



**NEXGEN ENERGY LTD.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Three and Nine Months Ended  
September 30, 2015

## GENERAL

This management's discussion and analysis ("**MD&A**") is management's interpretation of the results and financial condition of NexGen Energy Ltd. ("**NexGen**" or the "**Company**") for the three and nine months ended September 30, 2015 and includes events up to November 18, 2015. This discussion should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended September 30, 2015 and the notes thereto (together, the "**Interim Financial Statements**") and other corporate filings including NexGen's annual information form for the year ended December 31, 2014 (the "**AIF**"), all of which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified. This MD&A contains forward-looking information. Please see the section, "Note Regarding Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions used to develop the Company's forward-looking information.

## Technical Disclosure

The Company's exploration projects, including the Rook 1 Project (as defined below) are early stage and do not contain any mineral resource estimates as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

NexGen has prepared the technical information in this MD&A ("**Technical Information**") based on information contained in the Technical Report on the Rook 1 Property, Saskatchewan, Canada dated May 15, 2015 and information contained in news releases (collectively, the "**Disclosure Documents**"). The Technical Information is subject to the assumptions and qualifications contained in those documents. Readers are encouraged to read the full text of the Disclosure Documents which qualifies the Technical Information.

Garrett Ainsworth, NexGen's Vice-President, Exploration and Development, a "qualified person" for the purposes of has reviewed and approved the scientific and technical disclosure contained in this MD&A.

## OVERALL PERFORMANCE

### Background

NexGen Energy Ltd. was incorporated pursuant to the *Business Corporations Act* (British Columbia) on March 8, 2011 as "Clermont Capital Inc.", a capital pool company within the meaning of Policy 2.4 – Capital Pool Companies of the TSXV. On April 19, 2013, the Company completed its "qualifying transaction" and in connection therewith consolidated its common shares on a 2.35:1 basis and changed its name to "NexGen Energy Ltd.". The Company does not have any subsidiaries.

NexGen is a Canadian based uranium exploration company engaged in the exploration of its portfolio of early stage uranium exploration properties located in the Province of Saskatchewan, Canada. NexGen's principal asset currently is its 100% interest in the Rook 1 project, an early stage exploration project in the Athabasca Basin, Saskatchewan (the "**Rook 1 Project**").

The Rook 1 Project is located in the southwest Athabasca Basin, Saskatchewan, Canada. It is the location of the Arrow discovery in February 2014 and the more recent Bow discovery in March 2015. The Rook 1 Project consists of nine (9) contiguous mineral claims totaling 35,061 hectares.

NexGen also holds an interest in a portfolio of other early stage exploration projects elsewhere in the Athabasca, including an exclusive option to acquire a 70% interest in the Radio project, an early stage uranium exploration project in the Athabasca Basin.

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The Company is listed on the TSX-V (Tier 1) under the symbol "NXE" and is a reporting issuer in each of the provinces of Canada other than Quebec. The Company's common shares also trade on the OTCQX Best Market.

### Exploration

In June 2015, NexGen commenced its third summer drill program of 25,000 metres. In August 2015, the program was increased to 30,000 metres, and on October 26, 2015 the program concluded at 33,010 actual metres drilled. This drill program focused on the A1, A2 and A3 shears of the Arrow zone and explored other high-priority regional drill targets.

During the three months ended September 30, 2015, the Company continued its 2015 summer drilling program at the Rook 1 Project. Specifically, during the three months ended September 30, 2015 a total of 43 holes (and 3 partial holes) were drilled, totaling 24,051 metres. For a description of the results of the complete program, see "*Discussion of Operations*" below.

### Financial

The Company's financial information has been prepared on a going concern basis whereby it assumes it will be able to realize its assets and discharge its liabilities in the normal course of business as they come due. The Company has no source of operating cash flow and has negative cash flow from operating results.

