



POWERTECH (USA) INC.

JOHN M. MAYS
Chief Operating Officer

October 8, 2021

Ronald A. Burrows
U.S. Nuclear Regulatory Commission
Office of Nuclear Material Safety and Safeguards
Uranium Recovery and Materials Decommissioning Branch
Washington, D.C. 20555-0001

RE: Powertech USA Inc.'s Dewey-Burdock Uranium Project; Request for Approval of Indirect Transfer of Control of NRC Materials License No. SUA-1600 (Docket: 40-9075)

Dear Mr. Burrows:

Powertech USA Inc., a South Dakota corporation ("Powertech" or "the Licensee"), as a wholly-owned subsidiary Azarga Uranium Corp. ("Azarga"), incorporated in British Columbia, and enCore Energy Corp. ("enCore"), incorporated in British Columbia, hereby request written consent by the U.S. Nuclear Regulatory Commission ("NRC") for the proposed indirect transfer of control of the above-listed NRC source material license, License No. SUA-1600 (the "License"). Attachment 1 provides the basis for this request. On September 7, 2021, Azarga entered into a definitive arrangement agreement ("the Agreement") with enCore whereby enCore will acquire all of the issued and outstanding common shares of Azarga (the "Proposed Transaction"). Attachment 1 is the joint press release detailing the Proposed Transaction. The closing of the Proposed Transaction would result in an indirect change in control of the Licensee, and would occur following Azarga shareholder approval, receipt of NRC regulatory approval, and other customary closing conditions. Accordingly, the parties respectfully request the NRC's expedited review and written consent to the proposed indirect transfer no later than November 19, 2021, and sooner, if possible, in order to permit the companies to take the necessary steps to close the Proposed Transaction by November 30, 2021.

Azarga (TSX: AZZ, OTCQB: AZZUF, FRA: P8AA) is focused on developing low-cost in-situ recovery ("ISR") uranium projects in the United States. Azarga's initial development priority, the Dewey-Burdock Uranium Project has been issued its NRC License and its final Class III and Class V Underground Injection Control permits from the U.S. Environmental Protection Agency



POWERTECH (USA) INC.

(“EPA”). As noted above, the Licensee, a wholly owned subsidiary of Azarga, possesses NRC Materials License SUA-1600 for the Dewey-Burdock Uranium Project in Fall River and Custer Counties, South Dakota. The Dewey-Burdock Uranium Project is currently awaiting completion of additional regulatory approvals before commencing construction; no construction or production activity has begun at the site. Azarga also owns the Gas Hills and Juniper Ridge Projects in Wyoming, the Centennial Project in Colorado, the Aladdin Deposit in Wyoming, and five exploration projects in the United States.

enCore (TSXV: EU, OTCQB:ENCUF) is a United States based domestic uranium developer, focused on becoming a leading ISR uranium producer. The Company is led by a team of industry experts with extensive knowledge and experience in the development and operations of in situ recovery uranium operations. enCore’s transformative opportunities are created from the Company’s acquisition of its two South Texas production facilities, the changing global uranium supply/demand outlook and opportunities for industry consolidation. These short-term opportunities are augmented by a strong long-term commitment to working with local indigenous communities in New Mexico where the company holds significant uranium resources. enCore holds a portfolio of uranium assets located in Texas, New Mexico, Wyoming, Utah and Arizona, USA. The portfolio is highlighted by two licensed ISR uranium production facilities with combined nameplate capacity of over 1.6 million pounds of U3O8 in South Texas. The Company also owns 300,000+ acres of private mineral rights in New Mexico that includes all or the majority of the Crownpoint & Hosta Butte, Nose Rock, West Largo and Ambrosia Lake – Treeline properties. The Company also controls nearly 19,000 acres (7,572 ha) of private land leases including the Marquez-Juan Tafoya Property.

enCore’s wholly-owned subsidiary, URI, Inc., holds permits and licenses in the United States, including Radioactive Material License R03653 with the Texas Council of Environmental Quality for uranium recovery. See Attachment 2 for supporting documentation.

Through the Proposed Transaction, enCore and Azarga will consolidate an industry-leading pipeline of exploration and development staged ISR focused uranium projects located in the United States. Specifically, through the Proposed Transaction, the companies will consolidate: (a) the licensed Rosita and Kingsville Dome past producing uranium production facilities in South Texas, which are already owned by enCore; (b) Azarga’s advanced stage Dewey-Burdock development project in South Dakota, which has been issued its key federal permits; (c) Azarga’s Gas Hills Project located in Wyoming, which has undergone a preliminary economic assessment; and (d) a portfolio of uranium projects throughout the United States. Through the Proposed Transaction, enCore will fill a gap in its pipeline of projects with key intermediate



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development opportunities in Wyoming and South Dakota, in between initial production in Texas, and longer-term opportunities in New Mexico.

enCore's current executive team will manage the combined company. The executive team will be led by Paul Goranson as Chief Executive Officer and Director, William Sheriff as Executive Chairman, Carrie Mierkey as Chief Financial Officer, and Dennis Stover, as Chief Technical Officer. Blake Steele, Azarga's current President and Chief Executive Officer, will continue as a Strategic Advisor to the combined company and John Mays, Azarga's current Chief Operating Officer, will continue as Chief Operating Officer of the Azarga subsidiary, with a core focus to manage the continued advancement of the Dewey Burdock and Gas Hills projects.

When completed, the Proposed Transaction will result in an indirect transfer of control of the License as Azarga will become a subsidiary of enCore (see Attachment 3). Importantly, the proposed indirect transfer of control would not result in any changes to the Licensee's name, organization, or NRC-licensed activities. Included with this letter is the explanation of the criteria for the basis of NRC approval as listed in *NUREG- 1556*, Vol. 15, Rev. 1 *Consolidated Guidance About Materials Licenses: Program-Specific Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses*, Sections 5.1 through 5.6. Please see Attachment 4. Accordingly, the parties request that the NRC consent to the proposed indirect transfer of control. Our review of the License does not indicate that a license amendment is necessary. However, Form 313 has been included with this letter for processing a license amendment should NRC determine this to be necessary. Please see Attachment 5.

We respectfully request that the NRC review this application and issue its consent to this indirect transfer in an expedited manner, by November 19, 2021, if possible, in order to permit the parties to complete the Proposed Transaction by November 30, 2021.

If you have any questions or if additional information is needed, please contact me by telephone at 605-662-8308 or by email at jmays@powertechuranium.com. Additionally, you may also contact Paul Goranson, President and CEO of enCore Energy at 307-287-0126 or by email at PGoranson@encoreenergycorp.com.

Sincerely,

John M. Mays
Chief Operating Officer



POWERTECH (USA) INC.

Enclosures

Attachment 1 - Joint Press Release

Attachment 2 - Radioactive Materials License R03653

Attachment 3 - Organizational Chart Pre- and Post-Merger

Attachment 4 - Responses to NUREG -1556, Rev. 1 guidance requirements

Attachment 5 - FORM 313 Application for Approval of Indirect Transfer of Control of NRC
Materials License SUA-1600

I declare under penalty of perjury under the laws of the United States of America **Powertech USA Inc.'s Dewey-Burdock Uranium Project; Request for Approval of Indirect Transfer of Control of NRC Materials License No. SUA-1600** is true and correct.

Executed on Oct 7, 2021

A handwritten signature in cursive script that reads "John Mays". The signature is written in black ink and is positioned above a horizontal line.

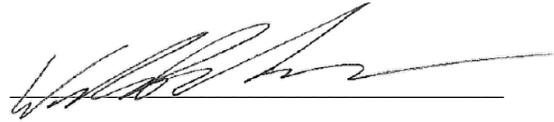
John Mays
Chief Operating Officer
Azarga Uranium Corp.

Corporate Address:
Unit 1 – 15782 Marine Drive
Vancouver, British Columbia, V4B 1EY

Powertech USA Inc. (Licensee) Address:
P.O. Box 448
Edgemont, South Dakota 57735

I declare under penalty of perjury under the laws of the United States of America **Powertech USA Inc.'s Dewey-Burdock Uranium Project; Request for Approval of Indirect Transfer of Control of NRC Materials License No. SUA-1600** is true and correct.

Executed on October 7, 2021

A handwritten signature in black ink, appearing to read 'W. Paul Goranson', is written over a horizontal line.

W. Paul Goranson
CEO and Director
enCore Energy Corp.

Corporate and Mailing Address:
101 N. Shoreline Blvd., Suite 450
Corpus Christi, TX 78401

Attachment 1 – Joint Press Release



ENCORE ENERGY AND AZARGA URANIUM TO COMBINE TO CREATE LEADING AMERICAN URANIUM ISR COMPANY

Corpus Christi, Texas - September 7, 2021: enCore Energy Corp. (“enCore”) (TSXV: EU, OTCQB: ENCUF) and Azarga Uranium Corp. (“Azarga”) (TSX: AZZ, OTCQB: AZZUF, FRA: P8AA) are pleased to announce that they have entered into a definitive arrangement agreement (the “**Agreement**”) whereby enCore will acquire all of the issued and outstanding common shares of Azarga pursuant to a court-approved plan of arrangement (the “**Transaction**”). The Transaction consolidates an industry leading pipeline of exploration and development staged in-situ recovery (“**ISR**”) focused uranium projects located in the United States, including the licensed Rosita & Kingsville Dome past producing uranium production facilities in South Texas, the advanced stage Dewey Burdock development project in South Dakota, which has been issued its key federal permits, the PEA-staged Gas Hills Project located in Wyoming, and a portfolio of resource staged projects throughout the United States. The combined company will possess a uranium resource base of 90.0 million pounds in the measured & indicated category, 9.9 million pounds in the inferred category, as well as 68.4 million pounds in the historic category*.

Under the terms of the Agreement, Azarga shareholders will receive 0.375 common shares of enCore for each Azarga common share held (the “**Exchange Ratio**”). The Exchange Ratio implies consideration of \$0.71 per Azarga common share based on the closing price of the enCore common shares on the TSX Venture Exchange on September 3rd, 2021.

Additionally, the Exchange Ratio will be subject to an adjustment mechanism at the closing of the Transaction (the “**Closing Exchange Ratio**”). The Closing Exchange Ratio shall be equal to the greater of: (i) the Exchange Ratio; or (ii) an exchange ratio calculated as \$0.54 divided by enCore’s 15-day volume-weighted average price prior to the closing of the Transaction, subject to a maximum Closing Exchange Ratio of 0.49 common shares of enCore for each share of Azarga outstanding.

Transaction Highlights

- Creation of a top-tier American uranium ISR mining company with multiple assets at various stages of development;
- Two licensed ISR production facilities and multiple potential satellite exploration and development projects in South Texas;
- Advanced stage Dewey Burdock development project in South Dakota with key federal permits issued;
- Recently published preliminary economic assessment for the Gas Hills project in Wyoming;
- Large uranium resource endowment in New Mexico including the Marquez-Juan Tafoya project, for which a recent preliminary economic assessment was published and the Crownpoint and Hosta Butte project;
- Well positioned to benefit from America’s nuclear renaissance, which boasts bi-partisan political support; and
- Management team and board with unrivaled experience in the permitting, development, and mining of ISR uranium deposits in the USA.

Paul Goranson, CEO of enCore, commented: “enCore is delighted to combine our assets with those of Azarga. Dewey Burdock is an excellent ISR uranium project and we look forward to building upon Azarga’s successes to create additional value through development progress and eventually production. In addition to the execution of plans for near term production in Texas and a dominant mineral position in New Mexico, this combination will see enCore take another leap forward towards realizing the goal of becoming a larger and more diversified uranium development company during a time of positive sentiment for nuclear energy.”

Blake Steele, President & CEO of Azarga, further added: “We are pleased to partner with enCore as a result of this transaction, while realizing a material premium for shareholders in the process. Scale is important in the natural resource sector and this transaction will position the new company among the top uranium miners based in the USA. enCore possesses a great depth of uranium development and mining experience within its management team and board of directors. As such, we are confident that the combined portfolio will be in good hands for the benefit of both sets of shareholders.”

William Sheriff, Executive Chairman of enCore, stated: “This strategic acquisition fills the gap in enCore’s pipeline of projects with key intermediate development opportunities in Wyoming and South Dakota, in between initial production in Texas and longer-term opportunities in New Mexico. This second major acquisition for enCore within the last 12 months is in keeping with our announced aggressive M&A strategy which was successfully employed at Energy Metals Corp, which was sold for \$1.6 billion during the last cycle. Consolidation in conjunction with an elite operational team are the keys to success in building a leading US ISR company.”

