

enCore Energy Corp.

TSX.V:EU

enCore Energy Corp.
(formerly Wolfpack Gold Corp.)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014

Notice of Non-review of Interim Condensed Consolidated Financial Statements

The attached interim condensed consolidated financial statements for the six months ended June 30, 2015 and 2014 have been prepared by and are the responsibility of the Company's management and have been approved by the Audit Committee of the Company. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements.

enCore Energy Corp. (formerly Wolfpack Gold Corp.)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at June 30, 2015 and December 31, 2014
(Unaudited - Expressed in Canadian Dollars)

	Notes	June 30, 2015	December 31, 2014
ASSETS			
Current			
Cash		\$ 372,302	\$ 425,500
Receivables and prepaid expenses		41,444	67,687
Marketable securities	5	375,193	308,103
		<u>788,939</u>	<u>801,290</u>
Mineral properties	4, 7	<u>2,671,914</u>	<u>2,495,461</u>
		<u>\$ 3,460,853</u>	<u>\$ 3,296,751</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	8	\$ 130,510	\$ 167,391
		<u>130,510</u>	<u>167,391</u>
Shareholders' equity			
Share capital	9	20,811,938	20,811,938
Contributed surplus		764,180	749,237
Accumulated other comprehensive income		723,606	400,404
Deficit		(18,969,381)	(18,832,219)
		<u>3,330,343</u>	<u>3,129,360</u>
		<u>\$ 3,460,853</u>	<u>\$ 3,296,751</u>

APPROVED BY THE BOARD OF DIRECTORS:

"William M. Sheriff" Director

"William B. Harris" Director

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

enCore Energy Corp. (formerly Wolfpack Gold Corp.)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

For the six months ended June 30, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three months ended		Six months ended	
		June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Expenses					
General and administrative		\$ 38,215	\$ 127,152	\$ 62,264	\$ 205,717
Professional fees		4,280	230,616	47,429	244,361
Staff costs	10	40,491	88,245	75,856	154,506
Stock Option Expense		14,943	4,837	14,943	14,520
Mineral exploration and evaluation costs	7	(158)	—	47,503	—
		(97,771)	(450,850)	(247,995)	(619,104)
Other items					
Other Income (loss)		(13,644)	(1,622)	31,563	16,587
Realized gain (loss) on sale of marketable securities	5	75,565	—	79,270	(14,899)
Change in fair value of marketable securities	5	—	(150,000)	—	(37,500)
Change in fair value of embedded derivative	5	—	(9,280)	—	(16,264)
Write-down of mineral properties	7	—	(1,378,239)	—	(4,565,582)
Loss for the period		\$ (35,850)	\$ (1,989,991)	\$ (137,162)	\$ (5,236,762)
Other comprehensive income (loss)					
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translating foreign operations		\$ (61,814)	\$ 139,052	\$ 158,010	\$ 135,168
Reclassification of realized activity on sale of marketable securities	5	(75,565)	(234,000)	(79,270)	149,389
Gain (loss) on marketable securities	5	142,039	—	244,462	(14,899)
Other comprehensive income (loss) for the period		\$ 4,660	\$ (94,948)	\$ 323,202	\$ 269,658
Comprehensive income (loss) for the period		\$ (31,190)	\$ (2,084,939)	\$ 186,040	\$ (4,967,104)
Basic and diluted income (loss) per common share		\$ (0.00)	\$ (0.04)	\$ 0.00	\$ (0.10)
Weighted average number of common shares outstanding		57,242,750	52,710,442	57,242,750	51,311,866

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

enCore Energy Corp. (formerly Wolfpack Gold Corp.)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended June 30, 2015 and 2014
(Unaudited - Expressed in Canadian Dollars)

	Notes	June 30, 2015	June 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		\$ (137,162)	\$ (5,236,762)
Items not affecting cash:			
Depreciation		—	9,574
Stock option expense		14,943	14,520
Write down of mineral properties	7	—	4,565,582
Realized (gain) loss on sale of marketable securities	5	(79,270)	14,899
Change in fair value of marketable securities	5	—	37,500
Accretion of loan		—	(9,789)
Other		784	49,237
		<u>(200,705)</u>	<u>(555,239)</u>
Changes in non-cash working capital items:			
Receivables and prepaids		26,243	(18,950)
Accounts payable and accrued liabilities		(36,881)	100,991
		<u>(211,343)</u>	<u>(473,198)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in mineral properties	7	(19,226)	(326,574)
Proceeds from sale of marketable securities	5	177,371	485,581
Loan to Timberline	6	—	(1,101,000)
		<u>158,145</u>	<u>(941,993)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of Common Shares		—	622,500
Issuance Costs		—	(3,112)
		<u>—</u>	<u>619,388</u>
Decrease in cash during the period		(53,198)	(795,803)
Cash classified as assets held for sale		—	(3,794,573)
Cash, beginning of the period		425,500	5,202,931
Cash, end of the period		<u>\$ 372,302</u>	<u>\$ 612,555</u>

Supplemental disclosure with respect to cash flows:

During the period ended June 30, 2014, the Company issued 1,120,000 common shares with a fair value of \$89,600 for the acquisition of mineral properties.

