \$945 (2014: \$nil).

On March 31, 2015, the NexGen common shares closed at \$0.52 per share (December 31, 2014: \$0.38 per share). On March 31, 2015, the Timberline common shares closed at \$0.74 per share (December 31, 2014: \$0.70 per share).

**6. TIMBERLINE LOAN**

	Loan	Derivative Component	Total
Balance, December 31, 2013	\$ —	\$ —	\$ —
Loans issued	1,061,576	39,424	1,101,000
Accretion	15,974	-	15,974
Foreign exchange loss	(12,743)	-	(12,743)
Change in fair value of derivate component	-	(20,931)	(20,931)
Deemed repayment (Note 4)	(1,064,807)	(18,493)	(1,083,300)
Balance, December 31, 2014	\$ —	\$ —	\$ —

As part of the Timberline Transaction (Note 4), the Company agreed to provide Timberline with funding for their working capital needs during the period prior to the completion of the Timberline Transaction. On March 14, 2014, the Company entered into a promissory note with Timberline for up to US\$1,000,000 (the "Timberline Loan"). On March 17, 2014, Timberline drew an initial US\$500,000 (\$552,700), on April 17, 2014, Timberline drew an additional US\$250,000 (\$276,625), and on May 30, 2014, Timberline drew the final US\$250,000 (\$271,675).

The Timberline Loan was settled on completion of the Timberline Transaction on August 15, 2014 (Note 4).

**Derivative Component**

The conversion feature of the Timberline Loan was an embedded derivative (the "Derivative Component") that was measured at fair value at recognition with changes in fair values included in income (loss). The Company measured the fair value of the Derivative Component using a valuation technique based on the Black-Scholes option pricing model and the expected probability that the conversion feature would become effective. The derivative was settled upon closing of the Timberline Transaction.

7. MINERAL PROPERTIES

	Crownpoint and Hosta Butte	Adelaide and Tuscarora	Castle Black Rock	Four Mile Basin	Other properties acquired from GPE	Other properties acquired from Seabridge	Other properties	Total
<b>Balance, December 31, 2013</b>	\$ 2,263,613	\$ 1,419,221	\$ 566,805	\$ —	\$ 1,858,893	\$ 809,751	\$ 33,041	\$ 6,951,324
Acquisition costs								
Shares	—	—	89,600	—	—	—	—	89,600
Exploration costs								
Assays and drilling	—	5,308	—	54,762	—	—	—	60,070
Camp	—	279	21	1,425	1,787	—	—	3,512
Maintenance fees	—	—	19,881	5,778	44,351	15,293	—	85,303
Other	20,545	83	99	965	13	422	—	22,127
Permitting	—	13,091	199	112	7,323	—	—	20,725
Advance royalties and option payments	—	—	49,334	13,156	45,496	—	—	107,986
Salaries, contractors and labour	—	49,900	15,119	14,248	29,925	5,804	1,086	116,082
Travel and accommodation	—	3,252	1,647	4,240	3,527	387	548	13,601
	20,545	71,913	86,300	94,686	132,422	21,906	1,634	429,406
Write down of mineral properties	—	(1,492,088)	(30,717)	(92,078)	(1,991,511)	(832,728)	(1,442)	(4,440,564)
Currency translation adjustment	211,303	954	132,968	(2,608)	196	1,071	6,401	350,285
Disposition on sale of subsidiary (Note 4)	—	—	(844,956)	—	—	—	(39,634)	(884,590)
<b>Balance, December 31, 2014</b>	\$ 2,495,461	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,495,461
Exploration costs								
Land and Maintenance fees	16,014	—	—	—	—	—	—	16,014
	16,014	—	—	—	—	—	—	16,014
Currency translation adjustment	218,940	—	—	—	—	—	—	218,940
<b>Balance, March 31, 2015</b>	\$ 2,730,415	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,730,415

**Crownpoint and Hosta Butte Properties**

In June 2012, the Company filed a National Instrument (“NI”) 43-101 Technical Report containing an updated resource estimate covering the Company’s Crownpoint and Hosta Butte Project (the “Project”) located in the Grants Uranium District of McKinley County, New Mexico, USA. The Company owns a 100% mineral interest in the region comprised of the approximately 113,000 acre McKinley Properties and adjacent 3,020 acre Crownpoint and Hosta Butte resource area.

The Crownpoint and nearby Hosta Butte resources occupy subparallel mineral trends within an approximate 3,020 acre (1,222 ha) property package controlled by the Company. At Crownpoint, the Company holds a 60% interest in a 140 acre portion of section 24. With the exception of the shared interest in section 24, enCore Energy holds a 100% mineral interest in the rest of the Crownpoint and Hosta Butte project area (2,880 acres) subject only to a 3% gross profits royalty on uranium produced.

8. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are as follows:

	March 31, 2015	December 31, 2014
Trade payables	\$ 137,006	\$ 134,041
Due to related parties (Note 10)	6,321	33,350
<b>Total</b>	<b>\$ 143,327</b>	<b>\$ 167,391</b>

**9. SHARE CAPITAL AND RESERVES**

**a) Authorized share capital**

Unlimited common and preferred shares without par value.

**b) Financings**

During the three months ended March 31, 2015, the Company had not completed any non-brokered private placements.

**c) Stock options**

The Company has adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The number of shares reserved for issuance under the plan shall not exceed 15% of the outstanding common shares at the time of the grant. The options can be granted for a maximum of five years and vest as determined by the board of directors.

At March 31, 2015, the Company has 5,379,166 stock options outstanding with a weighted average exercise price of 0.20, and zero warrants outstanding.

**10. RELATED PARTY TRANSACTIONS**

During the period ended March 31, 2015, the Company was charged \$13,908 in staff costs for the Chief Executive Officer.

These services were incurred in the normal course of operations for general corporate matters, attendance at committee and board meetings, as well as evaluating business opportunities. All services were made on terms substantially equivalent to those that prevail with arm's length transactions.

Key management includes the Chief Executive Officer of the Company. The compensation paid or payable to key management for services during the period ended March 31, 2015 and 2014 is as follows:

	2015	2014
Staff costs	\$ 13,908	\$ 28,174
Stock option expense	—	2,950
<b>Total key management compensation</b>	<b>\$ 13,908</b>	<b>\$ 31,124</b>

**11. SEGMENTED INFORMATION**

The Company operates in a single segment. Operations are primarily directed towards the acquisition, exploration and future development of mineral properties in the United States. The Company's mineral properties and equipment are located in the United States. The Company's cash is primarily held with a major Canadian bank and a major US bank.