TSX.V:EU

enCore Energy Corp.
(formerly Wolfpack Gold Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

April 8, 2015

Independent Auditor's Report

To the Shareholders of enCore Energy Corp.

We have audited the accompanying consolidated financial statements of enCore Energy Corp., which comprise the statements of financial position as at December 31, 2014 and December 31, 2013 and the statements of comprehensive loss, cash flows and changes in equity for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Canadian generally accepted auditing standards also require that we comply with ethical requirements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of enCore Energy Corp. as at December 31, 2014 and December 31, 2013 and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

signed "PricewaterhouseCoopers LLP"

Chartered Accountants

(Expressed in Canadian Dollars)

	Notes	December 31, 2014	December 31, 2013
ASSETS			
Current			
Cash		$ 425,500	$ 5,202,931
Receivables and prepaid expenses		67,687	48,060
Marketable securities	6	308,103	1,103,240
		801,290	6,354,231
Equipment		—	28,699
Reclamation bonds		—	381,435
Mineral properties	5, 8	2,495,461	6,951,324
		$ 3,296,751	$ 13,715,689
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	9	$ 167,391	$ 242,555
		167,391	242,555
Shareholders' equity			
Share capital	10	20,811,938	20,102,950
Contributed surplus		749,237	730,411
Accumulated other comprehensive income		400,404	121,704
Deficit		(18,832,219)	(7,481,931)
		3,129,360	13,473,134
		$ 3,296,751	$ 13,715,689

APPROVED BY THE BOARD OF DIRECTORS:

"William M. Sheriff" Director

"William B. Harris" Director

enCore Energy Corp. (formerly Wolfpack Gold Corp.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended December 31, 2014 and 2013
(Expressed in Canadian Dollars)

	Notes	December 31, 2014	December 31, 2013
Expenses			
Depreciation		$ 10,722	$ 12,615
General and administrative		267,218	376,988
Professional fees		315,653	77,272
Promotion and shareholder communications	12	80,277	50,581
Staff costs	12	205,828	468,064
Stock option expense	10(c), 12	18,826	562,647
		(898,524)	(1,548,167)
Other items			
Interest income		75,129	55,847
Foreign exchange loss		(16,175)	(1,310)
Realized gain on sale of marketable securities	6	163,090	52,822
Change in fair value of marketable securities	6	(93,750)	(112,500)
Change in fair value of embedded derivative	7	(20,931)	—
Write-down of mineral properties	5, 8	(4,440,564)	(2,946,863)
Loss on sale of subsidiary	5	(322,734)	—
Loss for the year		$ (5,554,459)	$ (4,500,171)
Other comprehensive loss			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		$ 346,055	$ 506,172
Reclassification of cumulative exchange differences on translating foreign operations on disposition of subsidiary	5	(235,708)	—
Reclassification of realized gain on sale of marketable securities	6	(163,090)	(52,822)
Gain (loss) on marketable securities	6	331,443	(153,990)
Other comprehensive income for the year		$ 278,700	$ 299,360
Comprehensive loss for the year		$ (5,275,759)	$ (4,200,811)
Basic and diluted loss per common share		$ (0.10)	$ (0.11)
Weighted average number of common shares outstanding		54,301,682	42,579,973

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

enCore Energy Corp. (formerly Wolfpack Gold Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2014 and 2013
(Expressed in Canadian Dollars)

