



Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023

(expressed in thousands of Canadian dollars) - Unaudited

NexGen Energy Ltd.Condensed Interim Consolidated Statements of Financial Position
(expressed in thousands of Canadian Dollars) - Unaudited

	As at March 31, 2023	As at December 31, 2022
Assets		
Current assets		
Cash	\$ 135,909	\$ 134,447
Marketable securities (Note 5)	5,385	5,775
Amounts receivable	1,917	1,801
Prepaid expenses and other assets	2,771	2,165
	145,982	144,188
Non-current assets		
Exploration and evaluation assets (Note 6)	423,546	405,248
Property and equipment (Note 7)	4,678	5,048
Deposits	76	76
Total assets	\$ 574,282	\$ 554,560
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 11,686	\$ 13,723
Lease liabilities (Note 9)	794	775
Flow-through share premium liability	569	2,069
	13,049	16,567
Non-current liabilities		
Convertible debentures (Note 8)	76,290	80,021
Long-term lease liabilities (Note 9)	1,484	1,688
Deferred income tax liabilities	1,538	867
Total liabilities	\$ 92,361	\$ 99,143
Equity		
Share capital (Note 10)	\$ 741,256	\$ 712,603
Reserves (Note 10)	100,501	94,680
Accumulated other comprehensive income	254	460
Accumulated deficit	(396,398)	(389,867)
Equity attributable to NexGen Energy Ltd. shareholders	445,613	417,876
Non-controlling interests (Note 15)	36,308	37,541
Total equity	481,921	455,417
Total liabilities and equity	\$ 574,282	\$ 554,560

Nature of operations (Note 2)

Commitments (Note 14)

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

NexGen Energy Ltd.
Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss

(expressed in thousands of Canadian Dollars, except per share and share information) - Unaudited

	Three months ended March 31,	
	2023	2022
Expenses		
Salaries, benefits and directors' fees	\$ 2,249	\$ 1,870
Office, administrative, and travel	3,473	1,353
Professional fees and insurance	1,608	615
Depreciation (Note 7)	399	438
Share-based payments (Note 10)	6,483	7,396
	14,212	11,672
Finance income	(1,356)	(251)
Mark-to-market (gain) loss on convertible debentures (Note 8)	(3,804)	18,431
Interest expense on convertible debentures (Note 8)	688	518
Interest on lease liabilities (Note 9)	44	57
Foreign exchange loss	99	227
Loss before taxes	9,883	30,654
Deferred income tax recovery	(776)	(252)
Net loss	9,107	30,402
Items that may not be reclassified subsequently to profit or loss:		
Change in fair value of convertible debenture attributable to the change in credit risk (Note 8)	73	(26)
Change in fair value of marketable securities (Note 5)	389	923
Deferred income tax recovery	(53)	(123)
Net comprehensive loss	\$ 9,516	\$ 31,176
Net loss attributable to:		
Shareholders of NexGen Energy Ltd.	\$ 6,658	\$ 25,673
Non-controlling interests	2,449	4,729
	\$ 9,107	\$ 30,402
Net comprehensive loss attributable to:		
Shareholders of NexGen Energy Ltd.	\$ 6,864	\$ 26,056
Non-controlling interests	2,652	5,120
	\$ 9,516	\$ 31,176
Loss per share attributable to NexGen Energy Ltd. shareholders		
Basic and diluted loss per share	\$ 0.01	\$ 0.05
Weighted average common shares outstanding		
Basic and diluted	485,399,867	479,267,770

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

NexGen Energy Ltd.
Condensed Interim Consolidated Statements of Cash Flows
 (expressed in thousands of Canadian dollars) - Unaudited

	Three months ended March 31,	
	2023	2022
Net loss for the period:	\$ (9,107)	\$ (30,402)
Adjust for:		
Depreciation (Note 7)	399	438
Share-based payments (Note 10)	6,483	7,396
Mark-to-market (gain) loss on convertible debenture (Note 8)	(3,804)	18,431
Interest expense on convertible debentures (Note 8)	688	518
Interest on lease liabilities (Note 9)	44	57
Deferred income tax recovery	(776)	(252)
Unrealized foreign exchange loss	39	227
Operating cash flows before working capital	(6,034)	(3,587)
Changes in working capital items:		
Amounts receivable	(114)	312
Prepaid expenses and other	(78)	(465)
Accounts payable and accrued liabilities	(1,416)	(188)
Cash used in operating activities	\$ (7,642)	\$ (3,928)
Expenditures on exploration and evaluation assets (Note 6)	(18,472)	(10,696)
Acquisition of equipment	(30)	(206)
Cash used in investing activities	\$ (18,502)	\$ (10,902)
Proceeds from at-the-market equity program, net of issuance costs (Note 10)	27,037	-
Proceeds from exercise of options (Note 10)	837	977
Payment of lease liabilities (Note 9)	(229)	(229)
Cash provided by financing activities	\$ 27,645	\$ 748
Foreign exchange loss on cash	(39)	(227)
Increase (decrease) in cash	\$ 1,462	\$ (14,309)
Cash, beginning of period	134,447	201,804
Increase (decrease) in cash	1,462	(14,309)
Cash, end of period	\$ 135,909	\$ 187,495