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

enCore Energy Corp. (formerly Wolfpack Gold Corp.)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the six months ended June 30, 2015 and 2014
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
Balance, December 31, 2013	49,897,750	\$ 20,102,950	\$ 730,411	\$ 121,704	\$ (7,481,931)	\$ 13,473,134
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
Stock option expense	—	—	14,520	—	—	14,520
Loss and comprehensive income for the period	—	—	—	269,658	(5,236,762)	(4,967,104)
Balance, June 30, 2014	57,242,750	\$ 20,811,938	\$ 744,931	\$ 391,362	\$ (12,718,693)	\$ 9,229,538
Balance, December 31, 2014	57,242,750	\$ 20,811,938	\$ 749,237	\$ 400,404	\$ (18,832,219)	\$ 3,129,360
Stock option expense	—	—	14,943	—	—	14,943
Loss and comprehensive income for the period	—	—	—	323,202	(137,162)	186,040
Balance, June 30, 2015	57,242,750	\$ 20,811,938	\$ 764,180	\$ 723,606	\$ (18,969,381)	\$ 3,330,343

The accompanying notes are an integral part of these interim condensed 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 subsidiary (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 #510 – 580 Hornby Street, Vancouver, BC.

2. BASIS OF PRESENTATION

These condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of June 30, 2015.

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 interim condensed 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 interim condensed consolidated financial statements were approved for issuance by the board of directors on August 18, 2015.

These interim condensed consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiary. 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 interim condensed 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. Significant accounting estimates and judgments include the following:

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 \$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 6)	(1,083,300)
Settlement of Timberline Loan interest (Note 6)	(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)

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	(93,750)	168,353	74,603
Balance, December 31, 2014	\$ —	\$ 308,103	\$ 308,103
Disposal by sales	—	(177,371)	(177,371)
Realized gain on sales	—	79,270	79,270
Change in fair value	—	165,191	165,191
Balance, June 30, 2015	\$ —	\$ 375,193	\$ 375,193

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

During the six months ended June 30, 2015, the Company sold 268,500 common shares of NexGen for aggregate gross proceeds of \$171,506 and recorded a gain on sale of marketable securities of \$80,215 (2014: \$14,899 loss).

During the six months ended June 30, 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 June 30, 2015, the NexGen common shares closed at \$0.78 per share (December 31, 2014: \$0.38 per share). On June 30, 2015, the Timberline common shares closed at \$0.56 per share (December 31, 2014: \$0.70 per share).

6. TIMBERLINE LOAN

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).

7. MINERAL PROPERTIES

	Crownpoint and Hosta Butte	Total
Balance, December 31, 2014	\$ 2,495,461	\$ 2,495,461
Exploration costs		
Land and maintenance fees	19,226	19,226
	<u>19,226</u>	<u>19,226</u>
Currency translation adjustment	157,227	157,227
Balance, June 30, 2015	\$ 2,671,914	\$ 2,671,914

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:

	June 30, 2015	December 31, 2014
Trade payables	\$ 124,332	\$ 134,041
Due to related parties (Note 10)	6,178	33,350
	<u>130,510</u>	<u>167,391</u>
Total	\$ 130,510	\$ 167,391

9. SHARE CAPITAL AND RESERVES

Authorized share capital

Unlimited common and preferred shares without par value.

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 10% 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 June 30, 2015, the Company has 5,179,166 stock options outstanding with a weighted average exercise price of \$0.20.

10. RELATED PARTY TRANSACTIONS

During the period ended June 30, 2015, the Company incurred \$32,354 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 Directors and Officers of the Company. The compensation paid or payable to key management for services during the period ended June 30, 2015 and 2014 is as follows:

	Three months ended		Six months ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Staff costs	\$ 18,446	\$ 32,072	\$ 32,354	\$ 60,246
Stock option expense	13,127	—	13,127	2,950
Total key management compensation	\$ 31,573	\$ 32,072	\$ 45,481	\$ 63,196

11. SEGMENTED INFORMATION

The Company operates in a single segment: the acquisition, exploration and development of mineral properties in the United States. The Company's mineral properties and equipment are located in the United States.