In the three month period ended September 30, 2015, the Company did not raise any funds from financing activities. However, on November 18, 2015 the Company signed an engagement letter with Cormark Securities Inc. and TD Securities Inc., on their own behalf and on behalf of a syndicate of underwriters, pursuant to which the underwriters agreed to purchase, on a bought deal basis, 31,250,000 Common Shares of the Company at a price of \$0.64 per share, for gross proceeds to the Company of C\$20 million (the "**Proposed Offering**"). The Company also granted the underwriters an over-allotment option to purchase up to an additional 4,687,500 Common Shares at the same price. The proceeds of the Proposed Offering will be used for exploration of the Company's mineral projects and for working capital purposes, all as will be more particularly set forth in the short form prospectus to be prepared and filed in connection with the Proposed Offering.

As at September 30, 2015, the Company had cash of \$20,749,898 (December 31, 2014: \$13,840,457; September 30, 2014: \$5,783,685), working capital of \$19,030,401 (December 31, 2014: \$12,356,062; September 30, 2014: \$5,662,125) and an accumulated deficit of \$15,669,530 (December 31, 2014: \$12,751,624; September 30, 2014: \$6,520,176).

### Industry and Economic Factors that may affect the Business

Economic and industry risk factors that may affect NexGen's business, including those that could affect liquidity and capital resources, are described under the heading "*Risk Factors*" in the AIF. In particular, the Company does not anticipate generating revenue in the near future. As a result, the Company continues to be dependent on third party financing to continue exploration activities on the Company's properties, maintain capacity and satisfy contractual obligations. Accordingly, the Company's future performance will be most affected by its access to financing, whether debt, equity or other means. Access to such financing, in turn, is affected by general economic conditions, the price of uranium, exploration results and the other factors set forth in the Company's AIF under "*Risk Factors*".

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## SELECTED FINANCIAL INFORMATION

### General

Management is responsible for the Interim Financial Statements referred to in this MD&A. The Audit Committee of the Company's Board of Directors has been delegated the responsibility to review and approve the Interim Financial Statements and MD&A.

The Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and should be read in conjunction with NexGen's audited financial statements for the year ended December 31, 2014 (the "Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Based on the nature of the Company's activities, both presentation and functional currency is Canadian dollars.

### Summary

The following financial data is derived from the unaudited condensed interim financial statements for the nine months ended September 30, 2015 and 2014.

|                                                                                     | For the Three<br>Months Ended |                       | For the Nine<br>Months Ended |                       |
|-------------------------------------------------------------------------------------|-------------------------------|-----------------------|------------------------------|-----------------------|
|                                                                                     | September 30,<br>2015         | September 30,<br>2014 | September 30,<br>2015        | September 30,<br>2014 |
| <b>Operating expenses</b>                                                           |                               |                       |                              |                       |
| Salaries, benefits and directors fees                                               | \$ 217,636                    | \$ 189,531            | \$ 632,320                   | \$ 595,072            |
| Office and administrative                                                           | 84,168                        | 62,329                | 325,712                      | 226,080               |
| Professional fees                                                                   | 126,546                       | 185,174               | 437,756                      | 364,869               |
| Travel                                                                              | 120,812                       | 104,531               | 457,447                      | 241,020               |
| Depreciation                                                                        | 53,604                        | 17,094                | 157,729                      | 76,988                |
| Share-based payments                                                                | 386,815                       | 192,340               | 1,293,704                    | 853,924               |
| Finance income                                                                      | (26,383)                      | (28,567)              | (89,976)                     | (94,076)              |
| Foreign exchange loss (gain)                                                        | 3,967                         | 5,048                 | 14,480                       | (16,545)              |
| Gain on settlement of short-term loan                                               | (99,122)                      | -                     | (99,122)                     | -                     |
| Income on reduction of flow-through premium liability                               | -                             | -                     | (212,144)                    | (105,480)             |
| <b>Loss and comprehensive loss for the period</b>                                   | <b>\$ (868,043)</b>           | <b>\$ (727,480)</b>   | <b>\$ (2,917,906)</b>        | <b>\$ (2,141,852)</b> |
| <b>Loss per common share - basic and diluted</b>                                    | <b>\$ (0.00)</b>              | <b>\$ (0.01)</b>      | <b>\$ (0.01)</b>             | <b>\$ (0.02)</b>      |
| <b>Weighted average number of common shares<br/>outstanding - basic and diluted</b> | <b>253,432,940</b>            | <b>144,363,604</b>    | <b>222,590,499</b>           | <b>132,502,881</b>    |

