

enCore Energy (EU, EU-CN)

Drilling at Alta Mesa East is Off to a Good Start

Event

Yesterday enCore Energy announced that exploration drilling at the 5,900 acre Alta Mesa East (AME) Project is well underway with six rigs in operation and is yielding positive results from initial exploration. Positive initial drilling results have reconfirmed expectations for encouraging uranium grades across all mineralized sand units known to exist at Alta Mesa. The AME property is located immediately adjacent to the Alta Mesa wellfields and extraction operations.

Details

- **Positive Initial Results at Alta Mesa East** – located immediately adjacent to the Alta Mesa wellfields and extraction operations, initial results from AME have confirmed uranium mineralization extending more than 3,700 ft to the east from the nearest wellfield. The AME Project targets the continuation of productive roll fronts from Alta Mesa wellfields 1, 3, 3EXT, 4, 5B, and 7. Overall, exploration efforts are focused on mineralization within the designated B sands, Middle C sands, Lower C sands, and potentially the D sands in the northeast areas.
- **GTs So Far May Support Wellfield Inclusion** – Drilling is averaging a total depth of approximately 600 ft below the surface. Exploration drilling has discovered mineralization within the Middle C sands at a depth on average between 400 and 460 ft, and within Lower C sands between 480 and 520 feet below surface. The final results are reported for the initial 17 holes, which include six holes ranging from 0.351 to 2.297 Grade Thicknesses (GT). Generally, a GT of 0.3 is considered suitable for inclusion in a wellfield. Of the 17 holes reported, 10 were mineralized.
- **Historical Drilling at AME** – Uranium mineralization at Alta Mesa East occurs as roll fronts in multiple stacked sands within the Goliad Formation just as it does at Alta Mesa. Recall that historical drilling completed by Chevron Minerals during the late 1970's discovered multiple uranium roll fronts located at various depths within sand units interpreted to be the lower C, middle C, B and A sands, all of which have been or are productive at Alta Mesa.

Conclusion

Provided that the current drill campaign remains successful, drilling to establish a resource estimate and to support permitting will continue through 2026 and into 2027. enCore Energy maintains plenty in treasury with total liquidity of ~\$85M at quarter-end and uranium inventory amounting to nearly 154,000 lbs. Still anchored by a \$100/lb LT uranium price, and a target NAV multiple of 1.15x NAV8%, our derived 12-month price objective is maintained at \$3.30 per share (rounded). This equates to upside of +101% from the most recent close (June 1). Shares of enCore Energy currently trade at a 0.57x P/NAV multiple. The full details can be found [here](#):

Company Profile

Sector	Mining
Sub-Sector	Uranium
Ticker	EU
Ticker	EU.CA
Current Price (\$)	\$1.64
12-Mth Price Objective (\$)	\$3.30
Potential Upside	101%
Mkt Cap, Basic (\$M)	\$310.8M
Mkt Cap, FD (\$M)	\$317.1M
EV (\$M)	\$357.4M
Shares O/S Basic (M)	187.4
1-Mth Return	-9.6%
3-Mth Return	-38.3%
YTD Return	-30.6%

	2024	2025	2026e
U3O8 Production lbs	288,589	699,807	797,600

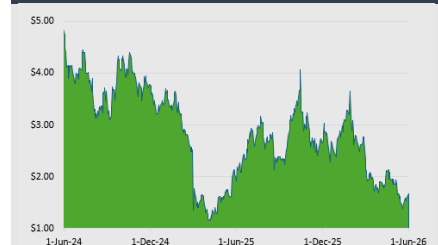
LOM Production lbs	23,951,000
LOM avg. Cash cost\$/lb	\$18.29
LOM avg. AISC\$/lb	\$38.31

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



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