enCore Energy Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(Unaudited – Prepared by Management)
(In Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

ENCORE ENERGY CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED – PREPARED BY MANAGEMENT)
(EXPRESSED IN CANADIAN DOLLARS)
AS AT

	Note	March 31, 2016	December 31, 2015
ASSETS			
Current			
Cash		$ 266,275	$ 277,506
Receivables and prepaid expenses		14,990	19,060
Marketable securities	4	-	54,000
		281,265	350,566
Mineral properties	5	3,684,192	3,947,171
Total assets		$ 3,965,457	$ 4,297,737
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	6	$ 293,704	$ 303,708
Due to related party	8	19,534	-
Total liabilities		313,238	303,708
Shareholders' Equity			
Share capital	7	21,239,438	21,239,438
Contributed surplus		779,123	779,123
Accumulated other comprehensive income		563,668	910,326
Deficit		(18,930,010)	(18,934,858)
Total shareholders' equity		3,652,219	3,994,029
Total liabilities and shareholders' equity		$ 3,965,457	$ 4,297,737

Nature of operations and going concern (Note 1)

Approved by the Board of Directors on May 26, 2016

"*William M. Sheriff*"	"*William B. Harris*"
Director	Director

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

ENCORE ENERGY CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(UNAUDITED – PREPARED BY MANAGEMENT)
(EXPRESSED IN CANADIAN DOLLARS)

	Note	Three months ended March 31, 2016	Three months ended March 31, 2015
EXPENSES			
Office and administration	8	$ 23,078	$ 24,049
Professional fees		12,562	43,149
Promotion and shareholder communications		92	-
Staff costs	8	21,440	35,365
Mineral exploration and evaluation costs		-	47,661
		(57,172)	(150,224)
Other income		-	45,207
Foreign exchange loss		(247)	-
Change in fair value of marketable securities	4	(14,364)	-
Realized gain on sale of marketable securities	4	76,631	3,705
Income (loss) for the period		$ 4,848	$ (101,312)
Other comprehensive income (loss)			
Exchange differences on translating foreign operations		$ (332,294)	$ 219,824
Reclassification of realized gain on sale of marketable securities	4	(76,631)	(3,705)
Unrealized gain on marketable securities	4	62,267	102,423
Other comprehensive income (loss) for the period		$ (346,658)	$ 318,542
Comprehensive income (loss) for the period		$ (341,810)	$ 217,230
Basic and diluted income (loss) per share		$ (0.00)	$ 0.00
Weighted average number of shares outstanding		71,492,750	57,242,750

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

ENCORE ENERGY CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(UNAUDITED – PREPARED BY MANAGEMENT)
(EXPRESSED IN CANADIAN DOLLARS)

		2016		2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) for the period	$	4,848	$	(101,312)
Items not affecting cash:				
Realized gain on sale of marketable securities		(76,631)		(3,705)
Change in fair value of marketable securities		14,364		-
Unrealized foreign exchange gain		(8,383)		-
Other		-		884
Changes in non-cash working capital items:				
Receivables and prepaids		4,070		26,315
Accounts payable and accrued liabilities		1,592		(24,064)
Due to related party		19,534		-
Net cash used in operating activities		(40,606)		(101,882)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in mineral properties		(72,651)		(16,014)
Proceeds from sale of marketable securities		102,131		21,056
Net cash provided by investing activities		29,480		5,042
Effect of exchange rate changes on cash		(105)		-
Change in cash		(11,231)		(96,840)
Cash, beginning of period		277,506		425,500
Cash, end of period	$	266,275	$	328,660

Supplemental cash flow information – Note 12

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

ENCORE ENERGY CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(UNAUDITED – PREPARED BY MANAGEMENT)
(EXPRESSED IN CANADIAN DOLLARS)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
Balance as at December 31, 2014	**57,242,750**	**$ 20,811,938**	**$ 749,237**	**$ 400,404**	**$(18,832,219)**	**$ 3,129,360**
Loss and comprehensive income for the period	-	-	-	318,542	(101,312)	217,230
Balance as at March 31, 2015	**57,242,750**	**$ 20,811,938**	**$ 749,237**	**$ 718,946**	**$(18,933,531)**	**$ 3,346,590**
Balance as at December 31, 2015	**71,492,750**	**$ 21,239,438**	**$ 779,123**	**$ 910,326**	**$(18,934,858)**	**$ 3,994,029**
Income and comprehensive loss for the period	-	-	-	(346,658)	4,848	(341,810)
Balance as at March 31, 2016	**71,492,750**	**$ 21,239,438**	**$ 779,123**	**$ 563,668**	**$(18,930,010)**	**$ 3,652,219**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

enCore Energy 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.