	Notes	December 31, 2014	December 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		$ (5,554,459)	$ (4,500,171)
Items not affecting cash:			
Depreciation		10,722	12,615
Stock option expense		18,826	562,647
Write down of mineral properties		4,440,564	2,946,863
Realized gain on sale of marketable securities – shares		(163,090)	(52,822)
Change in fair value of marketable securities – warrants		93,750	112,500
Accretion of loan		(15,974)	—
Change in fair value of embedded derivative		20,931	—
Loss on sale of subsidiary		322,734	—
Gain on sale of equipment		(2,340)	—
Unrealized foreign exchange loss		12,743	—
		(815,593)	(918,368)
Changes in non-cash working capital items:			
Receivables and prepaids		(44,184)	191,109
Accounts payable and accrued liabilities		(169,552)	(288,990)
Net cash used in operating activities		(1,029,329)	(1,016,249)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment		—	(18,389)
Purchase of Marketable Securities		(102,806)	—
Proceeds from sale of equipment		8,500	—
Reclamation bonds		—	(207,358)
Investment in mineral properties		(429,406)	(1,153,826)
Option payment received on mineral property		—	77,925
Proceeds from sale of marketable securities		1,135,636	164,342
Loan to Timberline		(1,101,000)	—
Disposition of cash on sale of subsidiary	5	(3,878,414)	—
Net cash used in investing activities		(4,367,490)	(1,137,306)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of common shares		622,500	—
Issuance costs		(3,112)	—
Cash acquired on acquisition of Tigris Uranium Corp.		—	7,023,458
Net cash provided by financing activities		619,388	7,023,458
(Decrease) increase in cash during the period		(4,777,431)	4,869,903
Cash, beginning of the period		5,202,931	333,028
Cash, end of the period		$ 425,500	$ 5,202,931

Supplemental cash flow information - Note 16

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

enCore Energy Corp. (formerly Wolfpack Gold Corp.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2014 and 2013
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
Balance, December 31, 2012	29,965,000	$ 9,767,488	$ 49,512	$ (177,656)	$ (2,981,760)	$ 6,657,584
Recapitalization transactions:						
Pursuant to the acquisition of Tigris Uranium Corp. ("Tigris")	(29,965,000)	—	—	—	—	—
Exchange of Tigris shares	29,965,000	—	—	—	—	—
Shares of Tigris at the reverse takeover date	19,932,750	10,335,462	—	—	—	10,335,462
Options of Tigris at the reverse takeover date	—	—	118,252	—	—	118,252
Stock option expense	—	—	562,647	—	—	562,647
Loss and comprehensive loss for the period	—	—	—	299,360	(4,500,171)	(4,200,811)
Balance, December 31, 2013	49,897,750	$20,102,950	$ 730,411	$ 121,704	$ (7,481,931)	$ 13,473,134
Balance, December 31, 2013	49,897,750	$20,102,950	$ 730,411	$ 121,704	$ (7,481,931)	$ 13,473,134
Issued during the period:						
For cash pursuant to private placement	6,225,000	622,500	—	—	—	622,500
Less: cash issue costs	—	(3,112)	—	—	—	(3,112)
Pursuant to mineral property	1,120,000	89,600	—	—	—	89,600
Dividend shares of Timberline (Note 5)	—	—	—	—	(5,795,829)	(5,795,829)
Stock option expense	—	—	18,826	—	—	18,826
Loss and comprehensive loss for the period	—	—	—	278,700	(5,554,459)	(5,275,759)
Balance, December 31, 2014	57,242,750	$20,811,938	$ 749,237	$ 400,404	$ (18,832,219)	$ 3,129,360

The accompanying notes are an integral part of these 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.”

Effective August 15, 2014, the Company closed a transaction 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, and issued 42,932,063 common shares to the Company for pro rata distribution to shareholders (Note 5). Each enCore shareholder of record on August 15, 2014 received 0.75 of a Timberline share for each share of enCore held at closing. Concurrent with the closing of this transaction, the Company changed its name from Wolfpack Gold Corp. to enCore Energy Corp.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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.

These financial statements were approved for issuance by the board of directors on April 8, 2015.

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

Basis of Presentation

The 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.

Basis of Consolidation

These 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 consolidated financial statements include the financial statements of enCore Energy Corp. 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

Cash and cash equivalents

Cash is comprised of demand deposits. Cash equivalents consist of highly liquid investments that are readily convertible to known amounts of cash and have an original maturity of less than three months.

Equipment

Equipment is recorded at cost less accumulated depreciation and is depreciated on a straight line basis over three years.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value.

The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in a provision due to the passage of time is recognized as finance expense. The Company has no environmental rehabilitation obligations at this time.

Mineral properties

Costs related to the acquisition of mineral property interests are capitalized. Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned, the property is written down to its recoverable amount. Mineral properties are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

From time to time, the Company acquires or disposes of properties pursuant to the terms of property option agreements. Such payments are made entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received is recorded as a gain on option or disposition of mineral property.