Transaction Details

Pursuant to the terms of the Agreement, all of the issued and outstanding common shares of Azarga will be exchanged for common shares of enCore at the Closing Exchange Ratio. Outstanding and unexercised warrants and stock options to purchase common shares of Azarga will be adjusted in accordance with their terms based on the Closing Exchange Ratio.

The Agreement includes standard deal protection provisions, including non-solicitation, right-to-match, and fiduciary out provisions, as well as certain representations, covenants and conditions that are customary for a transaction of this nature, along with a termination fee of \$4 million payable to enCore in certain circumstances.

The proposed Transaction will be effected by way of a plan of arrangement completed under the *Business Corporations Act* (British Columbia). The Transaction will require approval by at least 66 2/3% of the votes cast by Azarga shareholders and, if required by Multilateral Instrument 61-101, a simple majority of the votes cast by Azarga shareholders excluding certain interested or related parties, in each case by shareholders present in person or represented by proxy at a special meeting of the shareholders of Azarga to be called in connection with the Transaction (the “**Azarga Special Meeting**”).

The Azarga Special Meeting is expected to be held in October or November 2021. An information circular detailing the terms and conditions of the Transaction will be mailed to the shareholders of Azarga in connection with the Azarga Special Meeting. All shareholders are urged to read the information circular once available, as it will contain important additional information concerning the Transaction.

Closing of the Transaction is subject to the receipt of applicable regulatory approvals and the satisfaction of certain other closing conditions customary in transactions of this nature, including, without limitation, court and stock exchange approval. Closing of the Transaction is anticipated to occur in November 2021.

None of the securities to be issued pursuant to the Transaction have been or will be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws, and any securities issuable in the Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Management and Board of Directors

The combined company will be managed by the current enCore executive team, led by Paul Goranson as CEO & Director, William Sheriff as Executive Chairman, Carrie Mierkey as Chief Financial Officer, and Dennis Stover, as Chief Technical Officer. Blake Steele, current President & CEO of Azarga, will continue as a Strategic Advisor to the combined company and John Mays, current COO of Azarga, will continue as Chief Operating Officer of the Azarga subsidiary, with a core focus to manage the continued advancement of the Dewey Burdock and Gas Hills projects.

Upon closing of the Transaction, Sandra MacKay, a current director of Azarga, will be appointed to the board of enCore.

In connection with the closing of the Transaction, enCore intends to seek the listing of its shares on the NYSE-AMEX or NASDAQ exchange which may include a share consolidation in order to meet initial listing requirements.

Board Recommendations and Voting Support

The Agreement has been unanimously approved by the boards of directors of both enCore and Azarga, and Azarga’s board unanimously recommends that its shareholders vote in favour of the Transaction.

Officers and Directors of Azarga holding approximately 7% of the outstanding shares of Azarga have entered into customary voting support agreements pursuant to which they have agreed, among other things, to vote their Azarga common shares in favour of the Transaction.

Clarus Securities Inc. has provided a fairness opinion to the Board of Directors of enCore, to the effect that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications set out in such opinion, the consideration to be paid by enCore pursuant to the Transaction is fair, from a financial point of view, to enCore.

Each of Haywood Securities Inc. and Evans & Evans, Inc. have provided fairness opinions to the Board of Directors of Azarga, to the effect that, as of the date of such opinion, and based upon and subject to the respective assumptions, limitations and qualifications set out in such opinion, the consideration to be received by Azarga shareholders pursuant to the Transaction is fair, from a financial point of view, to Azarga shareholders.

Advisors and Counsel

PowerOne Capital Markets Ltd. is acting as financial advisor to enCore. Morton Law LLP is acting as legal counsel to enCore.

Haywood Securities Inc. is acting as financial advisor to Azarga. Blake, Cassels & Graydon LLP is acting as legal counsel to Azarga.

Conference Call & Webcast

enCore and Azarga will be hosting a joint online investor webinar on Thursday, September 9, 2021 at 10:00 AM EDT / 7:00 AM PDT to discuss the Transaction.

To register and attend the webinar please visit:

<https://attendee.gotowebinar.com/register/1027177374309475597>

Additionally, Mr. Goranson and Mr. Sheriff will join Smith Weekly Research in discussing the Transaction that will be available at this link:

[Smith Weekly Research - enCore Energy & Azarga Uranium Business Combination](#)

enCore Resource Summary

Project	Million Tons	Grade eU3O8%	U3O8 (M lbs.)
Crownpoint and Hosta Butte⁽¹⁾			
Indicated	12.68	0.105%	26.6
Inferred	2.76	0.110%	6.1
Marquez-Juan Tafoya⁽²⁾			
Indicated	7.1	0.127%	18.1
Historic Mineral Resources*			
Marquez-Juan Tafoya: Sunshine ⁽³⁾	1.1	0.11%	2.48
Nose Rock ⁽⁴⁾⁽⁵⁾	11.8	0.148%	35.0
West Largo ⁽⁶⁾⁽⁷⁾	2.9	0.300%	17.2
Ambrosia Lake ⁽⁸⁾⁽⁹⁾	2.0	0.176%	7.1
Moonshine Springs ⁽⁹⁾	1.4	0.165%	4.7
Butler Ranch ⁽¹⁰⁾	0.4	0.15%	1.3
Rosita ⁽¹¹⁾	0.4	0.082%	0.6
Total Historic Resources*			68.4

1. NI 43-101, Technical Report, Crownpoint & Hosta Butte, McKinley County, New Mexico, prepared by BRS Engineering, dated May 14, 2012. Crownpoint & Hosta Butte hosts Indicated resource of 12.7 Mt of 0.105% eU3O8 totaling 26.6 M lbs, Inferred resource of 2.8 Mt of 0.110% eU3O8 totaling 6.1 M lbs.
2. Beahm, Douglas L., P.E., P.G., BRS Inc., Terence P. McNulty, P.E., PHD, McNulty and Associates, "NI 43-101 Technical Report, Preliminary Economic Assessment, Marquez-Juan Tafoya Uranium Project", prepared by BRS Engineering, dated June 9, 2021. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. Carter, Geoffrey S., P.Eng., 2014, "NI 43-101 Technical Report on Mineral Resources: Juan Tafoya Uranium Project, Cibola, McKinley, and Sandoval Counties, New Mexico, USA", reported and effective May 15, 2014, prepared for Uranium Resources Inc. by Broad Oak Associates. Carter reports the non-contiguous Southeast Deposit located about 1 mile southeast of the Marquez-Juan Tafoya Deposit has an historic estimated Inferred Resource of 1,125,900 tons containing 2.481 million pounds U3O8 at an average grade of 0.110%, with a cutoff grade of 0.05% U3O8.
4. M. Hassan Alief, Technical Report on Section 1, T18N, R12W, Nose Rock Uranium Property, McKinley County, New Mexico, reported an effective February 9, 2009 for Strathmore Minerals Corp.
5. Behre Dolbear & Company (USA) Inc., 2011, Technical Report on the Nose Rock Project of Uranium Resources Inc., prepared by Robert D. Maxwell, CPG.
6. Behre Dolbear & Company (USA) Inc., 2011, Technical Report on the West Largo Project of Uranium Resources Inc., prepared by Robert D. Maxwell, CPG.
7. Conoco Inc., Internal Memorandum, Treeline Uranium Property, McKinley County, New Mexico, 1978.
8. Behre Dolbear & Company (USA) Inc., 2010, Technical Report on the Ambrosia Lake Project of Uranium Resources Inc., prepared by Robert D. Maxwell, CPG and Bernard J. Guarnera, RPG, CPG. The report references Historic Mineral Resources with sources including:
 1. Sec 27-14N-10W estimated by Capitan, Melvin, Feb 25, 2008, Uranium Resources Inc., "Ore Reserve Calculation Sheet 3, T14N R10W Section 27", in Maxwell, Robert, CPG and Bernard Guarnera, March 1, 2010, Technical Report on Ambrosia Lake Project, Section 27, et al., Behre Dolbear Report 07-019
9. Wilton, Dean T., CPG, PG, MAIG, Chief Geologist Westwater Resources, 2018, Technical Report on the Ambrosia Lake Uranium Project, McKinley County, USA. This report outlines several Historic Mineral Resources including:
 1. Sec 25-14N-10W estimated by Yancy & Associates, May 1997, Mine Plan - Sections 23 and 25 Ambrosia Lake, New Mexico, for Rio Algom Mining Corporation, Quivira Mining Company
 2. Sec 7-14N-10W estimated by Pathfinder Mines, 1980, Mine Plan Exxon Minerals Company, Moonshine Springs, Mohave County, Arizona, 1982.
 3. Sec 17-13N-9W estimated by Nelson, Jon, Uranium Resources Inc., January 18, 2008.
 4. Sec 13-13N-9W estimated by Nelson, Jon, Uranium Resources Inc., June 29, 2007.

10. Uranium Resources, Inc., News Release dated July 7, 2015

11. Uranium Resources Inc., Form 10K, US Security and Exchange Commission, March 27, 2014.

*A *Qualified Person* (as defined in NI43-101) has not done sufficient work to classify the historical estimates as current mineral resources. Additional work will be required to verify and update historical estimates, including a review of assumptions, parameters, methods and testing. Historical estimates do not use the current mineral resource categories prescribed under NI43-101. enCore is not treating the historical estimates as current mineral resources and they should not be relied upon.

Azarga Resource Summary

Project	Million Tons	Grade U3O8%	U3O8 (M lbs.)
Dewey Burdock⁽¹⁾			
Measured & Indicated (ISR)	7.39	0.116%	17.12
Inferred (ISR)	0.65	0.055%	0.71
Centennial⁽²⁾			
Measured & Indicated (ISR)	6.87	0.09%	10.37
Inferred (ISR)	1.36	0.09%	2.33
Aladdin⁽³⁾			
Measured & Indicated	0.47	0.111%	1.04
Inferred	0.04	0.119%	0.10
Gas Hills⁽⁴⁾			
Measured & Indicated (ISR)	3.83	0.101%	7.71
Measured & Indicated (non-ISR)	3.20	0.048%	3.06
Inferred (ISR)	0.41	0.052%	0.43
Inferred (non-ISR)	0.11	0.030%	0.06
Juniper Ridge⁽⁵⁾			
Measured & Indicated (non-ISR)	5.14	0.058%	6.01
Inferred (non-ISR)	0.11	0.085%	0.18

1. NI 43-101 Technical Report, Preliminary Economic Assessment, Dewey-Burdock Uranium ISR Project, South Dakota, USA, completed by Woodard & Curran and Rough Stock Mining Services (effective 3 December 2019).
2. NI 43-101 Preliminary Assessment, Powertech Uranium Corp., Centennial Uranium Project, Weld County, Colorado, completed by SRK Consulting (effective 2 June 2010).
3. Technical Report on the Aladdin Uranium Project, Crook County, Wyoming, completed by Jerry D. Bush, certified Professional Geologist (effective 21 June 2012).
4. NI 43-101 Technical Report, Preliminary Economic Assessment, Gas Hills Uranium Project, Fremont and Natrona Counties, Wyoming, USA, completed by WWC Engineering and Rough Stock Mining Services (effective 28 June 2021).
5. Juniper Ridge Uranium Project, Carbon County, Wyoming, USA, Amended and Restated NI 43-101 Mineral Resource and Preliminary Economic Assessment, completed by Douglas L. Beahm, P.E., P.G., Principal Engineer, BRS Inc. and Terrence P. (Terry) McNulty, P.E., D.Sc., T.P McNulty and Associates (effective 9 June 2017).

Mineral Resources that are not mineral reserves do not have demonstrated economic viability

Qualified Persons

The technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in NI 43-101 and reviewed and approved on behalf of enCore by Douglas H. Underhill, PhD, CPG, and on behalf of Azarga by John Mays, P.E. and Chief Operating Officer of Azarga, each of whom are a “Qualified Person” as defined by NI 43-101.

About enCore

enCore Energy Corp. is a U.S. domestic uranium developer focused on becoming a leading in-situ recovery (ISR) uranium producer. The company is led by a team of industry experts with extensive knowledge and experience in the development and operations of in situ recovery uranium operations. enCore Energy’s opportunities are created from the company’s transformational acquisition of its two South Texas production facilities, the changing global uranium supply/demand outlook and opportunities for industry consolidation. These short-term opportunities are augmented by our strong long term commitment to

working with local indigenous communities in New Mexico where the company holds significant uranium resources.