Supplemental cash flow information (Note 11)

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

NexGen Energy Ltd.
Condensed Interim Consolidated Statements of Changes in Equity

(expressed in thousands of Canadian dollars, except share information) - Unaudited

	Share Capital							
	Common Shares							
	Number	Amount	Reserves	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Attributable to shareholder's of NexGen Energy Ltd.	Non- controlling interests	Total
Balance at December 31, 2021	479,198,233	\$ 695,856	\$ 68,837	\$ 1,895	\$ (332,980)	\$ 433,608	\$ 27,740	\$ 461,348
Share-based payments (Note 10)	-	-	6,512	-	-	6,512	2,008	8,520
Shares issued on exercise of stock options	166,666	817	(308)	-	-	509	-	509
Ownership changes relating to non-controlling interests	-	-	-	-	210	210	259	469
Net loss for the period	-	-	-	-	(25,673)	(25,673)	(4,729)	(30,402)
Other comprehensive income	-	-	-	(384)	-	(384)	(390)	(774)
Balance at March 31, 2022	479,364,899	\$ 696,673	\$ 75,041	\$ 1,511	\$ (358,443)	\$ 414,782	\$ 24,888	\$ 439,670
Balance at December 31, 2022	482,530,145	\$ 712,603	\$ 94,680	\$ 460	\$ (389,867)	\$ 417,876	\$ 37,541	\$ 455,417
At-the-market equity program, net of issuance costs (Note 10)	4,494,959	27,566	-	-	-	27,566	-	27,566
Share-based payments (Note 10)	-	-	6,258	-	-	6,258	1,361	7,619
Shares issued on exercise of stock options (Note 10)	255,482	1,087	(437)	-	-	650	-	650
Ownership changes relating to non-controlling interests	-	-	-	-	127	127	58	185
Net loss for the period	-	-	-	-	(6,658)	(6,658)	(2,449)	(9,107)
Other comprehensive loss	-	-	-	(206)	-	(206)	(203)	(409)
Balance at March 31, 2023	487,280,586	\$ 741,256	\$ 100,501	\$ 254	\$ (396,398)	\$ 445,613	\$ 36,308	\$ 481,921

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

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

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1. REPORTING ENTITY

NexGen Energy Ltd. ("NexGen" or the "Company") is an exploration and development stage entity engaged in the acquisition, exploration and evaluation and development of uranium properties in Canada. The Company was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on March 8, 2011. The Company's registered records office is located on the 25th Floor, 700 West Georgia Street, Vancouver, B.C., V7Y 1B3.

The Company is listed on the Toronto Stock Exchange (the "TSX") under the symbol "NXE", and is a reporting issuer in each of the provinces of Canada other than Québec. On July 2, 2021, the Company commenced trading on the Australian Stock Exchange (the "ASX") under the symbol "NXG". On March 4, 2022 the Company up-listed from NYSE American exchange (the "NYSE American") and began trading on the New York Stock Exchange ("NYSE") under the symbol "NXE".

In February 2016, the Company incorporated four wholly owned subsidiaries: NXE Energy Royalty Ltd., NXE Energy SW1 Ltd., NXE Energy SW3 Ltd., and IsoEnergy Ltd. (collectively, the "Subsidiaries"). The Subsidiaries were incorporated to hold certain exploration assets of the Company. In 2016, certain exploration and evaluation assets were transferred to each of IsoEnergy Ltd. ("IsoEnergy"), NXE Energy SW1 Ltd. and NXE Energy SW3 Ltd. Subsequent to the transfer, IsoEnergy shares were listed on the TSX-V. As of March 31, 2023, NexGen owns 50.0% of IsoEnergy's outstanding common shares (December 31, 2022 – 50.1%).

2. NATURE OF OPERATIONS

As an exploration and development stage company, the Company does not have revenues and historically has recurring operating losses. As at March 31, 2023, the Company had an accumulated deficit of \$396,398 and working capital of \$132,933. Although the Company will be required to obtain additional funding in order to continue with the exploration and development of its mineral properties, the Company has sufficient working capital to meet its current obligations for the next twelve months.