Impairment of non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and the value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Foreign exchange

The financial statements for the Company and each of its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is Canadian dollars. The functional currency of enCore Energy Corp. is the Canadian dollar and the functional currency of Tigris Uranium US Corp. is the US dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to the statement of (loss) income.

The balance sheet of each foreign subsidiary is translated into Canadian dollars using the exchange rate at the balance sheet date and the income statement is translated into Canadian dollars using the average exchange rate for the period. All gains and losses on translation of a subsidiary from the functional currency to the presentation currency are charged to other comprehensive income.

Basic and diluted loss per share

Basic earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

Financial Instruments

Financial assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through income and loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transaction costs associated with FVTPL financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and classified upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as FVTPL unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income (loss).

De-recognition of financial assets and liabilities

Financial assets are de-recognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in income or loss.

Financial liabilities are de-recognized when the obligation specified in the relevant contract is discharged, canceled or expires. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in income or loss.

Share-based payments

The fair value of all stock options granted is recorded as a charge to operations and a credit to contributed surplus. The fair value of stock options granted to employees is measured at the grant date. The fair value of stock options which vest immediately is recorded at the grant date. For stock options which vest in the future, the fair value of stock options, as adjusted for the expected level of vesting of the stock options and the number of stock options which ultimately vest, is recognized over the vesting period. Warrants issued to brokers are measured at their fair value on the vesting date and are recognized as a deduction from equity and credited to contributed surplus. The fair value of stock options and warrants issued to brokers are estimated using the Black-Scholes option pricing model.

Any consideration received on the exercise of stock options and/or warrants, together with the related portion of contributed surplus, is credited to share capital.

New and amended standards adopted by the Company

The following standards have been adopted by the group for the first time for the financial period beginning January 1, 2014:

IFRIC 21, 'Accounting for Levies imposed by Governments', clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy. The adoption of IFRIC 21 did not impact the Company's financial statements.

New standards not yet adopted

A number of new standards and amendments to standards and interpretations are not yet effective and have not been applied in preparing these consolidated financial statements. The Company is currently assessing the impact of these standards and amendments on its consolidated financial statements.

<u>Financial Instruments</u>

IFRS 9, Financial Instruments ("IFRS 9"), addresses the classification, measurement and recognition of financial assets and financial liabilities. The IASB has previously issued versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication of IFRS 9 is the complete version of the Standard, replacing earlier versions of IFRS 9 and superseding the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement (“IAS 39”).

IFRS 9 requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. The determination is made at initial recognition. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option to present fair value changes in other comprehensive income. Measurement and classification of financial assets are dependent on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

Additionally, IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets, and some modifications related to hedge accounting.

This final version of IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

<u>Revenue from Contracts with Customers</u>

In May 2014, the IASB and the Financial Accounting Standards Board (“FASB”) completed their joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and United States Generally Accepted Accounting Principles (“US GAAP”). As a result of the joint project, the IASB issued IFRS 15, Revenue from Contracts with Customers (“IFRS 15”) to replace IAS 18, Revenue and IAS 11, Construction Contracts and the related interpretations on revenue recognition.

The new revenue standard introduces a single, principles based, five-step model for the recognition of revenue when control of a good or service is transferred to the customer: identify the contract(s) with the customer, identify the performance obligations in the contract, determine transaction price, allocate the transaction price and recognize revenue when a performance obligation is satisfied. IFRS 15 also results in enhanced disclosures about revenue to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers and improves the comparability of revenue from contracts with customers. IFRS 15 will be effective for annual periods beginning on or after January 1, 2017, with early adoption permitted.

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 fair value of the warrants included in marketable securities -** The fair values of the warrants included in marketable securities are determined using the Black-Scholes model with changes in fair value recorded in profit or loss at each reporting period.

(Expressed in Canadian Dollars)

b) **The fair value of the derivative component of loans -** The fair values of embedded derivatives, not traded in an active market, are determined using the Black-Scholes model with changes in fair value recorded in profit or loss at each reporting period.
c) **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. REVERSE TAKEOVER TRANSACTION

On December 7, 2012, the Company announced that it had entered into a non-binding letter of intent effective November 30, 2012 with 0960926 B.C. Ltd. (formerly Wolfpack Gold Corp.) ("Old Wolfpack") whereby Old Wolfpack and the Company agreed to complete a reverse takeover (the "RTO").