About Azarga

Azarga Uranium is an integrated uranium exploration and development company that controls ten uranium projects and prospects in the United States of America (“USA”) (South Dakota, Wyoming, Utah and Colorado), with a primary focus of developing in-situ recovery uranium projects. The Dewey Burdock in-situ recovery uranium project in South Dakota, USA (the “Dewey Burdock Project”), which is the company’s initial development priority, has received its Nuclear Regulatory Commission License and Class III and Class V Underground Injection Control permits from the Environmental Protection Agency and the company is in the process of completing other major regulatory permit approvals necessary for the construction of the Dewey Burdock Project.

Contact Information

enCore Energy Corp.
William M. Sheriff
Executive Chairman
972-333-2214

info@encoreenergycorp.com
www.encoreenergycorp.com

Azarga Uranium Corp.
Blake Steele
President & CEO
605-662-8308

info@azargauranium.com
www.azargauranium.com

Cautionary Statements

Certain information contained herein constitutes forward-looking information or statements under applicable securities legislation and rules. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend", "indicate", "scheduled", "target", "goal", "potential", "subject", "efforts", "option" and similar words, or the negative connotations thereof, referring to future events and results. Forward-looking statements in this press release include, but are not limited to, statements related to the anticipated completion of the Transaction, the terms of the Transaction, the benefits of the Transaction, the combined company, the directors and officers of the combined company, the merits of the properties of enCore and Azarga, the potential share consolidation and listing of the shares of the combined company on a U.S. stock exchange and all statements related to the business plans, expectations and objectives of enCore and Azarga.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of enCore and/or Azarga to be materially different from those expressed or implied by such forward-looking statements, including, but not limited to: any inability of the parties to satisfy the conditions to the completion of the Transaction on acceptable terms or at all; receipt of necessary stock exchange, court and shareholder approvals; the ability of enCore and Azarga to achieve their stated goals and objectives; the costs associated with the companies’ objectives; risks and uncertainties related to the COVID-19 pandemic and measures taken to attempt to reduce the spread of COVID-19; and the risks and uncertainties identified in enCore’s Management’s Discussion and Analysis for the six months ended June 30, 2021 and Azarga’s Annual Information Form for the year ended December 31, 2020, each filed on SEDAR at www.sedar.com. Although management of each of enCore and Azarga has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements. Neither party will update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws. The parties caution readers not to place undue reliance on these forward-looking statements and it does not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

This press release is not and is not to be construed in any way as, an offer to buy or sell securities in the United States. The distribution of the enCore common shares in connection with the transactions described herein will not be registered under the United States Securities Act of 1933 (the "U.S. Securities Act") and the enCore common shares may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the enCore common shares, nor shall there be any offer or sale of the enCore common shares in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Neither the TSX, the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX and TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Attachment 2 – Radioactive Material License R03653



Texas Commission on Environmental Quality Radioactive Material License

Pursuant to the Texas Radiation Control Act, Texas Commission on Environmental Quality, (TCEQ or commission) and Title 30 of the Texas Administrative Code (30 TAC), and in reliance on statements and representations heretofore made by the Licensee, a license is hereby issued authorizing the Licensee to receive, possess, use, store, dispose and transfer radioactive material listed below; and to use such radioactive material for the purpose(s) and at the place(s) designated below. This license is subject to all applicable rules, regulations and orders of the TCEQ now or hereafter in effect and to any conditions specified below.

Licensee Customer Number	Licensee Name	Licensee Address	License Number	License Expiration Date	This license is issued in response to an application(s) received dated	Amendment Number 23
CN600604417	1. URI, Inc. ATTN: Daniel Calderon	2. 641 E. FM 1118 Kingsville, Texas 78363	3.R03653	3.A October 31, 1991 (see Footnote 1)	4. November 10, 2020, signed by Dain McCoig	4.A Issued on May 4, 2021 (see Footnote 2)

Footnote 1- The Licensee requested renewal of the license prior to the expiration date. This license shall not expire until the Executive Director has made a final determination on the request to renew this license.

Footnote 2- This license supersedes and replaces the license issued November 7, 2014 (Amendment No. 22).

Radioactive Material Authorized

5. Radioisotope	6. Form of Material	7. Maximum Quantity/Activity	8. Authorized Use
A. Uranium (Natural)	A. Any	A. Unlimited	A. In-situ mining, processing, drying into yellowcake. Possession incidental to operations, restoration, decommissioning, decontamination, and reclamation of the in-situ mining project. Temporary storage prior to transfer to authorized recipients and/or authorized by-product material disposal facilities.

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

5. Radioisotope	6. Form of Material	7. Maximum Quantity/Activity	8. Authorized Use
B. By-product material, as defined at 30 TAC Section (§) 336.1105(4)	B. Any	B. Unlimited	B. Possession incidental to operations, restoration, decommissioning, decontamination, and reclamation of the in-situ mining project. Temporary storage prior to transfer to authorized recipients and/or authorized by-product material disposal facilities. Disposal via injection into a disposal well authorized by permit from the commission.

General Requirements

9. A. Radioactive material shall be used only at:

Regulated Entity Number	Regulated Entity	Location
RN102380763	Kingsville Dome Project	on FM 1118 about 8 miles southeast of Kingsville, Texas, and about 4 miles east of U.S. Highway 77 in Kleberg County
RN102380805	Rosita Project	about 11 miles northwest of San Diego, Texas, and about 1 mile northeast of the intersection of State Highway 44 and FM 3196 in Duval County
RN102380821	Vasquez Project	approximately 3 miles east of the 7 Bar Ranch entrance, off S.H. 359, on unpaved ranch roads and approximately 4 miles northwest of Hebbbronville, Texas, on S.H. 359 in Duval County
RN102380821	Waste Disposal Well-185	approximately 3.5 miles north of Hebbbronville, Texas, off S.H. 16 in Duval County

10. The individual designated to perform the functions of Radiation Safety Officer (RSO) for activities covered by this license is Vikas Joshi.

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

11. The Licensee shall comply with the provisions of 30 TAC Chapters 25 (Environmental Testing Laboratory Accreditation and Certification); 35, Subchapter H (Emergency and Temporary Orders and Permits; Temporary Suspension or Amendment of Permit Conditions pertaining to Radioactive Substances and Materials); 39, Subchapters A (Applicability and General Provisions), H (Applicability and General Provision) and M (Public Notice for Radioactive Material Licenses); 50 (Action on Applications and Other Authorizations); 55, Subchapter G (Requests for Contested Case Hearing and Public Comment on Certain Applications); 60 (Compliance History); 70 (Enforcement); 80 (Contested Case Hearings); 281, Subchapter A (Application Processing); 305, Subchapters A (General Provisions), B (Emergency Orders, Temporary Orders, and Executive Director Authorizations), C (Application for Permit or Post-Closure Orders), D (Amendments, Renewals, Transfers, Revocation, and Suspension of Permits), and F (Permit Characteristics and Conditions); 327 (Spill Prevention and Control); and 336, Subchapters A (General Provisions), B (Fees), C (General Disposal Requirements), D (Standards for Protection), E (Notices, Instructions and Reports, and Inspections), and L (Licensing of Source Material Recovery and By-product Material Disposal).
12. Eating, drinking, and/or smoking shall not be allowed in operational, storage, and/or maintenance areas where contamination by uranium or by-product material may occur.
13. All well fields, processing facilities, storage areas, by-product material retention systems, and irrigation areas shall be fenced to exclude livestock.
14. Financial security shall be maintained until the commission and the United States Nuclear Regulatory Commission (NRC) have approved termination of the license.
15. If historic or cultural properties are encountered during construction, operation, decommissioning, or any other activities, the Licensee shall cease work at the immediate vicinity of that site and shall notify the State Historical Preservation Officer, the Advisory Council on Historic Preservation and the Executive Director. These agencies shall be afforded an opportunity to comment in accordance with Protection of Historic and Cultural Properties (Federal Register Notice, Vol. 44, No. 21, January 30, 1979).
16.
 - A. The Licensee shall obtain all permits and licenses required by State and/or local authorities prior to commencing any operations. Copies of all such permits, licenses, and their respective amendments shall be provided to the Executive Director within 30 days of their receipt by the Licensee.
 - B. The Licensee shall not begin any operations without the required Commission permit(s) and/or authorization(s) and shall abide by the requirements of any Commission permit, authorization, and/or rule. The Licensee shall notify the Executive Director of any proposed modifications to any Commission permit(s) and/or authorization(s) and of their final approval.
17.
 - A. The Licensee shall maintain records of the following for the Executive Director's review: monitoring, sampling, and analyses programs; transfer, shipments, and disposal of radioactive materials; program audits, inspections, surveys, and any other records required by this license, and the provisions of Title 30 of the TAC.
 - B. Each site shall maintain documents and records pertinent to the operations at that site. However, records and documents pertinent to operations at Waste Disposal Well-185 shall be maintained at the Vasquez Project.

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

- C. The Licensee shall submit to the Executive Director each year, no later than September 1 for the period of January 1 through June 30 and March 1 for the period of July 1 through December 31, a report specifying the quantity of each principal radionuclide released to unrestricted areas in liquid and in gaseous effluents (including particulates) during the specified semi-annual period of operations.
18. The RSO and/or other Licensee officials shall review and prepare a report on the following areas of the radiation safety program at least annually:
- A. health physics authority and responsibility;
 - B. operating procedures involving the handling, processing, and/or storage of radioactive materials;
 - C. control of airborne uranium, and radon-222 and its progeny;
 - D. records of audits, inspections, and surveys conducted by the facility RSO (for timeliness and the resolution of any problems);
 - E. personnel radiation protection programs, including employee exposure records and bioassay procedures and results;
 - F. radiation safety training program and records;
 - G. respiratory protection program as specified in 30 TAC §336.321;
 - H. records of all required-radiological surveys, sampling, wipe tests, inspections, and environmental monitoring;
 - I. facility and equipment design, including ventilation rates within various portions of the facility, fire control, laboratory design, and by-product material storage locations; and
 - J. compliance for the previous 12 months with the requirements of 30 TAC, and any other applicable federal and state regulations, and the conditions of this license.
19. A. Visitors to locations other than administrative areas shall be escorted by personnel trained in the facility's safety procedures. Visitors shall be instructed in the safety precautions established for the facility.
- B. All clerical and office support staff shall be given safety training which may be an abridged version of that given to operations personnel. If any one of these employees transfers to other duties, the employee shall be given appropriate radiation safety training for his or her new assignments.
- C. Contract or temporary workers who may be exposed to radiation levels and/or atmospheres containing airborne contamination in greater than 10% of the limits specified in 30 TAC Chapter 336, Subchapter D or who handle equipment which may be contaminated in excess of the limits stated in 30 TAC §336.364 Appendix G shall receive radiation safety instruction similar to that given to permanent operations personnel. Only job specific safety instruction shall be necessary for contract or temporary workers who have received full instruction during prior work assignments at the facility.
- D. All female employees shall be given instruction concerning prenatal radiation exposure.
- E. Radioactive material shall be used by or under the supervision of individuals designated by the RSO only after each user has successfully completed the Licensee's radiation safety training program.
20. A. Groundwater protection and monitoring shall be done in accordance with the requirements of 30 TAC §336.1129(i) and commission permit(s).