The condensed interim consolidated statements of financial position have been prepared assuming the Company will continue on a going-concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. For the period ended March 31, 2016, the Company reported a net income of $4,848 and as at that date had a net working capital deficiency balance of $31,973 and an accumulated deficit of $18,930,010. The Company has no source of operating cash flows and as such the Company's ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing.

The ability of the Company to obtain additional financing is uncertain, casting significant doubt upon the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

These condensed interim consolidated 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 in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and effective as of March 31, 2016.

The Company uses the same accounting policies and methods of computation as in the annual audited consolidated financial statements for the year ended December 31, 2015. 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 condensed interim 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 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	USD

2. BASIS OF PRESENTATION (cont'd)

New accounting standards and interpretation

Effective (proposed) for annual periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments – Classification and Measurement. IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

On January 13, 2016, the IASB issued IFRS 16, Leases ("IFRS 16"), according to which, all leases will be on the balance sheet of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of IFRS 16 on its condensed interim consolidated financial statements.

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:

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:

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.

(EXPRESSED IN CANADIAN DOLLARS)

4. MARKETABLE SECURITIES

		Shares
Balance, December 31, 2014	$	308,103
Disposal by sales		(507,352)
Realized gain on sales		239,114
Change in fair value		14,135
Balance, December 31, 2015	$	54,000
Disposal by sales		(102,131)
Realized gain on sales		76,631
Change in fair value		(28,500)
Balance, March 31, 2016	$	-

During the period ended March 31, 2016, the Company sold 75,000 common shares of NexGen Energy Ltd. for aggregate gross proceeds of $102,131 and recorded a gain on sale of marketable securities of $76,631.

5. MINERAL PROPERTIES

	Crownpoint and Hosta Butte	Marquez and Nose Rock, New Mexico	Moonshine Springs, Arizona	Other properties	Total
Balance, December 31, 2014	$ 2,495,461	$ -	$ -	$ -	$ 2,495,461
Acquisition costs:					
Cash acquisition costs	-	143,605	56,193	49,950	249,748
Share based acquisition costs	-	245,812	96,188	85,500	427,500
Acquisition costs included in accounts payable	-	114,498	44,804	39,826	199,128
	-	503,915	197,185	175,276	876,376
Exploration costs:					
Maintenance fees	72,423	-	-	-	72,423
Permitting and staking	14,756	-	-	-	14,756
	87,179	-	-	-	87,179
Currency translation adjustment	488,155	-	-	-	488,155
Balance, December 31, 2015	$ 3,070,795	$ 503,915	$ 197,185	$ 175,276	$ 3,947,171
Exploration costs:					
Maintenance fees	-	41,775	16,346	14,530	72,651
Currency translation adjustment	(261,111)	(42,848)	(16,767)	(14,904)	(335,630)
Balance, March 31, 2016	$ 2,809,684	$ 502,842	$ 196,764	$ 174,902	$ 3,684,192

5. MINERAL PROPERTIES (cont'd)

Energy Fuels Agreement

During the year ended December 31, 2015, the Company entered into a comprehensive asset purchase agreement ("Agreement") with Energy Fuels Inc. and its subsidiaries ("Energy Fuels") to acquire a Toll Milling processing right and 100% interest in the Marquez and Nose Rock projects in New Mexico, the Moonshine Springs project in Arizona, and four projects in the White Canyon District of Utah. Terms of the Agreement include the payment of USD$179,960 ($249,748) in cash at closing (paid) to Energy Fuels along with the issuance of 14.25 million of the Company's Class A common shares (issued at a fair value of $427,500). A final payment of USD$150,000 is due on June 4, 2016.