On May 15, 2013, the Company completed a three-cornered amalgamation whereby 0960926 B.C. Ltd., a wholly-owned subsidiary of enCore incorporated for the purpose of completing the RTO, amalgamated with Old Wolfpack and the security holders of Old Wolfpack exchanged all of their securities of Old Wolfpack for like securities of enCore on a one-for-one basis. Immediately prior to the completion of the amalgamation, the Company completed a consolidation of its authorized and issued capital pursuant to which each common share was consolidated on a three (3) for one (1) basis such that each three (3) common shares were consolidated into one (1) post-consolidation share.

enCore issued 29,965,000 post-consolidation shares to the shareholders of Old Wolfpack. As a result of this share issuance, the shareholders of Old Wolfpack obtained control of the Company by obtaining approximately 60% of the common shares of the combined entity. Accordingly, for accounting purposes, Old Wolfpack was treated as the accounting parent company (legal subsidiary) and enCore was treated as the accounting subsidiary (legal parent). The transaction was accounted for as an asset purchase.

For purposes of this transaction, the consideration paid was the fair value of shares and stock options deemed issued or granted by Old Wolfpack which had an aggregate fair value of $10,453,714. The purchase price was allocated to the net assets acquired as follows:

Cash and cash equivalents	$	7,023,458
Receivables and prepaid expenses		22,894
Marketable securities		1,481,250
Mineral properties		2,089,660
Accounts payable and accrued liabilities		(163,548)
Net assets acquired	$	10,453,714
Fair value of 19,932,750 shares deemed issued by Old Wolfpack	$	10,335,462
Fair value of 1,824,169 stock options deemed granted by Old Wolfpack		118,252
Aggregate fair value of consideration paid	$	10,453,714

The fair value of the 1,824,169 options deemed granted ($118,252) was estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: risk-free interest rate - 1.15%; expected life - 2.8 years; expected volatility - 100%; expected forfeitures - nil%; and expected dividends - nil.

5. 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 7) 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.

(Expressed in Canadian Dollars)

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		(8,206)
Net assets sold		5,170,775
42,932,063 common shares of Timberline		5,795,829
Settlement of Timberline Loan (Note 7)		(1,083,300)
Settlement of Timberline Loan interest (Note 7)		(21,403)
Proceeds of disposition		4,691,126
Proceeds less net assets sold		(479,649)
Costs of disposal		(78,793)
Reclassifying cumulative exchange differences on translating foreign operations on sale of subsidiary		235,708
Loss on sale of subsidiary	$	(322,734)

6. MARKETABLE SECURITIES

		Warrants		Shares		Total
Balance, December 31, 2012	$	—	$	—	$	—
Acquired pursuant to a reverse takeover (Note 4)		206,250		1,275,000		1,481,250
Disposal by sales		—		(164,342)		(164,342)
Realized gain on sales		—		52,822		52,822
Change in fair value		(112,500)		(153,990)		(266,490)
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		(93,750)		168,353		74,603
Balance, December 31, 2014	$	—	$	308,103	$	308,103

(Expressed in Canadian Dollars)

The Company has common shares and had share purchase warrants of NexGen Energy Ltd. ("NexGen"). Each whole warrant entitled the holder thereof the right to purchase one common share of NexGen at a price of $0.60 per share. The warrants expired on December 19, 2014.

During the year ended December 31, 2014, the Company sold 2,703,500 common shares of NexGen for aggregate gross proceeds of $1,090,243 and recorded a gain on sale of marketable securities of $171,053 (2013: $52,822).

During the year ended December 31, 2014, the Company purchased 104,166 common shares of Timberline for aggregate gross cost of $102,806. The Company sold 54,063 common shares of Timberline for aggregate gross proceeds of $45,393 and recorded a loss on sale of marketable securities of $7,963 (2013: $nil).