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

- B. The Licensee shall notify the Executive Director when an excursion, as defined by the commission, has been verified in a monitor well. Initial notification shall include copies of the water sample analyses. During an excursion, the Licensee shall provide analyses of the affected well(s), if requested by the Executive Director, and shall notify the Executive Director when the affected well(s) is (are) no longer on an excursion.
21. A. The Licensee shall monitor the air in the dryer/packaging area for airborne uranium concentrations at least weekly during drying operations, major repairs, cleaning, maintenance, dismantling, or any other operation(s) which may result in the release of airborne uranium. If the airborne uranium concentration exceeds 50 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$), the Licensee shall:
- 1) perform continuous monitoring while employees are in the dryer/packaging area;
 - 2) maintain records of employee exposure; (averaged over one week intervals);
 - 3) take steps to reduce airborne concentrations;
 - 4) continue monitoring until average concentrations are less than $50 \mu\text{g}/\text{m}^3$; and
 - 5) report weekly averaged exposures in excess of $200 \mu\text{g}/\text{m}^3$ to the Executive Director within working day by telephone, during normal business hours, and within 10 days in writing.
- B. The Licensee shall perform monthly surveys to determine the airborne concentration of radon-222 (Rn-222) and/or Rn-222 progeny in working areas where concentrations may exceed 10% of the limits in 30 TAC §336.359, Appendix B, Table I, Column 3. If airborne concentrations exceed 10% of these limits, then surveys shall be performed weekly until four (4) consecutive weekly samples are below 10% of the limits. These working areas shall include, as a minimum, the areas above the ion-exchange columns and areas downwind of surge ponds/tanks and by-product material retention systems.
- C. Respirators made available for reissuance or reuse must show no removable contamination in excess of 100 disintegrations per minute over 100 square centimeters ($\text{dpm}/100 \text{ cm}^2$) alpha, and/or in excess of 1,000 $\text{dpm}/100 \text{ cm}^2$ beta gamma (as determined by standard wipe or smear techniques), and no fixed beta gamma contamination in excess of 0.2 milliRoentgen per hour (mR/hr) above background on contact.
- D. Before any work, including maintenance, repair, cleaning, dismantling or other such activities, is performed within closed tanks which contain or have contained radioactive materials, radiation work permits (or their equivalent) shall be submitted to the RSO. The RSO may survey the interior tanks using radiological measuring and detection instruments and wipe methods to determine if contamination is present prior to any work being performed. If contamination exceeding $220,000 \text{ dpm}/100 \text{ cm}^2$ is found or if the RSO does not perform such a survey, then protective clothing and respiratory protection shall be worn by employees during the performance of operations.
22. A. The Licensee shall assess the level of alpha contamination at least monthly in all eating areas, shower and change areas, administrative offices, control rooms and laboratories. The Licensee shall initially conduct a survey of these areas for fixed alpha contamination. If the level of fixed alpha contamination exceeds 10% of the removable alpha contamination limit specified at 30 TAC §336.364, then the Licensee shall conduct a survey for removable contamination. The survey for removable alpha contamination shall be conducted using standard wipe and smear methods. Surfaces which have removable alpha contamination greater than the limits specified in 30 TAC §336.364 Appendix G shall be decontaminated.
- B. Gamma surveys shall be conducted quarterly at all work stations and vessels which contain or have contained radioactive materials.

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

- C. The Licensee shall conduct a monthly visual inspection for dried yellowcake to determine possible areas of contamination within eating, shower and change, and administrative areas. Any visible yellowcake shall be removed immediately.
 - D. Each employee (including temporary and contract workers) who works in areas where contact with uranium or by-product material is possible shall be surveyed before leaving the work site. The worker's skin, clothing, and shoes shall be surveyed with an alpha radiation detection instrument for removable external alpha contamination. Removable alpha contamination exceeding the limits stated in 30 TAC §336.364 Appendix G shall be removed before the worker departs the site. Results of all worker surveys shall be maintained in a log book at the survey location.
 - E. At least monthly, the RSO shall conduct an unannounced audit of each alpha survey location to ensure that workers follow the survey and administrative procedures as stated in part D of this condition.
23. A. All land survey and monitoring program records for authorized irrigation projects shall be maintained for the Executive Director's review.
- B. Any vegetative crop produced in the irrigated area which exceeds the limits of 30 TAC §336.356 shall not be allowed to enter the human food chain. It shall be returned to the soil or disposed of as by-product material.
24. A. All by-product material retention systems, except for those which have been decommissioned and do not contain any by-product solids and/or fluid contaminated with by-product material, shall be inspected in accordance with 30 TAC §336.1113(1) and the following schedule and procedures:
- (1) while operations are in temporary suspension, weekly inspections of freeboard;
 - (a) by-product material retention systems with more than 4 feet of freeboard need only be inspected weekly;
 - (b) during major precipitation events, freeboard shall be inspected daily;
 - (2) while operations are in temporary suspension, weekly inspections of piping for discharge and leaks, except for piping that has been drained for decommissioning activities;
 - (3) weekly inspections for seepage and visible tearing in the liner; if seepage or tearing in the liner is detected, the Licensee shall initiate appropriate action to drain the by-product material retention system and repair the liner;
 - (4) weekly inspections of under drain monitor wells around any by-product material retention system to determine if fluid is present;
 - (a) if fluid is present, a sample shall be taken and radiological and chemical analysis performed to verify whether or not a leak has occurred;
 - (b) if a leak has occurred, the Licensee shall initiate appropriate action to drain the by-product material retention system and repair the liner; and
 - (5) quarterly inspections for indications of embankment failure including vertical and horizontal displacement, cracks, erosion, slumping, settling, and other significant indications of deterioration.
- B. The Licensee shall notify the Executive Director within one (1) working day by telephone, during normal business hours, and within ten (10) days in writing of any conditions which are adverse to the integrity of the by-product material retention system. The Licensee shall initiate immediate corrective actions.
- C. The Licensee shall provide for stabilization and reclamation of any by-product material retention system(s) and the surrounding licensed area(s) in accordance with applicable commission, NRC, and any other applicable state and/or federal agency laws, rules, license,

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

and/or permit requirements.

- D. The Licensee shall contact the Executive Director to determine whether registration with the commission is required for any existing or proposed on site solid waste pit(s) or by-product material retention system(s).
 - E. Inspection records of all currently and/or previously authorized by-product material retention systems shall be maintained for the Executive Director's review.
 - F. Prior to closure of any on site solid waste pit and/or by-product material retention system, the Licensee shall perform surveys to confirm that materials in the solid waste pit and/or by-product material retention system do not have contamination which exceeds the limits specified by 30 TAC §336.356 and §336.605. Records of the surveys shall be maintained for the Executive Director's review.
 - G. Any on site solid waste pit and/or by-product material retention system shall be surveyed by the Executive Director prior to final closure.
25. A. The Licensee shall employ a preventive maintenance and quality assurance program for dryer operation which includes the following as a minimum:
- (1) periodic visual inspection of the entire dryer system;
 - (2) checks of the integrity and efficiency of the vacuum system, fabric bag filter unit, and heating system;
 - (3) periodic checks of system parameters (e.g., temperature, vacuum, etc.); and
 - (4) regular maintenance on dryer/packaging equipment recommended by the manufacturer.
- B. The Licensee shall conduct the following facility maintenance inspection schedule:
- (1) while operations are in temporary suspension, weekly inspections of the well field pumps, well heads, Remote Ion Exchange (RIX) units, ion exchange columns, chemical makeup tank, sand filters, bleed lines, waste lines, precipitation tank, and disposal well pressure;
 - (2) weekly inspections of the surge tanks, pipelines, plant facility pumps, chemical storage tanks, production storage tanks, sump pump, pond pumps, disposal well pumps, disposal well pipelines, and fluid disposal volume;
 - (3) Monitor wells shall be visually inspected, to assure that they are capped and intact, at a frequency specified for sampling of the monitor wells by 30 TAC Chapter 331 or as specified by the provisions of the UIC permit; and
 - (4) monthly analyses of disposal fluid quality.
26. A. Prior to release by the commission, licensed areas shall be reclaimed to conditions which will allow unrestricted use consistent with its original use. Any soil exceeding the limits of 30 TAC §336.356 shall be removed and disposed of as by-product material, unless alternative methods of disposal and/or processing are authorized by license condition.
- B. Where background radiation levels for soils were not established before the soil surface was disturbed, the background levels shall be established by sampling nearby locations which have not been disturbed by uranium extraction activities. The background levels established by this means are subject to approval by the Executive Director.

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

- C. At the conclusion of in-situ mining, groundwater within any production zone aquifer shall be restored to conditions specified in the appropriate commission permit or other authorizations. Furthermore, the Licensee shall reduce the radioactive material concentrations in the aquifer to levels consistent with pre-mining conditions. In no instance shall the concentration of radioactive materials exceed that which would restrict the aquifer to a lesser use than existed prior to the mining operation.
 - D. The Licensee shall submit and/or update, and maintain on file a commission-approved reclamation/closure plan no later than 12 months following the issuance of this license.
 - E. Acceptance of the licensee's reclamation/closure plan does not preclude the commission from requiring additional decontamination or reclamation actions when deemed necessary to fulfill federal or state requirements, or to improve site stability. Any changes, deletions, or additions to the licensee's plan shall require commission approval prior to their implementation.
- 27.
- A. Solid by-product material shall be stored in strong, water tight, containers on curbed concrete pads (or other impermeable surfaces of sufficient strength to resist tearing), designed to limit horizontal and/or vertical migration of contaminants from the storage location. Each container shall be individually numbered and labeled with the date of closure and inspected monthly to ensure container integrity. The contents of any container found leaking or showing signs of excessive corrosion or rust shall be immediately repackaged and/or disposed of. Inspection records of storage containers shall be maintained for the Executive Director's review.
 - B. Equipment, piping, and similar items and/or materials contaminated with by-product material which are not amenable to being packaged into a container shall be stored on curbed concrete pads (or other impermeable surfaces of sufficient strength to resist tearing), designed to limit horizontal and/or vertical migration of contaminants from the storage location, and/or sealed in a manner which prevents the horizontal and/or vertical migration of contaminants from the storage location.
 - C. Metal containers shall be placed on pallets or runners and not be placed in direct contact with the surface of the storage area.
 - D. Solid by-product material shall be disposed of by transfer to a licensed by-product material disposal site or other authorized recipients.
 - (1) Prior to disposal of solid by-product material, the Licensee shall furnish the Executive Director with relevant terms and conditions of the agreement(s) with the disposal site operator(s).
 - (2) The Licensee shall notify the Executive Director within one (1) working day by telephone, during normal business hours, and within 10 days in writing of any changes in the operation of the disposal site which may affect the licensee's ability to dispose of solid by-product material.
 - E. All tanks containing liquid by-product material, wastes and/or effluents shall be placed on curbed concrete pads (or other impermeable surfaces of sufficient strength to resist tearing), designed to limit horizontal and/or vertical migration of contaminants, and sufficient to contain 110% of the tank contents should a rupture occur. Curbs on pads shall be a minimum of 6 inches high, measured from the surface of the pad.
 - F. Any material to be disposed of or released for unrestricted use which is not identified as by-product material shall be surveyed for contamination if it has been associated with mining, production, field and/or laboratory testing of uranium, and/or reclamation activities.

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

Contamination shall not exceed the limits specified by 30 TAC §336.356 and §336.605. The surveys shall be performed using radiation detection/measuring instruments, wipes, and/or sampling. Records of the surveys shall indicate the date of the survey, material surveyed, individual performing the survey, instruments used, and results of the surveys, and shall be maintained for the Executive Director's review.

- G. A reasonable effort shall be made when handling and storing, for immediate reuse, equipment, piping, and similar items and/or materials contaminated with by-product material, to minimize the horizontal and/or vertical migration of contamination.
 - H. Bulk containers, intended as transport containers, may be stored on site until fully loaded. If a bulk container is not watertight and/or is open to the elements, it shall be covered with a water resistant covering and placed on a curbed concrete (or other impermeable surface of sufficient strength to resist tearing) pad designed to limit horizontal and/or vertical migration of contaminants from the storage location.
 - I. Solid by-product material shall not be stored for more than two (2) years, without authorization by license condition.
28. A. The Licensee is authorized to utilize three (3) RIX units at the Kingsville Dome Project in accordance with the locations and construction specifications specified in letters dated January 14, 1998, March 18, 1998 (RIX #1), October 2, 2006, and October 3, 2006 (RIX #2), November 21, 2007, February 8, 2008 (RIX #3); one (1) RIX unit at the Rosita Project in accordance with the location and construction specifications specified in letters dated December 10, 2007, and February 8, 2008; and one (1) RIX unit at the Vasquez Project in accordance with the location and construction specifications specified in a letter dated May 8, 1998.
- B. No additional RIX unit shall be placed in service until a license amendment has been issued for the unit.
 - C. Prior to commencing construction of any new RIX concrete pad, the Licensee shall submit to the Executive Director the following:
 - (1) baseline environmental samples from locations listed in condition 29 as follow:
 - (a) air samples from radon sample points;
 - (b) soil samples as listed;
 - (c) groundwater as listed;
 - (d) surface water as listed; and
 - (e) sediment as listed;
 - (2) detailed engineering construction plans, stamped, signed, and dated by a professional engineer, currently licensed in the State of Texas, for the RIX unit.
 - (3) detailed map showing the location of the RIX concrete pad;
 - (4) detailed engineering construction plans for the RIX concrete pad; and
 - (5) adjustments to financial security as accepted by the Executive Director.
 - D. No more than 30 days after commencing operation of any new RIX unit, the Licensee shall submit to the Executive Director as built plans, stamped, signed, and dated by a professional engineer, currently licensed in the State of Texas, for the RIX unit and the RIX concrete pad.
 - E. Financial assurance acceptable to, and approved and accepted by the Executive Director shall be provided for RIX #3 at the Kingsville Dome Project and RIX N at the Rosita Project before the Licensee shall begin use of the RIX units.