The business of exploring for minerals and development of projects involves a high degree of risk. NexGen is an exploration and development company and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital; development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permits or, alternatively NexGen's ability to dispose of its exploration and evaluation assets on an advantageous basis; as well as global economic and uranium price volatility; all of which are uncertain.

The underlying value of the exploration and evaluation assets is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material write-downs of the carrying value of exploration and evaluation assets.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Certain disclosures required by IFRS have been condensed or omitted in the following note disclosures as they are disclosed or have been disclosed on an annual basis only. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the years ended December 31, 2022 and 2021 ("annual financial statements"), which have been prepared in accordance with IFRS. These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the annual financial statements.

On May 3, 2023, the Audit Committee of the Board of Directors authorized these financial statements for issuance.

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b) Basis of Consolidation

The accounts of the subsidiaries controlled by the Company are included in the condensed interim consolidated financial statements from the date that control commenced until the date that control ceases. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The subsidiaries of the Company and their geographic locations at March 31, 2023 are as follows:

Name of Subsidiary	Location	Percentage Ownership
NXE Energy Royalty Ltd.	Canada	100%
NXE Energy SW1 Ltd.	Canada	100%
NXE Energy SW3 Ltd.	Canada	100%
IsoEnergy Ltd.	Canada	50.0%

Intercompany balances, transactions, income and expenses arising from intercompany transactions are eliminated in full upon consolidation.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS IN ACCOUNTING POLICIES

The significant judgments, estimates and assumptions made by management in applying the Company's accounting policies are consistent with those that applied to the annual financial statements and actual results may differ from these estimates.

5. MARKETABLE SECURITIES

Marketable securities consist of 10,755,000 common shares of 92 Energy Pty Ltd. ("92 Energy"), 900,000 common shares of Consolidated Uranium Inc. ("CUR") and 193,300 common shares of Labrador Uranium Inc. ("LUR").

On February 22, 2022, CUR completed its spin-out of Labrador Uranium Inc. ("LUR") through a plan of arrangement (the "Arrangement"). Pursuant to the Arrangement, CUR distributed, on a pro-rata basis, 0.214778 of LUR shares for each CUR share held by CUR shareholders on February 22, 2022. Accordingly, IsoEnergy received 193,300 LUR shares.

During the period ended March 31, 2023, the Company recognized a loss of \$389 associated with the mark to market valuation of the 10,755,000 shares of 92 Energy, 900,000 shares of CUR and 193,300 shares of LUR (period ended March 31, 2022 – loss of \$923) which is recorded in the consolidated statement of net loss and comprehensive loss. The fair value at March 31, 2023 of the marketable securities held in 92 Energy shares was \$4,092 (December 31, 2022 - \$4,253), CUR shares was \$1,233 (December 31, 2022 - \$1,458) and LUR shares was \$60 (December 31, 2022 - \$64), for a total marketable securities value at March 31, 2023 of \$5,385 (December 31, 2022 - \$5,775).

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6. EXPLORATION AND EVALUATION ASSETS

	Rook I	Other Athabasca Basin Properties	IsoEnergy Properties	Total
Acquisition Cost				
Balance at December 31, 2022	\$ 235	\$ 1,458	\$ 26,628	\$ 28,321
Additions	-	-	2	2
Balance as at March 31, 2023	\$ 235	\$ 1,458	\$ 26,630	\$ 28,323
Deferred exploration costs				
Balance at December 31, 2022	329,012	9,603	38,312	376,927
Additions:				
General exploration and drilling	1,922	1,188	2,903	6,013
Environmental, permitting, and engagement	3,540	-	-	3,540
Technical, engineering and design	1,999	-	-	1,999
Geochemistry and assays	-	-	73	73
Geological and geophysical	74	1,655	379	2,108
Labour and wages	2,921	52	207	3,180
Share-based payments (Note 10)	928	-	208	1,136
Travel	165	-	82	247
Total Additions	11,549	2,895	3,852	18,296
Balance as at March 31, 2023	\$ 340,561	\$ 12,498	\$ 42,164	\$ 395,223
Total costs, March 31, 2023	\$ 340,796	\$ 13,956	\$68,794	\$ 423,546
	Rook I	Other Athabasca Basin Properties	IsoEnergy Properties	Total
Acquisition cost				
Balance at December 31, 2021	\$ 235	\$ 1,458	\$ 26,660	\$ 28,353
Additions	-	-	10	10
Dispositions	-	-	(42)	(42)
Balance as at December 31, 2022	\$ 235	\$ 1,458	\$ 26,628	\$ 28,321
Deferred exploration costs				
Balance at December 31, 2021	\$ 260,941	\$ 9,180	\$ 28,069	\$ 298,190
Additions:				
General exploration and drilling	7,705	-	5,613	13,318
Environmental, permitting, and engagement	12,005	-	-	12,005
Technical, engineering and design	32,703	-	-	32,703
Geochemistry and assays	-	-	190	190
Geological and geophysical	1,941	423	1,593	3,957
Labour and wages	8,818	-	836	9,654
Share-based payments (Note 10)	4,532	-	1,832	6,364
Travel	367	-	178	545
Total Additions	68,071	423	10,243	78,737
Balance as at December 31, 2022	\$ 329,012	\$ 9,603	\$ 38,312	\$ 376,927
Total costs, December 31, 2022	\$ 329,247	\$ 11,061	\$ 64,940	\$ 405,248