On December 31, 2014, the NexGen common shares closed at $0.38 per share (December 31, 2013: $0.295 per share). On December 31, 2014, the Timberline common shares closed at $0.70 per share (December 31, 2013: none owned).

7. 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 5)	(1,064,807)	(18,493)	(1,083,300)
Balance, December 31, 2014	$ —	$ —	$ —

As part of the Timberline Transaction (Note 5), 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 5). The Timberline Loan bore interest at 5% compounded annually. In the event that the Timberline Loan was not repaid prior to March 18, 2015, the Company could have elected to receive payment in Timberline common shares at US$0.14 per Timberline common share. The Timberline Loan was secured by Timberline's interest in the Seven Troughs property located in Pershing County, Nevada.

During the year ended December 31, 2014, the Company recorded US$19,656 ($21,402) of interest income. Interest receivable at August 15, 2014 of US$19,656 ($21,403) was settled on closing of the Timberline Transaction (Note 5).

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.

During the year ended December 31, 2014, the Company recorded a loss related to the change in the fair value of the Derivative Component of $20,931 (2013: $nil). The derivative was settled in conjunction with the settlement of the Timberline Loan on closing of the Timberline Transaction.

(Expressed in Canadian Dollars)

8. 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
Balance, December 31, 2012	$ —	$ 874,289	$ 463,161	$ 197,625	$ 2,279,324	$ 2,114,253	$ 282,242	$ 6,210,894
Acquisition costs								
Total acquisition costs	2,089,660	—	—	—	—	—	—	2,089,660
Exploration costs								
Total exploration costs	—	469,300	69,404	190,596	268,296	182,258	38,743	1,218,597
Option payments received	—	—	—	—	(77,925)	—	—	(77,925)
Write-down of mineral properties	—	—	—	(388,221)	(728,728)	(1,540,695)	(289,219)	(2,946,863)
Currency translation adjustment	173,953	75,632	34,240	—	117,926	53,935	1,275	456,961
Balance, December 31, 2013	$ 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 5)	—	—	(844,956)	—	—	—	(39,634)	(884,590)
Balance, December 31, 2014	$ 2,495,461	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,495,461

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.

GPE Properties

On June 26, 2012, Golden Predator Exploration, Ltd. ("GPE") granted an option to the Company to purchase a leasehold interest in the Adelaide and Tuscarora Properties located in Humboldt and Elko Counties, Nevada. During the year ended December 31, 2014, the Company decided not to continue with the option agreement and recorded a write down of $1,492,088.

On June 26, 2012, GPE sold to the Company its interests in 11 additional properties (collectively the "GPE Secondary Properties") for 4,500,000 common shares issued at the fair value of $1,800,000. During the year ended December 31, 2014, the Company decided it would not continue to pursue the option and recorded a write down of $1,991,511.

On August 15, 2014, all of the remaining GPE Properties were sold to Timberline as part of the sale of subsidiary.

(Expressed in Canadian Dollars)

Seabridge Properties

On June 26, 2012, Seabridge granted to the Company:

(a) an option to purchase its leasehold interest in the Castle Black Rock Property, located in Nevada. To exercise this option, the Company issued to Seabridge 840,000 common shares on closing at a fair value of $336,000 and was required to issue 6,160,000 common shares as follows:

- 1,120,000 common shares on or before June 26, 2014 (issued at the fair value of $89,600);
- 2,240,000 common shares on or before June 26, 2015; and,
- 2,800,000 common shares on or before June 26, 2016.

(b) an option to purchase its interest in the Four Mile Basin Property located in Nevada. To exercise this option, the Company issued to Seabridge 360,000 common shares on closing at a fair value of $144,000 and was required to issue 2,640,000 common shares as follows:

- 480,000 common shares on or before June 26, 2015;
- 960,000 common shares on or before June 26, 2015; and,
- 1,200,000 common shares on or before June 26, 2016.

(c) an option to purchase its interest in the Liberty Springs Property located in Nevada. To exercise this option, the Company issued to Seabridge 300,000 common shares on closing at a fair value of $120,000 and was required to issue 2,200,000 common shares as follows:

- 400,000 common shares on or before June 26, 2014;
- 800,000 common shares on or before June 26, 2015; and,
- 1,000,000 common shares on or before June 26, 2016.