29. A. The Licensee shall, at a minimum, conduct the following environmental monitoring program:

Parameter	Number	Location	Method	Frequency	Analysis Type (footnote 1)
Air (Radon)	1 from each location	Upwind and downwind of the main plant site, each RIX unit and at the nearest residence or occupied structure within 10 kilometers of the main plant site or any RIX unit. Residence R16 (footnote 2)	Continuous Track Etch	Quarterly during plant operations	Rn-222
Direct Radiation	3 locations (Minimum)	Each Radon sampling location.	TLD (or equivalent)	Quarterly during plant operations	Gamma exposure
Process Fluids	1 for each surge tank and RIX unit	Surge tanks in processing area and each RIX unit.	Grab	Quarterly during plant operations	Rn-222, total uranium, total Ra- 226
Ground-water	1 from each well	Potable, livestock, and irrigation water supply wells within the license area.	Grab	Quarterly	Natural uranium, Ra-226, gross alpha, gross beta (footnote 3), pH, conductivity
Monitor Wells	1 from each well	As required by the UIC permits.	Grab	As required by the UIC permits.	Chemical, radiological
Surface Water (footnote 4)	1 from each impoundment and 2 from each stream (Minimum)	Permanent impoundments, upstream and downstream, in surface waters passing through license area, impoundments adjacent to license area and subject to drainage from license area.	Grab	Quarterly	Natural uranium, Ra-226, gross alpha, gross beta (footnote 3), pH, conductivity

Parameter	Number	Location	Method	Frequency	Analysis Type (footnote 1)
Sediment	1 from each impoundment and 2 from each stream (Minimum)	At surface water sampling locations.	Grab	Annually	Natural uranium, total and soluble Ra-226
Soil	1 from each location	Each Radon sampling location.	Grab	Spring and Fall during plant operations	Natural uranium, Ra-226, Pb-210
Soil	1	Septic system drain field.	Grab	Prior to requesting license termination	Natural uranium, Ra-226

Footnote 1- Analysis is to be performed on all samples taken.

Footnote 2- Residence R16 is located 3.67 kilometers NW of the KVD process plant area (surge tank).

Footnote 3- If gross beta exceeds 50 picoCuries per liter (pCi/l), then analyze for lead-210 (Pb-210).

Footnote 4- In the case of seasonal, intermittent, and/or ephemeral pond(s) or stream(s) samples are only required if water is present in the pond(s) or flowing in the stream(s). Notate sampling log explaining condition of pond(s) and/or stream(s) if samples are not taken. A reasonable effort will be made to sample the pond(s) and/or stream(s) following a major precipitation event(s) which results in a restoration of the pond(s) or flow in the stream(s), not to exceed the required sample frequency.

B. The Vasquez Project and Waste Disposal Well-185 are not required to conduct the environmental monitoring program described in condition 29.A until commencement of mining operations at the Vasquez project.

30. The Licensee has a duty to comply with all license conditions. Failure to comply with any license condition is a violation of the license and statutes under which the license is issued and is grounds for enforcement action, for license amendment, revocation, or suspension, or for denial of a license renewal application or an application for a license or permit for another facility.
31. The Licensee must apply for an amendment or renewal before the expiration of the existing license in order to continue a permitted activity after the expiration of the license. Authorization to continue such activity terminates upon the effective denial of said application.
32. It is not a defense in an enforcement action that it would have been necessary to halt or reduce the licensed activity to maintain compliance with the license conditions.

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

33. The Licensee shall take all reasonable steps to minimize or prevent any discharge, disposal, or other license violation which has a reasonable likelihood of adversely affecting human health or the environment.
34. The Licensee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) installed or used by the Licensee to achieve compliance with the license conditions.
35. The Licensee shall furnish to the Executive Director, upon request and within a reasonable time, any information to determine whether cause exists for amending, revoking, suspending, or terminating the license, and copies of records required to be kept by the Licensee.
36. The Licensee shall give notice to the Executive Director before physical alterations or additions to the licensed facility if such alterations or additions would require a license amendment or result in a violation of license requirements.
37. Authorization from the commission is required before beginning any change in the licensed facility or activity that would result in noncompliance with other license requirements.
38. Unless subject to a different reporting requirement in this license or under 30 TAC §336.335 (Reporting Requirements for Incidents), the Licensee shall report any noncompliance to the Executive Director which may endanger human health or safety or the environment. Such information must be provided orally within 24 hours from the time the Licensee becomes aware of the noncompliance. A written submission must also be provided within 5 days of the time the Licensee becomes aware of the noncompliance. The written submission shall contain a description of the noncompliance and its cause; the potential danger to human health or safety, or the environment; the period of noncompliance, including exact dates and times; if the noncompliance has not been corrected, the time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance, and to mitigate its adverse effects.
39. Inspection and entry by the Executive Director to the licensed site must be allowed under Texas Water Code, Chapters 26 - 28 and 32, Texas Health and Safety Code, §§361.032, 361.033, 361.037, 401.057(a), and 401.063, and Title 40 Code of Federal Regulations (CFR) §122.41(i). The statement in Texas Water Code, §26.014, that commission entry of a facility shall occur in accordance with an establishment's rules and regulations concerning safety, internal security, and fire protection is not grounds for denial or restriction of entry to any part of the facility, but merely describes the commission's duty to observe appropriate rules and regulations during an inspection.
40. This license may not be transferred except on approval of the commission.
41. All reports and other information requested by the Executive Director must be signed by the person and in the manner required by 30 TAC §305.128 (Signatories to Reports).
42. This license may be amended, suspended and reissued, or revoked for cause. The filing of a request by the Licensee for a license amendment, suspension and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any license condition.
43. This license does not convey any property rights of any sort, or any exclusive privilege.
44. Where the Licensee becomes aware that it failed to submit any relevant facts in a license application, or submitted incorrect information in an application, or in any report to the Executive Director, the Licensee shall promptly submit such facts or information.

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

45. A. The Licensee shall notify the Executive Director, in writing, immediately following the filing of a voluntary or involuntary petition for bankruptcy under any chapter of Title 11 (Bankruptcy) of the United States Code (11 USC) by or against:
- (1) The Licensee;
 - (2) An entity (as that term is defined in 11 USC, §101(14)) controlling the Licensee or listing the license or Licensee as property of the estate; or
 - (3) An affiliate (as that term is defined in 11 USC, §101(2)) of the Licensee.
- B. This notification must indicate:
- (1) The name of the Licensee;
 - (2) The license number(s);
 - (3) The bankruptcy court in which the petition for bankruptcy was filed; and
 - (4) The date of filing of the petition.
46. At any time before termination of the license, the Licensee shall submit written statements under oath upon request of the commission or Executive Director to enable the commission to determine whether or not the license should be modified, suspended or revoked.
47. The Licensee shall be subject to the applicable provisions of Texas Health and Safety Code, Chapter 401, also known as the Texas Radiation Control Act (TRCA) now or hereafter in effect and to applicable rules and orders of the commission. The terms and conditions of the license are subject to amendment, revision, or modification, by reason of amendments to the TRCA or other applicable law, or by reason of rules and orders issued in accordance with terms of the TRCA.
48. Any license may be revoked, suspended, or modified, in whole or in part, for any material false statement in the application or any statement of fact required under provisions of the TRCA, or because of conditions revealed by any application or statement of fact or any report, record, or inspection or other means that would warrant the commission to refuse to grant a license on the original application, or for failure to operate the facility in accordance with the terms of the license, or for any violation of or failure to observe any of the terms and conditions of the TRCA or other applicable law or the license or of any rule or order of the commission.
49. The commission may incorporate in this license at the time of issuance, or thereafter, by appropriate rule or order, additional requirements and conditions with respect to the licensee's receipt, possession, and disposal of by-product material as it deems appropriate or necessary in order to: (1) protect the health and safety of the public and the environment; or (2) require reports and recordkeeping and to provide for inspections of activities under the license that may be necessary or appropriate to effectuate the purposes of the TRCA and rules thereunder.
50. All written submissions to the Executive Director as required by this license shall be made to the following:
- A. For submissions by U. S. Postal Service:
- Attn: Ashley Forbes, Deputy Director
Radioactive Materials Division
Texas Commission on Environmental Quality
Mail Code - 233
P. O. Box 13087
Austin, Texas 78711-3087
- B. For Submissions by facsimile transmission the transmission should be addressed to the

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

attention of the Radioactive Materials Section, Radioactive Materials Division and sent to the following number: (512) 239-6464

C. For submission of portable document file (pdf) documents by electronic mail, address to the following: Ashley.Forbes@tceq.texas.gov

51. The Licensee shall not release any equipment from the licensed site to unrestricted use until it has been demonstrated, by appropriate surveys, that the surface contamination on the equipment does not exceed the limits specified at 30 TAC §336.364 Appendix G.

52. A. The Licensee is authorized to expand operations into the area identified as Production Area 5 at the Rosita Project (Regulated Entity Number RN102380805) and to use radioactive material, as authorized in Conditions 5, 6, 7, and 8, of this license, as specified and described in the following:

Application dated August 9, 2006, document entitled "URI, Inc., Rosita Extension, Environmental/Technical Report" (Report) dated August 9, 2006;

Letter dated April 22, 2008, specifying that PAA4 and RIX 1 are being eliminated from the specifications and description of the Rosita Project;

Letter dated May 2, 2008, clarifying the intent of the letter dated April 22, 2008;

Letter dated July 30, 2008, signed by Stephen A. Ramsey, P.E. of Baker-Aicklen & Associates, and attachments;

Letter dated August 11, 2008, signed by Dain McCoig of URI, Inc., and attachments; and

Letter dated September 17, 2008, signed by Stephen A. Ramsey, P.E. of Baker-Aicklen & Associates, and attachments.

B. Prior to commencement of construction, the Licensee shall have a Texas Registered Professional Engineer whose licensed specialty is structural engineering, review and revise as necessary, the calculations and drawings submitted by URI for the water borne debris protection fence and the wellhead protection bollards. This sealed engineering design shall be submitted to TCEQ for review and the final version must be approved by TCEQ prior to commencement of construction. A minimum of 5,300 feet of appropriately designed 4 foot high chain link fence shall be installed as shown in Drawings C-4 and C-9. Individual well head bollards shall be installed at all wellheads in the 100 year flood plain.

C. Prior to commencement of construction, the Licensee shall notify the TCEQ in writing as to whether or not the injection and extraction lines will be buried or laid on the surface. In either event, the licensee shall install the piping in accordance with the appropriate chapters of the latest edition of the HANDBOOK OF POLYETHYLENE PIPE published by the Plastics Pipe Institute. Chapter 6 specifically indicates design procedures. Chapter 7 applies to underground piping, especially the design of road crossings which require a minimum depth of 18" to top of conduit and PE pipe shall be grouted into the conduit. Chapter 8 applies to aboveground piping, especially the requirement that unrestrained piping be placed in a cleared bed or right of way free of material that may damage the piping as it moves. Anchors, restraints and supports shall likewise be designed and constructed in accordance with the appropriate chapters.

D. Prior to commencement of construction, the Licensee shall have a geotechnical investigation and foundation analysis for the RIX performed by a Texas Registered Professional Engineer licensed in geotechnical engineering. Any changes necessary to the current foundation design

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

shall be made by an appropriately registered Texas Professional Engineer. This geotechnical report, foundation design review and final foundation design shall be submitted to TCEQ for review and approval prior to the commencement of construction.