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7. PROPERTY AND EQUIPMENT

	Computer Equipment	Software	Field Equipment and Vehicles	Office, Furniture and Leasehold Improvements	Road	Total
Cost						
As at December 31, 2021	\$ 497	\$ 1,355	\$ 6,645	\$ 5,781	\$ 2,079	\$ 16,357
Additions	122	4	20	110	-	256
As at December 31, 2022	\$ 619	\$ 1,359	\$ 6,665	\$ 5,891	\$ 2,079	\$ 16,613
Additions	34	-	-	-	-	34
Balance as at March 31, 2023	\$ 653	\$ 1,359	\$ 6,665	\$ 5,891	\$ 2,079	\$ 16,647
Accumulated Depreciation						
As at December 31, 2021	\$ 427	\$ 1,043	\$ 4,180	\$ 2,116	\$ 1,972	\$ 9,738
Depreciation	89	172	523	982	61	1,827
As at December 31, 2022	\$ 516	\$ 1,215	\$ 4,703	\$ 3,098	\$ 2,033	\$ 11,565
Depreciation	18	20	108	243	15	404
Balance as at March 31, 2023	\$ 534	\$ 1,235	\$ 4,811	\$ 3,341	\$ 2,048	\$ 11,969
Net book value at December 31, 2022	\$ 103	\$ 144	\$ 1,962	\$ 2,793	\$ 46	\$ 5,048
Net book value at March 31, 2023	\$ 119	\$ 124	\$ 1,854	\$ 2,550	\$ 31	\$ 4,678

8. CONVERTIBLE DEBENTURES

	2020 Debentures	2020 IsoEnergy Debentures	2022 IsoEnergy Debentures	Total
Fair value at December 31, 2021	\$ 46,910	\$ 25,101	\$ -	\$ 72,011
Fair value on issuance	-	-	5,296	5,296
Fair value adjustment	5,705	(2,832)	(159)	2,714
Fair value at December 31, 2022	\$ 52,615	\$ 22,269	\$ 5,137	\$ 80,021
Fair value adjustment	(7,434)	3,587	116	(3,731)
Fair Value at March 31, 2023	\$ 45,181	\$ 25,856	\$ 5,253	\$ 76,290

The fair value of the debentures decreased from \$80,021 on December 31, 2022 to \$76,290 at March 31, 2023, resulting in a mark-to-market gain of \$3,731 for the three months ended March 31, 2023 (March 31, 2022 – loss of \$18,405). The gain for the three months ended March 31, 2023 was bifurcated with the amount of the change in fair value of the convertible debentures attributable to changes in the credit risk of the liability recognized in other comprehensive loss of a loss of \$73 for the three months ended March 31, 2023 (March 31, 2022 – gain of \$26) and the remaining amount recognized in the consolidated statement of loss for the three months ended March 31, 2023 with a gain of \$3,804 (March 31, 2022 – loss of \$18,431). The interest expense during the three months ended March 31, 2023 was \$688 (three months ended March 31, 2022 - \$518).

2020 Debentures

On May 27, 2020, the Company issued US\$15 million principal amount of unsecured convertible debentures (the “2020 Debentures”). The Company received proceeds of \$20,889 (US\$15 million) and a 3% establishment fee of \$627 (US\$450) was paid to the debenture holders through the issuance of 348,350 common shares and a consent fee of \$355 was paid to the investors of the 2016 and 2017 Debentures in connection with the financing through the issuance of 180,270 common shares. The fair value of the 2020 Debentures on issuance date was determined to be \$20,262 (US\$14,550). The 2020 Debentures bear

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interest at a rate of 7.5% per annum, payable semi-annually in US dollars on June 10 and December 10 in each year. Two thirds of the interest (equal to 5% per annum) is payable in cash and one third of the interest (equal to 2.5% per annum) is payable, subject to any required regulatory approval, in common shares of the Company, using the volume-weighted average trading price ("VWAP") of the common shares on the exchange or market that has the greatest trading volume in the Company's common shares for the 20 consecutive trading days ending three trading days preceding the date on which such interest payment is due. The 2020 Debentures are convertible, from time to time, into common shares of the Company at the option of the debenture holders under certain conditions.