Toll Milling Agreement

The Toll Milling provision of the Agreement allows the Company to process conventional uranium ore from the acquired projects at Energy Fuel's White Mesa mill in Blanding, Utah. The agreement is for an initial period of two years with renewal provisions and contains industry-standard provisions.

Marquez, New Mexico

The Marquez project consists of private mineral leases located in McKinley and Sandoval countries of New Mexico, USA.

Nose Rock, New Mexico

The Nose Rock Project is located in McKinley County New Mexico, USA on the northern edge of the Grants Uranium District. The Nose Rock property consists of 42 owned unpatented lode mining claims.

Moonshine Springs, Arizona

The Moonshine Springs project is located in Mohave County, Arizona, USA. The project comprises 23 owned unpatented lode mining claims along with 7 unpatented lode mining claims under lease.

Other Properties

The White Canyon District, Utah property package includes the Geitus, Blue Jay, Marcy Look, and Cedar Mountain projects, which are located 40-65 miles to the northwest of the White Mesa Mill at Blanding, Utah.

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.

(EXPRESSED IN CANADIAN DOLLARS)

6. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

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

	March 31, 2016	December 31, 2015
Trade payables	$ 98,360	$ 104,580
Payable for asset purchase agreement (Note 5)	195,344	199,128
Total	$ 293,704	$ 303,708

7. 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.

The Company's stock options outstanding as at March 31, 2016 and December 31, 2015, and the changes for the periods then ended, are as follows:

	Outstanding Options	**Weighted Average Exercise Price**	**Weighted Average Life (years)**
Balance, December 31, 2014	5,379,166	$ 0.46	3.76
Forfeited/expired	(909,999)	0.32	
Balance, December 31, 2015	4,469,167	$ 0.17	3.18
Granted	950,000	0.05	
Forfeited/expired	(1,174,167)	0.52	
Balance, March 31, 2016	4,245,000	$ 0.17	3.95
Exercisable, March 31, 2016	3,295,000		

As at March 31, 2016, incentive stock options were outstanding as follows:

Outstanding Options	**Exercise Price**	**Expiry Date**
25,000	0.45	December 7, 2017
2,795,000	0.05	December 19, 2019
475,000	0.05	December 31, 2019
950,000	0.05	January 6, 2021
4,245,000		

(EXPRESSED IN CANADIAN DOLLARS)

7. SHARE CAPITAL AND RESERVES (cont'd)

Stock options (cont'd)

During the period ended March 31, 2016, the Company granted 950,000 options with an exercise price of \$0.05, which will begin vesting in July 2016. Accordingly, the Company expensed \$Nil stock option expense during the period ended March 31, 2016.

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:

	2016	2015
Risk-free interest rate	0.66%	-
Expected life of option	5.00 years	-
Expected dividend yield	0%	-
Expected stock price volatility	147.13%	-

8. RELATED PARTY TRANSACTIONS

During the period ended March 31, 2016, the Company incurred \$20,687 in staff costs for the Chief Executive Officer of which \$19,534 was owed at March 31, 2016 (2015 - \$Nil) and \$7,500 in general and administrative fees for the Chief Financial 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 March 31, 2016 and 2015 is as follows:

	2016	2015
Staff costs	\$ 20,687	\$ 13,908
Office and administration fees	7,500	-
Total key management compensation	\$ 28,187	\$ 13,908

9. 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 projects in relation to these markets, and its ability to compete for investor support of its projects.

9. MANAGEMENT OF CAPITAL (cont'd)

There were no changes in the Company's approach to capital management during the period ended March 31, 2016. The Company is not subject to any capital requirements imposed by a regulator.

10. 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 are classified as available-for-sale, which are measured at fair value through other comprehensive income (loss). 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 have been classified as Level 1. 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 March 31, 2016, 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.

10. FINANCIAL INSTRUMENTS (cont'd)

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 (see Note 1).

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.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions for the periods ended March 31, 2016 and 2015.