- E. Prior to the commencement of construction, the Licensee shall locate, both horizontally and vertically, the RIX pad area by means of a topographic survey performed by a Texas Registered Professional Land Surveyor. Said survey shall include the establishment of appropriate benchmarks for construction. Upon completion of this topographic survey, the Licensee shall have an appropriately registered Texas Professional Engineer review the topographic survey, make any drainage or structural changes as necessary and submit the "For Construction" plans to TCEQ for review and approval prior to construction.
- F. The Licensee shall submit a cost estimate for the incremental decommissioning costs associated with the Rosita expansion project. The Licensee shall not commence uranium recovery operations at the Rosita expansion site until the cost estimate has been accepted by the executive director and the additional financial assurance funds have been posted by the Licensee and accepted by the executive director.

Additional Requirements

- 53. Except as specifically provided otherwise by this license, the Licensee shall possess and use the radioactive material authorized by this license in accordance with statements, representations, and procedures contained in the following:

Letters dated: March 9, 1984; September 1, 1988; September 6, 1988; April 25, 1989 and March 18, 1998, November 10, 2020.

For the Kingsville Dome Project

Application dated: October 11, 1983 (including the licensee's Environmental Assessment dated October 1983; Safety Evaluation Report dated October 1983; and Application and Technical Report dated November 25, 1985).

Letters dated: January 14, 1998, March 18, 1998, October 2, 2006 (RIX #2), October 3, 2006 (RIX #2), November 21, 2007 (RIX #3), and February 8, 2008 (RIX #3).

For the Rosita Project

Applications dated: July 31, 1986 (including the licensee's Environmental Assessment dated July 1986; Safety Evaluation Report dated July 1986; and Application and Technical Report dated July 1986);

May 17, 1996 (including the licensee's Rosita Project, Supplementary Environmental Report dated May 10, 1996), received May 20, 1996 (including inserts; figure 1-1, figure 7-1, figure 10-1, figure 1 (archeological site locations), figure 1 (Tanguma Expansion Vegetation Map), figure 2 (Southwestern Expansion)), all revised August 8, 1996 and received August 9, 1996; and

August 9, 2006 (received August 9, 2006), including letter dated August 9, 2006 and a document titled "URI, Inc., Rosita Extension, Environmental/Technical Report" dated August 9, 2006.

Letters dated: December 10, 2007 (RIX N), and February 8, 2008 (RIX N).

License Number	Amendment Number 23
R03653	Issued on May 4, 2021

April 22, 2008 (specifying that PAA4 and RIX 1 are being eliminated from the specifications and description of the Rosita Project);

May 2, 2008 (clarifying the intent of the April 22, 2008 letter);

July 30, 2008, signed by Stephen A. Ramsey, P.E. of Baker-Aicklen & Associates, and attachments (pertaining to the expansion into PAA 5);

August 11, 2008, signed by Dain McCoig of URI, Inc., and attachments (pertaining to the expansion into PAA 5); and

September 17, 2008, signed by Stephen A. Ramsey, P.E. of Baker-Aicklen & Associates, and attachments (pertaining to the expansion into PAA 5).

For the Vasquez Project and Waste Disposal Well-185

Application dated: August 2, 1995;

Environmental and technical reports dated: May 17, 1991 (updated August 2, 1995 and March 8, 1998);

Operations plan dated: June 12, 1998;

Letters dated: April 12, 1996 (updated March 8, 1998), May 2, 1996 (updated March 8, 1998),

November 20, 1996 (updated March 8, 1998);

February 11, 1997 (updated March 8, 1998),

April 3, 1997 (updated March 8, 1998);

December 18, 1997; February 23, 1998, May 8, 1998,

May 11, 1998, May 26, 1998, June 1, 1998, June 11, 1998, and

June 18, 1998 (four (4) letters).

If there is a conflict between a condition of this license, statements contained in the application materials, or the applicable provisions of 30 TAC, the most stringent provision shall prevail.

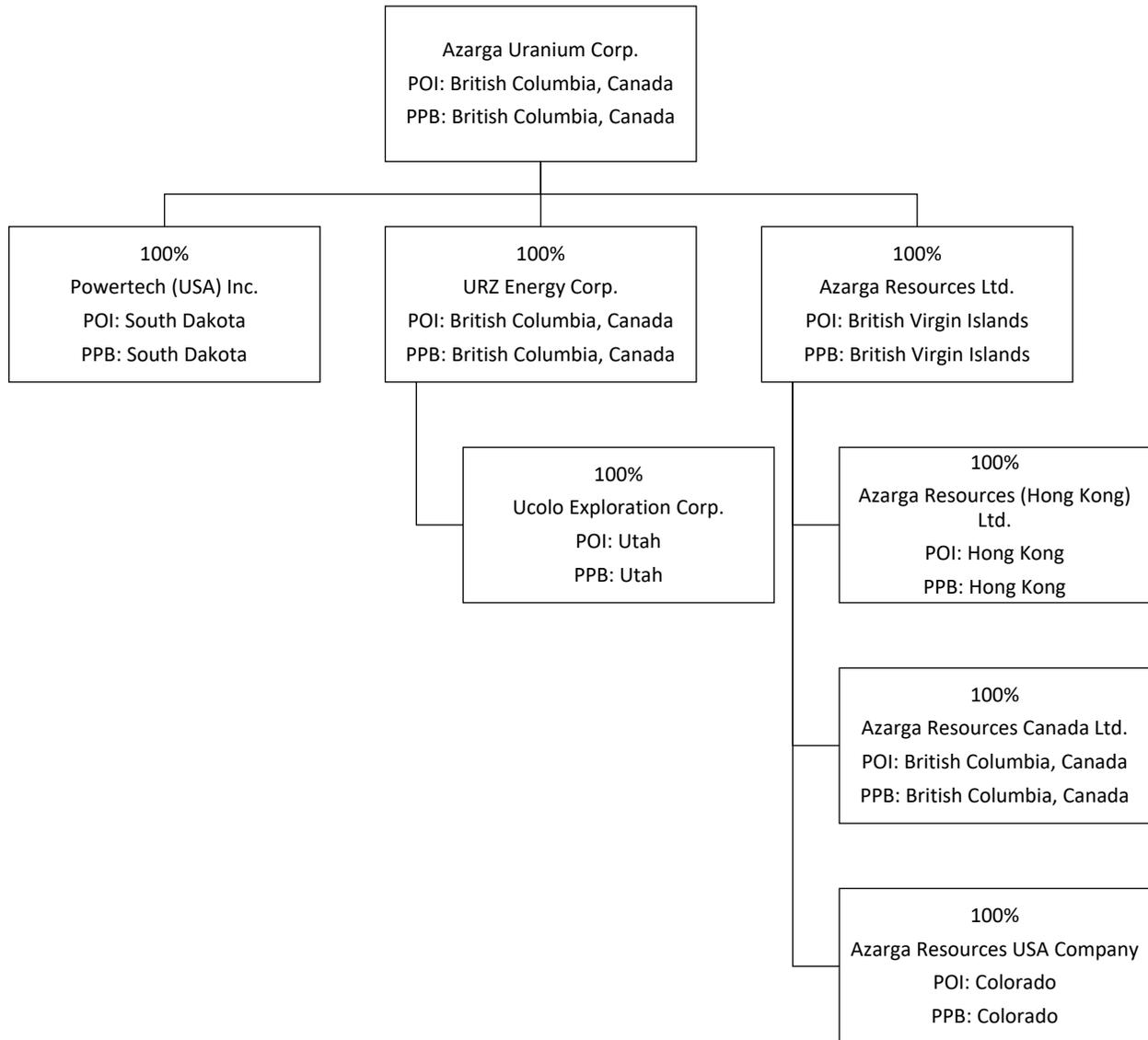
Issued and Effective on: May 4, 2021



For the Commission

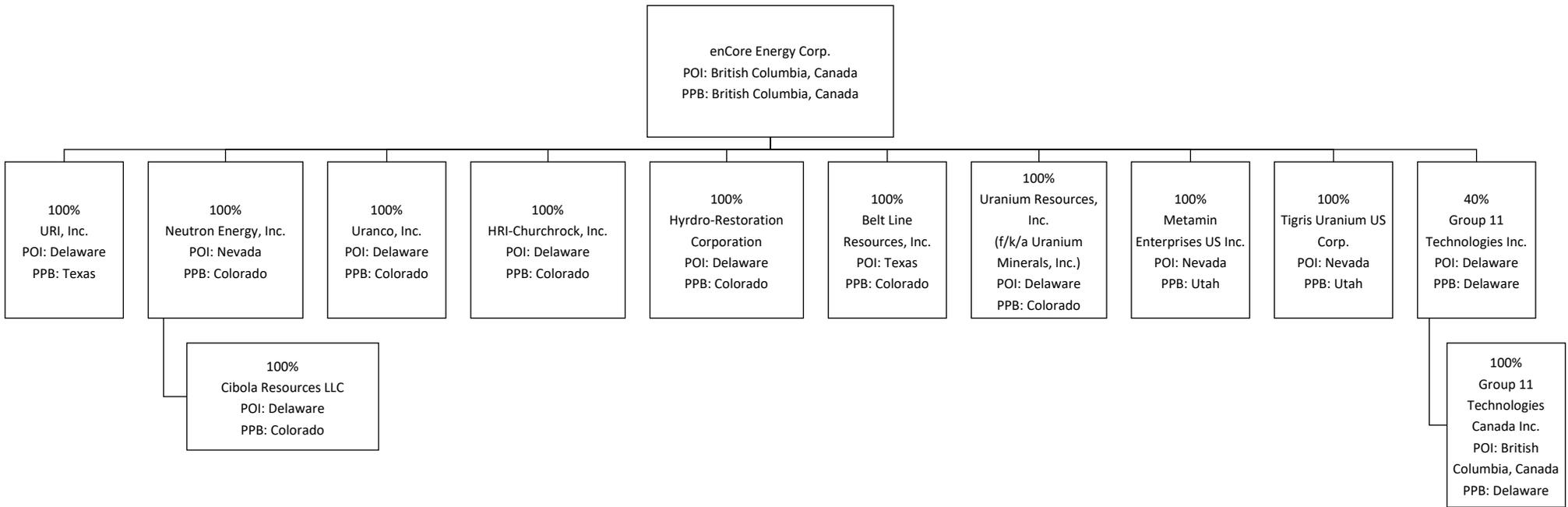
Attachment 3 – Pre- and Post- Organizational Chart

Azarga Uranium Corp. Pre-Merger Organization



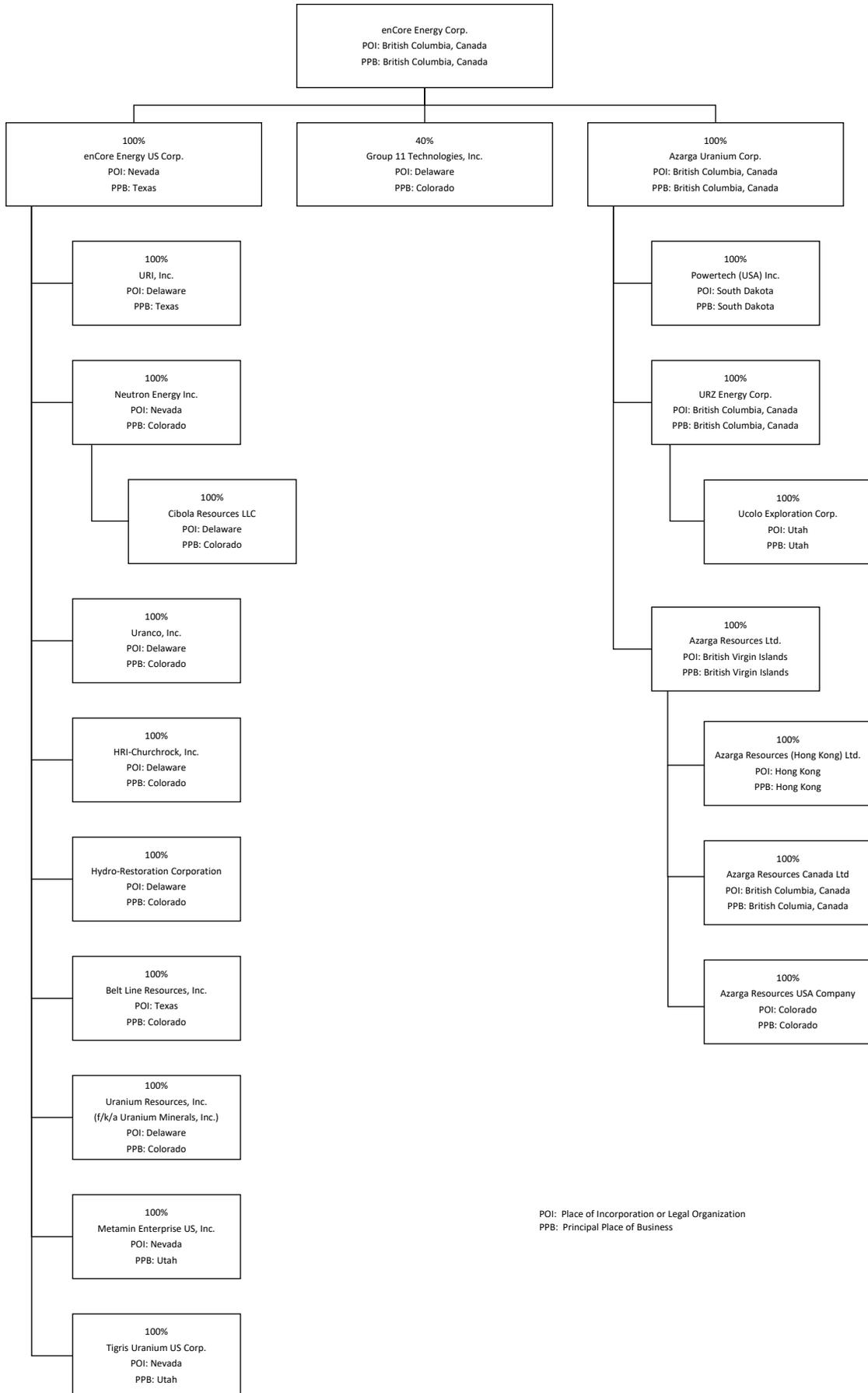
POI: Place of Incorporation or Legal Organization
PPB: Principal Place of Business