The 2020 Debentures were valued using a convertible bond pricing model based on a system of two coupled Black-Scholes equations where the debt and equity components are separately valued based on different default risks and assumptions. The inputs used in the pricing model as at March 31, 2023 and December 31, 2022 are as follows:

	March 31, 2023	December 31, 2022
Expected Volatility	42.00%	46.00%
Expected life	2.16 years	2.41 years
Risk free interest rate	4.14%	4.35%
Expected dividend yield	0%	0%
Credit spread	17.47%	17.96%
Underlying share price of the Company	\$5.19	\$5.99
Conversion exercise price	\$2.34	\$2.34
Exchange rate (C\$:US\$)	\$0.740	\$0.738

2020 IsoEnergy Debentures

On August 18, 2020, IsoEnergy entered into a US\$6 million private placement of unsecured convertible debentures (the "2020 IsoEnergy Debentures"). The 2020 IsoEnergy Debentures are convertible at the holder's option at a conversion price of \$0.88 into a maximum of 9,206,311 common shares of IsoEnergy. IsoEnergy received gross proceeds of \$7,902 (US\$6,000). A 3% establishment fee of \$272 (US\$180) was also paid to the debenture holders through the issuance of 219,689 common shares in IsoEnergy. The fair value of the 2020 IsoEnergy Debentures on issuance date was determined to be \$7,630 (US\$5,820).

The 2020 IsoEnergy Debentures were valued using a convertible bond pricing model based on a system of two coupled Black-Scholes equations where the debt and equity components are separately valued based on different default risks and assumptions. The inputs used in the pricing model as at March 31, 2023 and December 31, 2022 are as follows:

	March 31, 2023	December 31, 2022
Expected Volatility	50.00%	52.80%
Expected life	2.4 years	2.6 years
Risk free interest rate	4.04%	4.27%
Expected dividend yield	0%	0%
Credit spread	23.34%	23.85%
Underlying share price of IsoEnergy	\$3.08	\$2.91
Conversion exercise price	\$0.88	\$0.88
Exchange rate (C\$:US\$)	\$0.740	\$0.738

2022 IsoEnergy Debentures

On December 6, 2022, IsoEnergy entered into a US\$4 million private placement of unsecured convertible debentures (the "2022 IsoEnergy Debentures"). The 2022 IsoEnergy Debentures are convertible at the holder's option at a conversion price of \$4.33 into a maximum of 1,464,281 common shares of IsoEnergy. IsoEnergy received gross proceeds of \$5,460 (US\$4,000). A 3% establishment fee of \$164 (US\$120) was paid in cash to the debenture holders. The fair value of the IsoEnergy Debentures on issuance date was determined to be \$5,296 (US\$3,880).

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The 2022 IsoEnergy Debentures were valued using a convertible bond pricing model based on a system of two coupled Black-Scholes equations where the debt and equity components are separately valued based on different default risks and assumptions. The inputs used in the pricing model as at March 31, 2023 and December 31, 2022 are as follows:

	March 31, 2023	December 31, 2022
Expected Volatility	50.00%	52.80%
Expected life in years	4.7 years	4.9 years
Risk free interest rate	3.42%	3.76%
Expected dividend yield	0%	0%
Credit spread	23.34%	23.85%
Underlying share price of IsoEnergy	\$3.08	\$2.91
Conversion exercise price	\$4.33	\$4.33
Exchange rate (C\$:US\$)	\$0.740	\$0.738

9. LEASES**(a) Right-of-use assets**

	March 31, 2023	December 31, 2022
Right-of-use assets, beginning of period	\$ 1,933	\$ 2,640
Depreciation	(176)	(707)
Balance, end of period	\$ 1,757	\$ 1,933

The right-of-use assets recognized by the Company are comprised of \$1,757 (December 31, 2022 - \$1,933) related to corporate office leases and are included in the office, furniture, and leasehold improvements category in Note 7.