|                                                    | September 30,<br>2015 | December 31,<br>2014 | September 30,<br>2014 |
|----------------------------------------------------|-----------------------|----------------------|-----------------------|
| Exploration and evaluation assets                  | \$ 61,215,023         | \$ 42,051,915        | \$ 44,927,619         |
| Total assets                                       | \$ 83,618,599         | \$ 57,004,236        | \$ 51,902,835         |
| Total current liabilities                          | \$ 2,478,047          | \$ 1,733,969         | \$ 416,571            |
| Total non-current financial liabilities            | -                     | \$ 212,144           | \$ 1,354,664          |
| Distributions or cash dividends declared per share | -                     | -                    | -                     |

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### **September 30, 2015 vs December 31, 2014**

NexGen had cash totaling \$20,749,898 at September 30, 2015 compared to \$13,840,457 at December 31, 2014. This increase in cash was due to \$25,932,175 cash received on shares issued from a bought deal offering and cash received on exercise of warrants and options, offset by \$16,845,640 of cash used in investing activities and \$2,177,094 of cash used in operating activities.

Exploration and evaluation assets increased from \$42,051,915 at December 31, 2014 to \$61,215,023 at September 30, 2015 due to increase in expenditures made on exploration and evaluation assets.

Current liabilities increased from \$1,733,969 at December 31, 2014 to \$2,478,047 at September 30, 2015. The majority of this increase related to the timing of payments for mineral exploration costs.

### **Three Months Ended September 30, 2015 vs Three Months Ended September 30, 2014**

In the three months ended September 30, 2015, NexGen incurred a net loss of \$868,043 or loss per common share of \$0.00, compared to a loss of \$727,480 or loss of \$0.01 per common share for the three months ended September 30, 2014.

Salaries, benefits and directors' fees increased from \$189,531 in the three months ended September 30, 2014 to \$217,636 in the three months ended September 30, 2015 due to a change in staffing complement in the three months ended September 30, 2015.

Office and administrative costs increased from \$62,329 in the three months ended September 30, 2014 to \$84,168 in the three months ended September 30, 2015. This was mainly due to higher listing fees primarily relating to the OTCQX listing and general and administrative expenses in the three months ended September 30, 2015.

Professional fees decreased from \$185,174 in the three months ended September 30, 2014 to \$126,546 in the three months ended September 30, 2015. This was due to legal fees incurred during the three months ended September 30, 2014 in respect of non-recurring events.

Travel expenses increased from \$104,531 in the three months ended September 30, 2014 to \$120,812 in the three months ended September 30, 2015 mainly due to more international travel in response to investor interest in the three months ended September 30, 2015.

Depreciation increased from \$17,094 in the three months ended September 30, 2014 to \$53,604 in the three months ended September 30, 2015 due to an increase in the amortization of equipment.

Share-based payments charged to the statement of loss and comprehensive loss increased from \$192,340 in the three months ended September 30, 2014 to \$386,815 in the three months ended September 30, 2015. These are non-cash charges derived by the graded vesting method of the Black-Scholes values. The increase in share-based compensation expense is a direct result of the grant of 4,825,000 stock options to existing directors and employees during the three month period ended March 30, 2015 and the grant of 750,000 stock options to new employees in the three month period ended September 30, 2015. Stock options granted to directors and employees vest over two years with the corresponding share-based compensation expense being recognized over this period. Variances in share-based compensation expense are expected from period to period depending on many factors, including whether options are granted in a period and whether options have fully vested or have been cancelled in a period.