In addition, Seabridge sold to the Company its interests in 25 additional properties (collectively the "Seabridge Secondary Properties"), for 4,500,000 common shares issued at the fair value of $1,800,000. Of the 4,500,000 common shares issued, Seabridge received 4,072,500 common shares and William M. Sheriff ("Sheriff"), a director of the Company, received 427,500 common shares in accordance to the agreement.

During the year ended December 31, 2013, the Company identified indicators of impairment on certain properties acquired from Seabridge (Four Mile Basin, Liberty Springs and certain Seabridge Secondary Properties) and accordingly, the Company recorded a write down of $2,084,368. During the year ended December 31, 2014, the Company relinquished the Four Mile Basin and Liberty Springs properties and wrote off the remaining balances, resulting in a further impairment of $92,078.

Due to the decision to sell Wolfpack Gold (Nevada) Corp., the Company remeasured the Castle Black Rock Property, certain Seabridge Secondary Properties and Other Properties at fair value as at June 30, 2014, and accordingly, the Company recorded a write down of $30,717, $832,728 and $1,442, respectively. On August 15, 2014, these properties were transferred to Timberline as part of the Timberline Transaction (Note 5).

9. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

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

		December 31, 2014		December 31, 2013
Trade payables	$	134,041	$	183,517
Due to related parties (Note 12)		33,350		59,038
Total	$	167,391	$	242,555

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES

a) Authorized share capital
Unlimited common and preferred shares without par value.

b) Financings
During the year ended December 31, 2014, the Company completed a non-brokered private placement of 6,225,000 common shares at a price of $0.10 per common share for gross proceeds of $622,500. The Company incurred cash issuance costs of $3,112.

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.

The Company's stock options outstanding as at December 31, 2014 and December 31, 2013, and the changes for the periods then ended, are as follows:

	Number	Weighted average exercise price ($)	Weighted average life (years)
Outstanding, December 31, 2012	2,160,000	0.41	4.08
Pursuant to a reverse takeover (Note 4)	1,824,169	0.54	
Forfeited	(175,833)	0.57	
Outstanding, December 31, 2013	3,808,336	0.46	2.64
Options Granted	3,495,000	0.05	
Forfeited	(1,924,170)	0.45	
Outstanding, December 31, 2014	5,379,166	0.46	3.76
Exercisable, December 31, 2014	1,884,166 (1)	0.48	1.50

(1) All incentive stock options vest in four equal tranches at six month intervals beginning six months from the grant date.

As at December 31, 2014, incentive stock options were outstanding as follows:

Number of options	Exercise price	Expiry Date
200,000	$ 0.30	March 15, 2015
401,666	$ 0.45	September 23, 2015
83,333	$ 0.45	September 23, 2015
90,000	$ 0.75	January 17, 2016
390,000	$ 0.40	November 3, 2016
294,167	$ 0.75	February 17, 2017
350,000	$ 0.40	March 5, 2017
25,000	$ 0.45	December 7, 2017
50,000	$ 0.45	December 10, 2017
3,020,000	$ 0.05	December 19, 2019
475,000	$ 0.05	December 31, 2019
5,379,166		

During the year ended December 31, 2014, the Company recognized stock option expense of $18,826 (2013: $562,647) based on the vesting of previously granted options, all of which was recorded in the statement of loss and comprehensive loss.

The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

(Expressed in Canadian Dollars)

	Year ended December 31, 2014	Year ended December 31, 2013
Risk-free interest rate	1.35%	1.48%
Expected life	5.00 years	5.00 years
Volatility	140.00%	89.38%
Dividend rate	-	-

11. INCOME TAXES

A reconciliation between the Company's income tax provision computed at statutory rates to the reported income tax (recovery) expense during the years ended December 31, 2014 and 2013 is as follows:

	2014	2013
Statutory tax rate	26.00%	25.75%
Loss for the year before income taxes	$ (5,554,459)	$ (4,500,171)
Expected income tax recovery	(1,444,000)	(1,159,000)
Non-deductible items	(20,000)	124,000
Effect of tax rates in other jurisdictions	(456,000)	(160,000)
Change in unrecognized deferred tax assets	1,920,000	1,195,000
Income tax (recovery) expense	$ —	$ —