(b) Lease liabilities

	March 31, 2023	December 31, 2022
Lease liabilities, beginning of period	\$ 2,463	\$ 3,169
Interest expense on lease liabilities	44	207
Payment of lease liabilities	(229)	(913)
Balance, end of period	\$ 2,278	\$ 2,463
Current portion	794	775
Non-current portion	1,484	1,688
Balance, end of period	\$ 2,278	\$ 2,463

The undiscounted value of the lease liabilities as at March 31, 2023 was \$3,584 (December 31, 2022 - \$3,920).

(c) Amounts relating to short-term and variable leases

	Three months ended March 31, 2023	2022
Expense relating to variable lease payments	\$ 104	\$ 104

The Company engages drilling companies to carry out its drilling programs on its development, exploration and evaluation properties. The drilling companies provide all required equipment for these drilling programs. These contracts are short-term in nature and the Company has elected not to recognize right-of-use assets and associated lease liabilities in respect to these

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contracts but rather to recognize lease payments associated with these leases as incurred over the lease term. Payments by the Company to the drilling company for the three months ended March 31, 2023 were \$0.9 million (March 31, 2022 - \$2.2 million).

10. SHARE CAPITAL**(a) Authorized capital**

Unlimited common shares without par value.

Unlimited preferred shares without par value.

Share issuances for the three months ended March 31, 2023:

On January 6, 2023, NexGen established a \$250 million at-the-market equity program ("ATM Program") pursuant to the terms of an equity distribution agreement with Virtu ITG Canada Corp., as Canadian agent, and Virtu Americas LLC, as U.S. agent (together, the "Agents"). The ATM Program will be effective until the earlier of the sale of all of the shares issuable pursuant to the ATM Program and January 29, 2025, unless terminated prior to such date by the Company or the Agents. During the three months ended March 31, 2023, the Company issued 4,494,959 shares under the ATM Program at an average price of \$6.23 per share for gross proceeds of \$28,016 and recognized \$450 of share issuance costs, consisting of commission fees of \$280 and other transaction costs of \$170. The share issuance costs have been presented net within share capital.

During the three months ended March 31, 2023, the Company issued 255,482 shares on the exercise of stock options for gross proceeds of \$650 (Note 10(b)). As a result of the exercises, \$437 was reclassified from reserves to share capital.

Share issuances for the year ended December 31, 2022:

During the year ended December 31, 2022, the Company issued 3,247,332 shares on the exercise of stock options for gross proceeds of \$10,001 (Note 10(b)). As a result of the exercises, \$6,260 was reclassified from reserves to share capital.

On June 10, 2022, the Company issued 42,252 shares relating to the interest payment on the 2020 Debentures at a fair value of \$251.

On December 9, 2022, the Company issued 42,328 shares relating to the interest payment on the 2020 Debentures at a fair value of \$235.

(b) Share options

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company, enabling them to acquire up to 20% of the issued and outstanding common shares of the Company.

The options can be granted for a maximum term of 10 years and are subject to vesting provisions as determined by the Board of Directors of the Company.

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A summary of the changes in the share options is presented below:

	Options outstanding	Weighted average exercise price (C\$)
At December 31, 2021	43,436,494	\$ 3.69
Granted	9,744,729	5.47
Exercised	(3,247,332)	3.08
Expired	(65,000)	5.52
Forfeited	(230,001)	5.33
At December 31, 2022	49,638,890	\$ 4.07
Granted	500,000	6.19
Exercised	(255,482)	2.55
At March 31, 2023 – Outstanding	49,883,408	\$ 4.10
At March 31, 2023 – Exercisable	37,540,833	\$ 3.62

The following table summarizes information about the exercisable share options outstanding as at March 31, 2023:

Number of share options outstanding	Number of share options exercisable	Exercise prices (C\$)	Remaining contractual life (years)	Expiry date
3,390,000	3,390,000	2.85	0.19	June 8, 2023
100,000	100,000	2.66	0.22	June 20, 2023
600,000	600,000	2.49	0.39	August 21, 2023
2,300,000	2,300,000	2.41	0.75	December 31, 2023
500,000	500,000	2.27	0.98	March 21, 2024
250,000	250,000	2.22	0.99	March 27, 2024
3,250,000	3,250,000	1.92	1.20	June 12, 2024
188,679	188,679	1.59	1.38	August 16, 2024
3,533,334	3,533,334	1.59	1.74	December 24, 2024
3,875,000	3,875,000	1.80	2.20	June 12, 2025
4,796,666	4,796,666	3.24	2.70	December 11, 2025
250,000	250,000	5.16	2.88	February 16, 2026
650,000	433,335	4.53	3.00	April 1, 2026
8,900,000	5,933,334	5.84	3.20	June 10, 2026
7,130,000	4,753,346	5.44	3.71	December 14, 2026
94,277	47,139	5.76	3.81	January 18, 2027
3,565,000	1,188,333	5.31	4.38	August 17, 2027
55,452	-	5.41	4.52	October 4, 2027
5,955,000	1,985,000	5.57	4.72	December 18, 2027
300,000	100,000	6.55	4.84	January 31, 2028
200,000	66,667	5.65	4.90	February 23, 2028
49,883,408	37,540,833			