The Company incurred a foreign exchange loss in the three months ended September 30, 2015 of \$3,967 compared to a loss of \$5,048 in the three months ended September 30, 2014. These amounts are derived from foreign exchange rate fluctuations realized on Australian and US dollar denominated transactions and payments translated into Canadian dollars. This minor decrease in foreign exchange loss is due to better exchange rates at the time foreign transactions and payments were completed.

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The short-term loan to Tigers Realm was fully settled through the issuance of common shares, resulting in a gain on settlement of short-term loan of \$99,122 being recorded on the statement of loss and comprehensive loss in the three months ended September 30, 2015.

### **Nine Months Ended September 30, 2015 vs Nine Months Ended September 30, 2014**

In the nine months ended September 30, 2015, NexGen incurred a net loss of \$2,917,906, or a loss per common share of \$0.01, compared to a loss of \$2,141,852 or a loss of \$0.02 per common share in the nine months ended September 30, 2014.

Salaries, benefits and directors fees increased from \$595,072 in the nine months ended September 30, 2014 to \$632,320 in the nine months ended September 30, 2015 mainly due to a change in the staffing complement in the nine months ended September 30, 2015.

Office and administrative costs increased from \$226,080 in the nine months ended September 30, 2014 to \$325,712 in the nine months ended September 30, 2015 mainly due to higher listing, filing and regulatory fees including those relating to the OTCQX listing in the nine months ended September 30, 2015.

Professional fees increased from \$364,869 in the nine months ended September 30, 2014 to \$437,756 in the nine months ended September 30, 2015. This increase was mainly for legal fees associated with market listing initiatives and corporate development work performed in the nine months ended September 30, 2015.

Travel increased from \$241,020 in the nine months ended September 30, 2014 to \$457,447 in the nine months ended September 30, 2015. This increase was a result of more corporate development and international travel in response to investor interest in the nine months ended September 30, 2015.

Depreciation increased from \$76,988 in the nine months ended September 30, 2014 to \$157,729 in the nine months ended September 30, 2015 due to a significant increase in depreciable equipment.

Share-based payments charged to the statement of loss and comprehensive loss increased from \$853,924 in the nine months ended September 30, 2014 to \$1,293,704 in the nine months ended September 30, 2015. These are non-cash charges derived by the grading vesting method of the Black-Scholes values. The increase in share-based compensation expense is a direct result of the grant of 4,825,000 stock options to existing directors and employees during the second quarter of fiscal 2015 and the grant of 750,000 stock options to new employees in the three month period ended September 30, 2015. Stock options granted to directors and employees will vest over two years with the corresponding share-based compensation expense being recognized over this period. Variances in share-based compensation expense are expected from period to period depending on many factors, including whether options are granted in a period and whether options have fully vested or have been cancelled in a period.

Finance income of \$94,076 in the nine months ended September 30, 2014 was comparable to \$89,976 in the nine months ended September 30, 2015.

The Company incurred a foreign exchange gain of \$16,545 in the nine months ended September 30, 2014 compared to a foreign exchange loss of \$14,480 in the nine months ended September 30, 2015. These amounts are derived from foreign exchange rate fluctuations realized on Australian and US dollar denominated transactions and payments translated into Canadian dollars.

The short-term loan to Tigers Realm was fully settled through the issuance of common shares, resulting in a gain on settlement of short-term loan of \$99,122 being recorded on the statement of loss and comprehensive loss in the nine months ended September 30, 2015.

## **DISCUSSION OF OPERATIONS**

### **Exploration Activities**

#### *The Rook 1 Project*

In June 2015, NexGen commenced its third summer drill program. In August 2015, the program was increased from 25,000 metres to 30,000 metres, and on October 26, 2015 the program concluded at 33,010 actual metres drilled over 58 holes. This program focused on the A1, A2 and A3 shears of the Arrow zone and exploring other high-priority regional drill targets. The regional targets were designed to test a combination of magnetic, electromagnetic and gravity geophysical features on the Rook 1 Project area, including an on-land target area 750 metres northeast of the Bow discovery and other on-land target areas within the Derkson corridor in the area of Beet Lake. This summer drill program included, for the first time, the use of directional core drilling technology. Directional drilling allows for precise, controlled deviation of drill holes and for multiple branches to be drilled from one pilot hole.

