HoldCo Markets

August 17, 2026

enCore Energy (EU, EU-CN)

Production Growth Stalls as Permit Approvals Drag

Event

Late last week enCore Energy provided its Q2/2026 results which were highlighted by lower production and higher costs owing to the fact that spot purchases were needed to fill delivery requirements for the quarter. Owing to permits still needed for Alta Mesa Extension 3 and Upper Spring Creek, we expect the next leg of growth on the production front to only occur next year, once the permits are received (expected towards year-end). As such, we trim our NAV based valuation methodology, going from 1.15x $NAV_{8\%}$ to 1.10x $NAV_{8\%}$.

Details

- **Lower Production Spurs Spot Purchases –** Quarterly results were highlighted by revenues of $15.7M ($3.7M in Q2/2025) and an attributable net loss of $41.4M, or $0.21 per share (net loss of $6.3M, or $0.03 in Q2/2025). Contracted delivery for 485,000 lbs was achieved at an average sales price of $70.10 per lb U3O8, compared to the delivery of 350,000 lbs at an average sales price of $62.58 per lb in Q2/2025. Though the financial results are still largely immaterial due to the current transitional period of the company, uranium extraction during the quarter was materially lower at 131,274 lbs in Q2/2026 compared to 317,613 lbs extracted in Q2/2025. The drop in extracted lbs prompted the spot purchase of 360,000 lbs which pushed up costs materially during the quarter: $75.54 per lb compared to a weighted average cost of $59.42 per lb in the same period 2025.
- **Focus on Cost Containment for 2H/2026 –** All is set for expanded production growth given the new operation at Upper Spring Creek coupled with the new wellfields at Alta Mesa, once the needed permits are received (expected by year-end). Until then, the remainder of 2026 will focus on cost containment and operational efficiencies - material workforce reductions as announced in July are expected to generate significant savings as of Q3/2026 and beyond.
- **Federal Permitting Completed at Dewey Burdock –** enCore's next pipeline project, the wholly-owned Dewey Burdock ISR Project completed federal permitting this summer, highlighted by the recent receipt of a 20 year renewal of the Source Materials License (SUA-1600), effective until June 2046. The Project entered State of South Dakota permitting on June 15, 2026, which is under review by the Department of Agriculture & Natural Resources. Management has previously targeted construction to start within ~18 months.

Conclusion

enCore Energy maintains plenty in treasury with total liquidity of ~$90M at quarter-end and uranium inventory amounting to over 203,000 lbs. Still anchored by a $100/lb LT uranium price, after foactoring in corporate adjustments, we reduce our target NAV multiple from 1.15x to 1.10x $NAV_{8\%}$. As such, our lowered 12-month price objective is re-set to $2.75 per share (rounded). This equates to upside of +127% from the most recent close (August 14). Shares of enCore Energy currently trade at a 0.48x P/NAV multiple. The full details can be found here:

Company Profile

Sector	Mining
Sub-Sector	Uranium
Ticker	EU
Ticker	EU.CA
Current Price ($)	$1.21
12-Mth Price Objective ($)	$2.75
Potential Upside	127%
Mkt Cap, Basic ($M)	$235.1M
Mkt Cap, FD ($M)	$239.9M
EV ($M)	$299.6M
Shares O/S Basic (M)	194.2
1-Mth Return	+2.5%
3-Mth Return	-20.4%
YTD Return	-51.2%

	2024	2025	2026e
U3O8 Production lbs	288,589	699,807	605,000

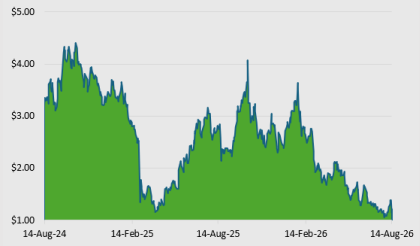
LOM Production lbs	23,731,000
LOM avg. Cash cost$/lb	$18.29
LOM avg. AISC$/lb	$38.31

Measured & Indicated	PPM U3O8	Attrib. lbs
Alta Mesa (70%)	111	2.4M
Dewey Burdock	116	17.1M
Gas Hills	101	7.7M
Crownpoint/Hosta Butte	105	26.6M

Company Description

enCore Energy is a NYSE and TSXV listed in-situ recovery (ISR) uranium company with projects spread throughout Texas, South Dakota, Wyoming and New Mexico. The company currently owns three fully licensed U processing facilities in Texas (Rosita, Alta Mesa & Kingsville Dome). Rosita began production in 2023 while Alta Mesa began re-started ISR production in 2024.