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The following weighted average assumptions were used for Black-Scholes valuation of the share options granted:

	For the three months ended March 31,	
	2023	2022
Expected stock price volatility	62.30%	60.95%
Expected life of options	5 years	5 years
Risk free interest rate	3.09%	1.68%
Expected forfeitures	0%	0%
Expected dividend yield	0%	0%
Weighted average fair value per option granted in period	\$3.41	\$3.02
Weighted average exercise price	\$6.19	\$5.76

Share-based payments for options vested for the three months ended March 31, 2023 amounted to \$7,619 (March 31, 2022 – \$8,520) of which \$6,483 (March 31, 2022 – \$7,396) was expensed to the statement of net loss and comprehensive loss and \$1,136 (March 31, 2022 – \$1,124) was capitalized to exploration and evaluation assets (Note 6).

11. SUPPLEMENTAL CASH FLOW INFORMATION

The Company did not have any cash equivalents as at March 31, 2023 and December 31, 2022.

a) Schedule of non-cash investing and financing activities:

	Three months ended March 31,	
	2023	2022
Capitalized share-based payments	\$ 1,136	\$ 1,124
Exploration and evaluation asset expenditures included in accounts payable and accrued liabilities	1,310	7,542
Interest expense included in accounts payable and accrued liabilities	772	518

12. RELATED PARTY TRANSACTIONS

The remuneration of key management which includes directors and management personnel responsible for planning, directing, and controlling the activities of the Company during the period was as follows:

	For the three months ended March 31,	
	2023	2022
Short-term compensation ⁽¹⁾	\$ 1,045	\$ 975
Share-based payments ⁽²⁾	6,685	6,849
Consulting fees ^{(3) (4)}	76	154
	\$ 7,806	\$ 7,978

⁽¹⁾ Short-term compensation to key management personnel for the three months ended March 31, 2023 amounted to \$1,045 (2022 – \$975) of which \$997 (2022 – \$925) was expensed and included in salaries, benefits, and directors' fees on the statement of net loss and comprehensive loss. The remaining \$48 (2022 – \$50) was capitalized to exploration and evaluation assets.

⁽²⁾ Share-based payments to key management personnel for the three months ended March 31, 2023 amounted to \$6,685 (2022 – \$6,849) of which \$6,442 (2022 – \$6,724) was expensed and \$243 (2022 – \$125) was capitalized to exploration and evaluation assets.

⁽³⁾ The Company used consulting services from a company associated with one of its directors in relation to advice on corporate matters for the three months ended March 31, 2023 amounting to \$76 (2022 – \$76).

⁽⁴⁾ The Company used consulting services from a company associated with one of its former employees in relation to various studies for the three months ended March 31, 2023 amounting to \$nil (2022 – \$78).

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As at March 31, 2023, there was \$32 (December 31, 2022 - \$43) included in accounts payable and accrued liabilities owing to its directors and officers for compensation.

13. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration, development and evaluation of assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting, and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

In the management of capital, the Company considers all components of equity and debt, net of cash, and is dependent on third party financing, whether through debt, equity, or other means. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company.

The properties in which the Company currently has an interest are in the exploration and development stage. As such, the Company has historically relied on the equity markets and convertible debt to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it determines that there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

In the management of capital, the Company includes the components of equity, and convertible debentures, net of cash.

Capital, as defined above, is summarized in the following table:

	March 31, 2023	December 31, 2022
Equity	\$ 481,921	\$ 455,417
Convertible debentures (Note 8)	76,290	80,021
	558,211	535,438
Less: Cash	(135,909)	(134,447)
	\$ 422,302	\$ 400,991

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, marketable securities, amounts receivable, accounts payable and accrued liabilities and convertible debentures.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The three levels of the fair value hierarchy are:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data.

The fair values of the Company's cash, amounts receivable, and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

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The marketable securities are re-measured at fair value at each reporting date with any change in fair value recognized in other comprehensive loss (Note 5). The marketable securities are classified as Level 1.

The convertible debentures are re-measured at fair value at each reporting date with any change in fair value recognized in the consolidated statement of net loss with the exception that under IFRS 9, the change in fair value that is attributable to change in credit risk is presented in other comprehensive loss (Note 8). The convertible debentures are classified as Level 2.