As of the date of this MD&A, assay results have been received in respect of 38 of the 58 holes comprising the 2015 summer drill program drill holes. In respect of those 38 holes for which assay results have been received, the highlight is hole AR-15-58c1, which intersected 30.61% U3O8 over 11 metres, including 3.0 metres at 72.02% U3O8 and 0.5 metres at 80.52% U3O8.

With respect to the 20 remaining holes, for which assay results have not been received (all of which were drilled at the Arrow Zone), the Company has measured the natural gamma radiation in counts per second using a Radiation Solutions Inc. RS-120 gamma ray handheld scintillometer.

Based on the scintillometer readings: (i) multiple drill holes have intersected "off-scale" radioactivity including hole AR-15-61c2 which intersected 93.75 metres of total composite mineralization including 21.2 metres of off-scale radioactivity within a 185.5 metre section; (ii) a fourth high-grade shear zone (A4) has been identified; (iii) a higher grade subzone within the A2 core has been identified; (iv) step-out drilling in AR-15-56c1 intersected high-grade mineralization in the A3 shear; and (v) the strike lengths of the high grade cores in the A2 and A3 shears have tripled. The Company defines "off-scale" as scintillometer readings in excess of 10,000 counts per second.

The total count gamma readings may not be directly or uniformly related to uranium grades of the sample measured and are only a preliminary indication of the presence of radioactive minerals. Core interval measurements and true thicknesses are not determined until assay results are received. There can be no assurance that the assay results in respect of these 20 holes will be consistent with the preliminary results reported above.

The Company plans to continue exploring the Rook 1 Project. Its immediate and near term plan for the Rook 1 Project is to develop and complete a winter drill program. The nature and extent of that drill program will depend on the Company's cash resources.

The Company's medium term objective is to incorporate the results of all drilling to date at Arrow to allow for the estimation of a mineral resource and the preparation and filing of a supporting technical report in the first half of 2016.

#### *Other Property Interests*

The Company's focus is on the Rook 1 Project. The Company has not incurred, and does not plan to incur, any significant costs exploring other properties in its portfolio in 2015.

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### Comparison of Previous Use of Proceeds

On May 26, 2015 and May 28, 2015 the Company completed an offering, on a bought-deal basis, pursuant to a short form prospectus dated May 20, 2015 (the "**Prospectus**") of 54,602,000 common shares, at a price of C\$0.50 per Common Share for gross proceeds to the Company of \$27,301,000.

The Prospectus provided that \$18,460,000 of the proceeds of the offering would be allocated to diamond drilling as part of a 2015 summer and 2016 winter program at Arrow.

The Company has completed the summer drill program, which based on the encouraging results of, was expanded from 25,000 metres to 33,010 metres at a total cost of \$12,280,000.

Notwithstanding the increase in the scope of, and hence cost of, the summer drill program, the Company has sufficient cash on hand to complete the balance of the \$18,460,000 drill program provided for in the Prospectus. The specific details of the 2016 winter drill program will be determined, once all of the results of the summer program have been reviewed.

### SUMMARY OF QUARTERLY RESULTS

The following financial information is derived from the Company's financial statements, prepared in accordance with IFRS applicable to interim financial reporting including IAS 34 and presented in Canadian dollars. It should be read in conjunction with NexGen's unaudited condensed interim financial statements for each of the past eight quarters, as well as the Annual Financial Statements.

| (Expressed in Canadian dollars)             | 2015<br>Sep 30 | 2015<br>Jun 30 | 2015<br>Mar 31 | 2014<br>Dec 31 | 2014<br>Sep 30 | 2014<br>Jun 30 | 2014<br>Mar 31 | 2013<br>Dec 31 |
|---------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Finance income                              | \$ 26,383      | \$ 25,859      | \$ 37,734      | \$ 30,681      | \$ 28,567      | \$ 45,082      | \$ 20,428      | \$ 14,635      |
| Net loss for the period                     | \$ 868,043     | \$ 1,236,174   | \$ 813,689     | \$ 6,231,450   | \$ 727,480     | \$ 863,055     | \$ 551,317     | \$ 943,198     |
| Loss per share -<br>Basic and fully diluted | \$ 0.00        | \$ 0.01        | \$ 0.00        | \$ 0.04        | \$ 0.01        | \$ 0.01        | \$ 0.00        | \$ 0.01        |

NexGen does not derive any revenue from its operations except for minimal interest income from its cash balances. Its primary focus is the acquisition, exploration and evaluation of resource properties.