enCore Energy Corp. Pre-Merger Organization



POI: Place of Incorporation or Legal Organization
PPB: Principal Place of Business

enCore Energy Corp. Post-Merger Organization



POI: Place of Incorporation or Legal Organization
PPB: Principal Place of Business

Attachment 4 - Responses to NUREG -1556, Rev. 1 guidance requirements

This information is submitted consistent with *NUREG- 1556, Vol. 15, Rev. 1 Consolidated Guidance About Materials Licenses: Program-Specific Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses*, Sections 5.1 through 5.6. The italicized portions below are relevant excerpts from each section regarding the description of information requested by NRC review.

SECTION 5.1 DESCRIPTION OF TRANSACTION

Criteria: *Prior to approval of a change of control, NRC requires a complete, clear description of the transaction, including the identity and the technical and financial qualifications of the proposed transferee and financial assurance for decommissioning information.*

Discussion: *The required description includes, but is not limited to, any transfer of stocks or assets, or mergers. This description will enable the NRC staff to differentiate between name changes and changes of control, when necessary.*

The licensee needs to include the new name of the licensed organization or state that the name has not changed. If applicable, the licensee should include the new licensee contact and telephone number(s) to facilitate communications. The licensee should also include a pre- and 5-3 post-transaction organizational chart showing the corporate structure of the license holder and its parent companies, if any.

In addition, proposed transferees who are new owners of fuel cycle facilities are to provide information showing that they are financially capable to conduct normal operations. The information can be in the form of income statements for past years' performance and balance sheet forecasts for future years' performance.

Response from the Licensee:

- *Provide notification of a Change of Control.*
- *Provide information described in Sections 5.1 through 5.6. (See also Appendices D and E of this NUREG).*
- *Describe changes in the organization that exercises control over the licensed program.*

Response

Pursuant to the terms of the Agreement, all of the issued and outstanding common shares of Azarga will be exchanged for common shares of enCore at the closing exchange ratio. See Attachment 1 for a copy of the joint press release detailing the Proposed Transaction

The Agreement includes standard deal protection provisions, including non-solicitation, right-to-match, and fiduciary out provisions, as well as certain representations, covenants and conditions that are customary for a transaction of this nature, along with a termination fee of \$4 million payable to enCore in certain circumstances.

The Proposed Transaction will be effected by way of a plan of arrangement completed under the *Business Corporations Act* (British Columbia). The Proposed Transaction will require approval by at least 66 2/3% of the votes cast by Azarga shareholders and, if required by Multilateral Instrument 61-101, a simple majority of the votes cast by Azarga shareholders excluding certain interested or related parties, in each case by shareholders present in person or represented by proxy at a special meeting of the shareholders of Azarga to be called in connection with the Proposed Transaction (the “Azarga Special Meeting”).

The Azarga Special Meeting is expected to be held in November 2021. An information circular detailing the terms and conditions of the Proposed Transaction will be mailed to the shareholders of Azarga in connection with the Azarga Special Meeting. All shareholders are urged to read the information circular once available, as it will contain important additional information concerning the Proposed Transaction.

Closing of the Proposed Transaction is subject to the receipt of applicable regulatory approvals and the satisfaction of certain other closing conditions customary in transactions of this nature, including, without limitation, court and stock exchange approval. Closing of the Proposed Transaction is anticipated to occur by November 30, 2021.

Importantly, upon closing of the Proposed Transaction, the resulting proposed indirect transfer of control will not result in any changes to the Licensee's name, the internal organization of Powertech USA Inc., or its NRC-licensed activities. The Licensee, Powertech USA Inc., will remain a subsidiary of Azarga, which will in turn become a subsidiary of enCore. Please see Attachment 3 for the pre- and post- company organization chart.

The Licensee's contact information is unchanged and remains John Mays at P.O. Box 448, Edgemont, South Dakota. Telephone number 605-662-8308.

SUA-1600 is not a fuel cycle facility and thus no financial information is necessary at this time.

SECTION 5.2 CHANGES OF PERSONNEL

Criteria: *Prior to approval of a change of control, NRC requires that changes in personnel be documented, reviewed, and approved.*

Discussion: *Changes in personnel that need to be documented include those involving individuals who have control over licensed activities. These may include, in some cases, officers of a corporation or other management individuals who are listed on the license or are referred to in the supporting documentation. The licensee should also document any changes in personnel that have responsibility for radiation safety or are authorized to use licensed material, (e.g., the radiation safety officer, authorized users, and reviewing official as described in 10 CFR 37.23(b)(2), and the responsible individual for devices generally licensed under 10 CFR 31.5). The phrase “changes of personnel,” as used in this report, does not include notifications of new authorized users made in accordance with 10 CFR 35.14, “Notifications.” As with any change in personnel listed on a license, pertinent information with regard to training, experience, and qualifications applicable to the type of use will be required. The licensee should include applicable information concerning the qualifications, training, and*

responsibilities of any new individuals not previously listed on the current license or who are referred to in the supporting documentation. Licensees can find the specific information required in the respective program-specific guidance for the type of operation in which a particular licensee is engaged or by contacting the appropriate NRC Headquarters or regional license reviewer.

- Describe changes in personnel, particularly those requiring a license amendment or notification, regardless of the change of control.
- Provide the training and experience of new individuals to be listed on the NRC license.

OR

- State that there will be no changes to personnel.

Response

There are no proposed changes in personnel having control over licensed activities as a result of this indirect change of control.

SECTION 5.3 CHANGES OF LOCATION, EQUIPMENT & PROCEDURES

Criteria: Prior to the approval of a change of control, the licensee must submit a complete description of any planned changes in location, facilities, equipment, or procedures.

Discussion: Provide a detailed description of any changes in the licensee's location(s) of use, facility description, equipment, or procedures (i.e., changes in operating or emergency procedures) that would normally require a license amendment. Include any changes in the organization that may not be identified in Section 5.2 of this NUREG.

The location must be described if the licensee is adding a place of use. A description of the contaminated condition of the facility, if any, is required if the licensee is removing a place of use. Refer to Section 5.6 for a more detailed description of the information needed. Any changes in the facilities where licensed material will be used or stored must be described. If equipment used in licensed activities is required to be described by license condition or regulation, or if information regarding this equipment is requested by appropriate licensing guidance, a description of all equipment changes should be provided. Changes in procedures, including routine operating and emergency procedures must be reviewed to ensure that they are adequate for the types and uses described on the license. Changes in personnel that would require a license amendment, even without the change of ownership, must be submitted as requested in the appropriate licensing guidance.

- Describe changes in place of use, including potentially affected adjacent areas, as required.
- Describe changes in facilities where licensed material is to be used or stored.
- Describe changes in equipment to be used in the licensed program.
- Submit relevant procedural changes.

Response

There are no planned changes in the organization of Powertech USA Inc., location, facilities, equipment, or procedures under the License in connection with the Proposed Transaction.

The Licensee has never operated under its NRC License as the Licensee continues to await additional required permitting authorizations from the State of South Dakota and conclusions to litigation from EPA, and does not currently use, possess, or store any licensed material under the License. In any event, there are no planned changes in the use, possession, location or storage of licensed materials under the License that would occur in connection with the Proposed Transaction.

There are no planned changes in the organization, location, facilities, equipment, procedures, or personnel that would require a license amendment under the Proposed Transaction unless otherwise directed by a regulatory agency.

SECTION 5.4 SURVEILLANCE RECORDS

***Criteria:** Prior to the approval of a change of control, licensees or applicants must submit a review of the status of all applicable surveillance requirements and records. This should include an indication of whether the surveillance program is current and if it will be current at the time of transfer.*

***Discussion:** Typical surveillance requirements include leak tests, physical inventories, ventilation measurements, and conductivity tests. Surveillance requirements specific to the types of use may be found in the license, the regulations, the appropriate volume in the NUREG-1556 series, or any other pertinent guidance NRC published. The licensee must review any and all pertinent surveillance records to determine if they are current and to ensure that the records will be current at the time of transfer, or include an explanation if this is not the case. The licensee may perform the surveillance as authorized by its license. The licensee may also choose to have surveillance items performed by another party, such as a contractor or the transferee, as authorized by the license and if agreeable to both parties. It should be noted that the requirement for surveillance items in the regulations or the license is not waived due to a change of control.*

- *Submit a statement that all required surveillance has been performed, documented, and reviewed, including the results, if appropriate.*
- *If surveillance items are not or will not be completed, submit the reasons, any corrective actions, and/or the date these corrective actions will be submitted to NRC.*

Response

The Licensee has never operated under its NRC License due to pending litigation involving EPA and outstanding permits from the State of South Dakota, and thus this section is not applicable, as no surveillance has been necessary under the NRC License to date. Regardless, all records will remain with the Licensee.

SECTION 5.5 DECOMMISSIONING AND RELATED RECORDS TRANSFERS

***Criteria:** Prior to the approval of a change of control, NRC regulations require that licensees arrange for the transfer and maintenance of records important to the safe and effective decommissioning of facilities involved in licensed activities. NRC also requires a description of*

the status of the licensed facility, with regard to ambient radiation levels and fixed and/or removable contamination as a result of NRC-licensed activities. The transferee must confirm, in writing, that they accept full responsibility for the decommissioning of the site, including any contaminated facilities and equipment.

Discussion: *Licensees are required to maintain certain records important to safe and effective decommissioning, including sealed source leak test results, evaluations concerning waste disposal by release as effluents (either air or water), release to sewers, incineration, disposal of liquid scintillation medium and animal tissue as if it were not radioactive, and disposal by methods specifically allowed through the license.*

After the transfer, the new licensee will become responsible for maintaining these records until the license is terminated. If licensed activities will continue at the same location, NRC requires confirmation that all the records of the evaluations mentioned before have been transferred to the new licensee. If the license will be terminated, these records must be forwarded to the appropriate NRC regional office.

No change of control or ownership or license termination will be authorized until all required records have been transferred to the new licensee or to NRC, as appropriate.

The regulations require that before licenses are transferred or assigned, all records need to be transferred to the new licensee. The regulations require that all records of measurements and calculations used to evaluate the release of radioactive effluents to the environment and records of certain disposals be transferred to the new licensee before the license is transferred or assigned, unless the existing licensee was only authorized to possess and use unsealed material with a half-life of less than 120 days or material in a sealed source form with no history of source leakage.

The current licensee must document ambient radiation levels and the presence or absence of contamination. The documentation must include, as appropriate, the method and sensitivity of the evaluation. If contamination is present, the documentation should describe how and when decontamination will occur or indicate that the timing and means of decontamination and/or decommissioning have not yet been determined.