Financial Risk

The Company is exposed to varying degrees of a variety of financial instrument-related risks. The Board approves and monitors the risk management processes, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments potentially subject to credit risk are cash and amounts receivable. The Company holds cash with large Canadian banks. The Company's amounts receivable consists of input tax credits receivable from the Government of Canada and interest accrued on cash. Accordingly, the Company does not believe it is subject to significant credit risk.

The Company's maximum exposure to credit risk is as follows:

	March 31, 2023	December 31, 2022
Cash	\$ 135,909	\$ 134,447
Amounts receivable	1,917	1,801
	\$ 137,826	\$ 136,248

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital to meet short-term obligations. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2023, NexGen had cash of \$135,909 to settle current liabilities of \$13,049.

The Company's significant undiscounted commitments at March 31, 2023 are as follows:

	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	\$ 11,686	\$ -	\$ -	\$ -	\$ 11,686
Convertible debentures (Note 8)	-	71,037	5,253	-	76,290
Lease liabilities (Note 9)	1,010	2,574	-	-	3,584
	\$ 12,696	\$ 73,611	\$ 5,253	\$ -	\$ 91,560

Foreign Currency Risk

The functional currency of the Company and its subsidiaries is the Canadian dollar. The Company is affected by currency transaction risk and currency translation risk. Consequently, fluctuations of the Canadian dollar in relation to other currencies impact the fair value of financial assets, liabilities and operating results. Financial assets and liabilities subject to currency translation risk primarily includes US dollar denominated cash, US dollar accounts payable and the convertible debentures. The Company maintains Canadian and US dollar bank accounts in Canada.

The Company is exposed to foreign exchange risk on its US dollar denominated 2020 Debentures, 2020 IsoEnergy Debentures and 2022 IsoEnergy Debentures. At maturity, the US\$25 million principal amount of the 2020 Debentures, 2020 IsoEnergy

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Debentures and 2022 IsoEnergy Debentures is due in full, and prior to maturity, at a premium upon the occurrence of certain events. The Company holds sufficient US dollars to make all cash interest payments due under the 2020 Debentures, 2020 IsoEnergy Debentures and 2022 IsoEnergy Debentures until maturity but not to pay the principal amount. Accordingly, the Company is subject to risks associated with fluctuations in the Canadian/US dollar exchange rate that may make the 2020 Debentures, 2020 IsoEnergy Debentures and 2022 IsoEnergy Debentures more costly to repay.

As at March 31, 2023, the Company's US dollar net financial liabilities were US\$43,364. Thus a 10% change in the Canadian dollar versus the US dollar exchange rates would give rise to a \$5,861 change in net loss and comprehensive loss.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Equity and Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Accordingly, significant movements in share price may affect the valuation of the Marketable Securities and Convertible Debentures which may adversely impact its earnings.

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatility. Future declines in commodity prices may impact the valuation of long-lived assets. The Company closely monitors commodity prices of uranium, individual equity movements, and the stock market to determine the appropriate course of action, if any, to be taken by the Company.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value of the Company's cash balances as of March 31, 2023. The Company manages interest rate risk by maintaining an investment policy for short-term investments. This policy focuses primarily on preservation of capital and liquidity. The Company monitors the investments it makes and is satisfied with the credit rating of its banks. The 2020 Debentures, 2020 IsoEnergy Debentures and 2022 IsoEnergy Debentures, in an aggregate principal amount of US\$25 million, carry fixed interest rates of 7.5%, 8.5% and 10.0% respectively and are not subject to interest rate fluctuations.

15. NON-CONTROLLING INTERESTS

As at March 31, 2023, NexGen held 100% ownership of the subsidiaries with the exception of IsoEnergy, where it retained 50.0% of IsoEnergy's outstanding common shares (December 31, 2022 – 50.1%) (Note 3b).

For financial reporting purposes, the assets, liabilities, results of operations, and cash flows of the Company's wholly owned subsidiaries and non-wholly owned subsidiary, IsoEnergy, are included in NexGen's consolidated financial statements. Third party investors' share of the net loss of IsoEnergy is reflected in the net loss and comprehensive loss attributable to non-controlling interests in the consolidated statements of net loss and comprehensive loss.

As at March 31, 2023, the non-controlling interests in IsoEnergy was \$36,308 (December 31, 2022 - \$37,541).

16. SUBSEQUENT EVENTS

Subsequent to March 31, 2023, NexGen completed a purchase agreement whereby the Company acquired equipment for \$4.1 million and immediately thereafter leased the same equipment to a third party pursuant to a lease agreement which will be accounted for as a finance lease receivable.