The significant components of the Company's deferred tax assets and liabilities as at December 31, 2014 and 2013 are as follows:

	2014	2013
Deferred tax assets		
Non-capital loss carry-forwards	$ 854,000	$ 2,109,000
Share issuance costs	12,000	23,000
Other	32,000	97,000
	$ 898,000	$ 2,229,000

At December 31, 2014, the Company had non-capital losses carried forward for income tax purposes in the USA and Canada of approximately $2,760,000 which can be applied against future years' taxable income. The non-capital losses expire as follows:

2031	$ 292,000
2032	973,000
2033	469,000
2034	1,026,000
	$ 2,760,000

12. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2014, the Company was charged $127,617 in staff costs for the Chief Executive Officer, VP of Exploration, corporate secretary and a director (2013: $244,698), and $8,839 of shareholder communications costs (2013: $30,738) and $64,083 of consulting fees included in mineral properties (2013: $91,500) by Golden Predator US Holding Corp.

Included in accounts payable and accrued liabilities as at December 31, 2014 is $33,350 (December 31, 2013: $59,038) due to a director of the Company, a director of Golden Predator Mining Corp. ("GPY"), and a director of Till Capital Ltd. ("TIL"). The amounts owing are unsecured, non-interest bearing and due on demand.

(Expressed in Canadian Dollars)

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, Vice President and Corporate Secretary of the Company. The compensation paid or payable to key management for services during the years ended December 31, 2014 and 2013 is as follows:

		2014		2013
Staff costs	$	98,063	$	153,470
Mineral property costs		—		14,421
Stock option expense		2,950		391,241
Total key management compensation	$	101,013	$	559,132

13. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the development of its mineral properties and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, and acquire or dispose of assets.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets, the status of the Company's project in relation to these markets, and its ability to compete for investor support of its project.

There were no changes in the Company's approach to capital management during the year ended December 31, 2014. The Company is not subject to any capital requirements imposed by a regulator.

14. FINANCIAL INSTRUMENTS

Classification of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities and accounts payable and accrued liabilities. The Company classified its cash and cash equivalents and receivables as loans and receivables, which are measured at amortized cost. Marketable securities (shares of NexGen and Timberline) are classified as available-for-sale, which are measured at fair value through other comprehensive income (loss). Marketable securities (warrants of NexGen) are classified as FVTPL. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

Fair Value of Financial Instruments

The Company classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

Level 1 - Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Values based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Values based on prices or valuation techniques that are not based on observable market data.

The values of the marketable securities (shares of NexGen and Timberline) have been classified as Level 1. The values of the marketable securities (warrants of NexGen) have been classified as Level 2. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Discussions of risks associated with financial assets and liabilities are detailed below:

Foreign Exchange Risk

A portion of the Company's financial assets and liabilities are denominated in US dollars. The Company monitors this exposure, but has no hedge positions.

At December 31, 2014, a 5% change in the value to the US dollar as compared to the Canadian dollar would result in an immaterial change in net loss and shareholders' equity.

Credit Risk

Credit risk arises from cash held with banks and financial institutions and receivables. The maximum exposure to credit risk is equal to the carrying value of these financial assets. The Company's cash is primarily held with a major Canadian bank and a major US bank.

Market Risk

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company's ability to raise capital to fund exploration.

Interest Rate Risk

Interest rate risk mainly arises from the Company's cash and cash equivalents, which receive interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The majority of the Company's accounts payable and accrued liabilities are payable in less than 90 days. The Company prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term liquidity needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing. The Company currently has sufficient liquidity to meet its near term requirements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable

15. 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.

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the period ended December 31, 2014 include the following:

The Company acquired 42,931,063 common shares of Timberline with a fair value of $5,795,829 for the sale of subsidiary. The shares were then distributed to the shareholders of the Company (Note 5).

The Company issued 1,120,000 common shares with a fair value of $89,600 for the acquisition of mineral properties.

Significant non-cash transactions for the period ended December 31, 2013 include the following:

The Company issued 12,000,000 common shares with a fair value of $4,800,000 for the acquisition of mineral properties.