The current licensee must also discuss how the parties agree to assume responsibility for the decontamination and decommissioning of licensed facilities. Those licensees required under 10 CFR 30.35, 40.36, and/or 70.25 "Financial assurance and recordkeeping for decommissioning," to provide evidence of adequate resources to fund any required decommissioning must describe the effect that the change of control will have on financial assurance for decommissioning. As necessary, documents describing financial assurance must be amended to reflect the change in control. This documentation may refer to decontamination plans, including any required financial assurance arrangements of the transferor that were previously submitted in support of a decommissioning funding plan. If licensed activities will continue throughout the transfer process, the parties should agree as to whether a survey will be performed prior to the transfer to confirm the absence of contamination or whether the transferee will agree to accept the facility "as is" on the date of transfer.

- *State the following: "Pursuant to 10 CFR 30.35(g), we shall maintain drawings and records important to decommissioning and will transfer these records to an NRC or Agreement State licensee before licensed activities are transferred; or we will transfer the records to the appropriate NRC regional office before the license is terminated."*

AND

- *Describe the method and proposed timetable for the transfer of required records.*
- *Provide a commitment by the transferee to maintain the records received from the transferor.*
- *Provide a description of the facility with regard to contamination and ambient radiation levels.*
- *Describe any decontamination to prepare the facility for decommissioning prior to the change of control.*
- *If decommissioning will not occur until after the change of control, describe any contamination and confirm that the transferee is knowledgeable of the extent and levels of contamination and applicable decommissioning requirements.*
- *Indicate whether operations will continue during the transfer process; if so, provide either an agreement to perform a survey confirming that the facility is free of contamination or agreement by the transferee to accept the facility "as is" on the date of transfer.*

Response

The Licensee has never operated under its NRC License and thus has no facility yet constructed or operated to decommission. In any event, all decommissioning and related records will remain with the Licensee. Pursuant to 10 CFR 30.35(g), Powertech shall maintain drawings and records important to decommissioning and will transfer these records to an NRC or Agreement State licensee before licensed activities are transferred; or will transfer the records to the appropriate NRC regional office before the license is terminated. However, at this time, no transfer of the License is proposed.

The Licensee has never operated under its NRC License and thus there has been no contamination as licensed activities have not begun. In any event, the Licensee will continue to have all liability for any decontamination and decommissioning requirements. As part of the Proposed Transaction, the Licensee will retain all liabilities for the properties owned by Licensee.

The Licensee has never operated under its NRC License and thus there is not currently in place an NRC-approved financial assurance arrangement to cover the estimated costs of decommissioning, reclamation, and groundwater restoration. See License Condition 9.5. Indeed, the financial assurance mechanism pursuant to 10 CFR Part 40, Appendix A, Criterion 9 is required to be in place only when pre-operational inspection is complete and operations are prepared to begin. In any event, the Licensee will continue to be bound by License Condition 9.5 and the NRC requirements pertaining to decontamination plans, including financial surety arrangements.

SECTION 5.6 TRANSFEREE'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS

Criteria: The transferee must either (i) commit to abide by all constraints, license conditions, requirements, representations, and commitments identified in and attributed to the existing license, or (ii) provide a description of its own program to comply with the license and all

applicable regulations.

Discussion: *The transferee may agree to abide by all constraints, conditions, requirements, representations, and commitments the transferor made previously to NRC. This would include, but not be limited to, information submitted in support of license amendments (including documents itemized in the tie-down condition of the license) and the maintenance of decommissioning records required by 10 CFR 30.35, 40.36, and 70.25. This would also include completion of corrective actions for open inspection items and enforcement actions and, if required, implementation of site decontamination and decommissioning activities.*

Alternatively, the transferee may submit a description of its own program to ensure compliance with the license and regulations.

With regard to open inspection items and/or enforcement actions, the transferee should confirm, in writing, that it is knowledgeable of and accepts full responsibility for open inspection items and/or any resulting enforcement actions. Alternatively, the transferee may propose other measures for meeting these requirements, or the transferor may provide a commitment to close out all such actions with NRC before license transfer.

- *Provide an agreement to abide by all constraints, license conditions, requirements, representations, and commitments identified in and attributed to the existing license or a description of the transferee's program to ensure compliance with the license and regulations.*
- *Provide a description of action to be taken to resolve open inspection and enforcement issues.*

Response

The indirect change in control of the License resulting from the Proposed Transaction will not create a new Licensee and will not change the Licensee's existing commitments under the License. Indeed, the Licensee is merely being acquired by enCore and nothing more. Following the Proposed Transaction, the Licensee will remain committed to continue to abide by all constraints, license conditions, requirements, representations, and commitments identified in and attributed to the existing License. The Licensee has never operated under its NRC License, so there have been no decontamination or decommissioning activities. There are currently no open inspection items or any enforcement actions on the Licensee. Regardless, the Licensee agrees to continue to accept full responsibility for its requirements under the License, including any future inspection items and enforcement actions. The proposed change in the Licensee's ultimate parent company will not affect these commitments and representations.

Attachment 5 - NRC FORM 313 (if needed for license amendment)

(01-2020)
10 CFR 30, 32,
33, 34, 35, 36,
37, 39, and 40



APPLICATION FOR MATERIALS LICENSE

Estimated burden per response to comply with this mandatory collection request: 4.3 hours. Submittal of the application is necessary to determine that the applicant is qualified and that adequate procedures exist to protect the public health and safety. Send comments regarding burden estimate to the Information Services Branch (T-6 A10M), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by e-mail to Infocollects.Resource@nrc.gov, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202, (3150-0120), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

INSTRUCTIONS: SEE THE CURRENT VOLUMES OF THE NUREG-1556 TECHNICAL REPORT SERIES ("CONSOLIDATED GUIDANCE ABOUT MATERIALS LICENSES") FOR DETAILED INSTRUCTIONS FOR COMPLETING THIS FORM: <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1556/>. SEND TWO COPIES OF THE COMPLETED APPLICATION TO THE NRC OFFICE SPECIFIED BELOW.

APPLICATION FOR DISTRIBUTION OF EXEMPT PRODUCTS FILE APPLICATIONS WITH:

MATERIALS SAFETY LICENSING BRANCH
DIVISION OF MATERIAL SAFETY, STATE, TRIBAL AND RULEMAKING PROGRAMS
OFFICE OF NUCLEAR MATERIALS SAFETY AND SAFEGUARDS
U.S. NUCLEAR REGULATORY COMMISSION
WASHINGTON, DC 20555-0001

ALL OTHER PERSONS FILE APPLICATIONS AS FOLLOWS:

IF YOU ARE LOCATED IN:

ALABAMA, CONNECTICUT, DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, KENTUCKY, MAINE, MARYLAND, MASSACHUSETTS, NEW HAMPSHIRE, NEW JERSEY, NEW YORK, NORTH CAROLINA, PENNSYLVANIA, PUERTO RICO, RHODE ISLAND, SOUTH CAROLINA, TENNESSEE, VERMONT, VIRGINIA, VIRGIN ISLANDS, OR WEST VIRGINIA,

SEND APPLICATIONS TO:

LICENSING ASSISTANCE TEAM
DIVISION OF NUCLEAR MATERIALS SAFETY
U.S. NUCLEAR REGULATORY COMMISSION, REGION I
2100 RENAISSANCE BOULEVARD, SUITE 100
KING OF PRUSSIA, PA 19406-2713

IF YOU ARE LOCATED IN:

ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, MISSOURI, OHIO, OR WISCONSIN, SEND APPLICATIONS TO:

MATERIALS LICENSING BRANCH
U.S. NUCLEAR REGULATORY COMMISSION, REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, IL 60532-4352

IF YOU ARE LOCATED IN:

ALASKA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, HAWAII, IDAHO, KANSAS, LOUISIANA, MISSISSIPPI, MONTANA, NEBRASKA, NEVADA, NEW MEXICO, NORTH DAKOTA, OKLAHOMA, OREGON, PACIFIC TRUST TERRITORIES, SOUTH DAKOTA, TEXAS, UTAH, WASHINGTON, OR WYOMING,

SEND APPLICATIONS TO:

NUCLEAR MATERIALS LICENSING BRANCH
U.S. NUCLEAR REGULATORY COMMISSION, REGION IV
1600 E. LAMAR BOULEVARD
ARLINGTON, TX 76011-4511

PERSONS LOCATED IN AGREEMENT STATES SEND APPLICATIONS TO THE U.S. NUCLEAR REGULATORY COMMISSION ONLY IF THEY WISH TO POSSESS AND USE LICENSED MATERIAL IN STATES SUBJECT TO U.S. NUCLEAR REGULATORY COMMISSION JURISDICTIONS.

1. THIS IS AN APPLICATION FOR (Check appropriate item)

- A. NEW LICENSE
- B. AMENDMENT TO LICENSE NUMBER SUA-1600
- C. RENEWAL OF LICENSE NUMBER _____

2. NAME AND MAILING ADDRESS OF APPLICANT (Include zip code)

Powertech (USA) Inc.
P.O. Box 448
Edgemont, SD 57735

3. ADDRESS WHERE LICENSED MATERIALS WILL BE USED OR POSSESSED

Fall River and Custer Counties, South Dakota 57735
Approximately 13 miles north-northwest of Edgemont, SD via the Dewey Road. See the Technical Report for detailed location information.

4. NAME OF PERSON TO BE CONTACTED ABOUT THIS APPLICATION

Mr. John M. Mays

BUSINESS TELEPHONE NUMBER
(605) 662-8308

BUSINESS CELLULAR TELEPHONE NUMBER
(720) 415-0426

BUSINESS E-MAIL ADDRESS
jmays@powertechuranium.com

SUBMIT ITEMS 5 THROUGH 11 ON 8-1/2 X 11" PAPER. THE TYPE AND SCOPE OF INFORMATION TO BE PROVIDED IS DESCRIBED IN THE LICENSE APPLICATION GUIDE.

5. RADIOACTIVE MATERIAL

a. Element and mass number; b. chemical and/or physical form; and c. maximum amount which will be possessed at any one time.

6. PURPOSE(S) FOR WHICH LICENSED MATERIAL WILL BE USED.

7. INDIVIDUAL(S) RESPONSIBLE FOR RADIATION SAFETY PROGRAM AND THEIR TRAINING AND EXPERIENCE.

8. TRAINING FOR INDIVIDUALS WORKING IN OR FREQUENTING RESTRICTED AREAS.

9. FACILITIES AND EQUIPMENT.

10. RADIATION SAFETY PROGRAM.

11. WASTE MANAGEMENT.

12. LICENSE FEES (Fees required only for new applications, with few exceptions*)

(See 10 CFR 170 and Section 170.31)

*Amendments/Renewals that increase the scope of the existing license to a new or higher fee category will require a fee.

FEE CATEGORY

AMOUNT ENCLOSED \$

PER THE DEBT COLLECTION IMPROVEMENT ACT OF 1996 (PUBLIC LAW 104-134), YOU ARE REQUIRED TO PROVIDE YOUR TAXPAYER IDENTIFICATION NUMBER. PROVIDE THIS INFORMATION BY COMPLETING NRC FORM 531: <https://www.nrc.gov/reading-rm/doc-collections/forms/nrc531info.html>.

13. CERTIFICATION. (Must be completed by applicant) THE APPLICANT UNDERSTANDS THAT ALL STATEMENTS AND REPRESENTATIONS MADE IN THIS APPLICATION ARE BINDING UPON THE APPLICANT.

THE APPLICANT AND ANY OFFICIAL EXECUTING THIS CERTIFICATION ON BEHALF OF THE APPLICANT, NAMED IN ITEM 2, CERTIFY THAT THIS APPLICATION IS PREPARED IN CONFORMITY WITH TITLE 10, CODE OF FEDERAL REGULATIONS, PARTS 30, 32, 33, 34, 35, 36, 37, 39, AND 40, AND THAT ALL INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF.

WARNING: 18 U.S.C. SECTION 1001 ACT OF JUNE 25, 1948 62 STAT. 749 MAKES IT A CRIMINAL OFFENSE TO MAKE A WILLFULLY FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN ITS JURISDICTION.

CERTIFYING OFFICER -- TYPED/PRINTED NAME AND TITLE

John M. Mays, Chief Operating Officer

SIGNATURE

DATE

Oct 8, 2021

FOR NRC USE ONLY

TYPE OF FEE	FEE LOG	FEE CATEGORY	AMOUNT RECEIVED	CHECK NUMBER	COMMENTS
			\$		
APPROVED BY				DATE	

NRC Form 313 Items 5 through 11:

No changes.