2-Year Stock Chart



DISCLAIMER: Any written content contained herein should be viewed strictly as observation, analysis & opinion and not in any way as investment advice. No compensation was received for this report. Readers are encouraged to conduct their own due diligence.

X (Twitter): @HoldCoMarkets
Website: HoldCoMarkets.com

August 17, 2026

Disclaimer:

The following Terms and Conditions govern the use by readers, clients, subscribers and any other use of HoldCo Markets Advisory Inc.'s ("HoldCo Markets" or "the firm") products and associated content which is made internally and selectively distributed/accessible via holdcomarkets.com, email and/or via select social media.

Any written content contained herein should be viewed strictly as analysis, observation & opinion and not in any way as investment advice. HoldCo Markets is neither a qualified financial advisor, broker or legal advisor. All information, data and reports should be strictly seen as for informational purposes only and should not be considered in any way as investment advice or a solicitation for any security. HoldCo Markets does not make any recommendations, the firm only offers opinions.
All content encompassing reports, writings and opinions are based on what the firm deems as reliable sources such as current news/corporate events, management interviews, SEC/SEDAR or any other regulatory filing and any other source deemed credible by the firm's publishing analysts given their significant industry experience. HoldCo Markets has not been provided with any material non-public information from any company mentioned in the report.

This report contains "forward-looking" statements. Company conclusions may involve forward-looking statements concerning future company or industry performance. Though the forward looking statements are based on fair and reasonable assumptions, actual performance or results may differ. Be reminded that market volatility is inherent with investing. Past performance is no guarantee of future performance. As such, an investment in any company mentioned in the above report should be viewed as speculative, and entered into only by those who can handle potential loss of capital. Recipients of any HoldCo Markets content looking to act on any of our opinions should consider whether any information contained in this report is suitable for their particular investing circumstance.

The views and opinions expressed herein are company specific and subject to change without notice. All material contained on this website and disseminated through email or social media is strictly for informational purposes only. One should not take any financial decisions based solely on what was written from this above report, rather one should consider whether any information contained in this report is suitable for their particular investing circumstance and should seek professional advice. Volatility and the possibility of loss is inherent with any investment decision, HoldCo Markets accepts no liability for any potential direct or indirect loss arising from the use of our research, website or any additional in-house content.

Portfolio Notes: HoldCo Markets did not receive any form of compensation from the company or companies written about in Research Notes. Conclusions and opinions expressed in the reports have been formulated independently and objectively. Portfolio Notes are strictly an expression of our views and opinions. No compensation was received for any Portfolio Notes publication or for its distribution. As a non IIROC registered company, HoldCo Markets Advisory Inc. neither provides investment banking services nor does it make a market in any securities written about in Portfolio Notes.

Spotlight Research: Holdco Markets publishes and distributes Spotlight Research which is a differentiated research product which is specifically issuer-paid. Monetary compensation has been received for a twelve-month research coverage period. The purpose of Spotlight Research is to highlight growth companies which have been largely overlooked by the larger broker/dealers, largely due to constraints related to size and liquidity. Spotlight Research is strictly an expression of our views and opinions. HoldCo Markets' publishing analysts retain full control over the conclusions and opinions regarding this issuer-paid research. As a non IIROC registered company, HoldCo Markets Advisory Inc. neither provides investment banking services nor does it make a market in any securities written about in Spotlight Research.

Holdco Markets, any publishing analyst or any HoldCo Markets Board member may at one point hold a direct or indirect position by way of equity, options, warrants or debt in any or none of the companies mentioned in either Portfolio Notes or Spotlight Research. No person with any affiliation to HoldCo Markets serves in any capacity as an officer or Director in any of the companies mentioned in the above document. The distribution of any HoldCo Markets content has no relation to the distribution of securities nor is it in any way a solicitation to bur or sell any security.
Reprinting any content or information from this report is strictly prohibited without permission. For more information or to receive future reports, please visit Home (holdcomarkets.com)