Interest revenue recorded as finance income has fluctuated depending on cash balances available to generate interest and the earned rate of interest.

The net loss for the period has fluctuated depending on the Company's activity level and periodic variances in certain items. Quarterly periods are therefore not comparable due to the nature and timing of exploration activities.

### LIQUIDITY AND CAPITAL RESOURCES

NexGen has no revenue-producing operations, earns only minimal income through investment income on treasury amounts and historically has recurring operating losses. As at September 30, 2015, the Company had an accumulated deficit of \$15,669,530.

As previously stated, on May 26, 2015 and May 28, 2015, NexGen closed a bought-deal offering pursuant to which the Company issued 54,602,000 common shares at a price of \$0.50 per share for gross proceeds to the Company of \$27,301,000.



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As a result, as at the date of this MD&A, the Company has approximately \$16.6 million in cash and cash equivalents and approximately \$0.3 million in current liabilities. The Company's working capital balance as at the date of this MD&A is approximately \$16.8 million.

The closing of the financing in May 2015 positions the Company to continue exploring the Rook 1 Project, including in particular a 2016 winter drill program as provided for in the Prospectus while maintaining current corporate capacity for at least the ensuing 12 months.

On an ongoing basis, and particularly in light of current market conditions for mineral exploration, management evaluates and adjusts its planned level of activities, including planned, exploration and committed administrative costs, to maintain adequate levels of working capital.

As previously stated, the Company is dependent on external financing, including equity issuances and debt financing, to fund its activities. Management will determine whether to accept any offer to finance weighing such things as the financing terms against results of exploration at Rook 1, the Company's share price at the time, current market conditions among others. Circumstances that could impair the Company's ability to raise additional funds include general economic conditions, the price of uranium and the other factors set forth below under "*Risk Factors*". The Company has not paid any dividends and management does not expect that this will change in the near future.

In that regard, as previously stated, on November 18, 2015 the Company signed an engagement letter with Cormark Securities Inc. and TD Securities Inc., on their own behalf and on behalf of a syndicate of underwriters, pursuant to which the underwriters agreed to purchase, on a bought deal basis, 31,250,000 Common Shares of the Company at a price of \$0.64 per share, for gross proceeds to the Company of C\$20 million (the "**Proposed Offering**"). The Company also granted the underwriters an over-allotment option to purchase up to an additional 4,687,500 Common Shares at the same price. The proceeds of the Proposed Offering will be used for exploration of the Company's mineral projects and for working capital purposes, all as will be more particularly set forth in the short form prospectus to be prepared and filed in connection with the Proposed Offering.

Working capital is held almost entirely in cash, significantly reducing any liquidity risk of financial instruments held by NexGen.

### **Contractual Obligations**

There were no material changes in the Company's contractual obligations during the three month period ended September 30, 2015.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company had no off-balance sheet arrangements as at September 30, 2015 or as at the date hereof.

### **TRANSACTIONS WITH RELATED PARTIES**

The Company did not have any related party transactions except as set forth below:

#### **Key management personnel**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

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The aggregate remuneration attributed to key management personnel can be summarized as follows:

|                                                     | For the nine months ended |                    |
|-----------------------------------------------------|---------------------------|--------------------|
|                                                     | September 30, 2015        | September 30, 2014 |
| Short-term compensation <sup>(1)</sup>              | \$ 641,250                | \$ 674,868         |
| Share-based payments (stock options) <sup>(2)</sup> | \$ 1,227,482              | \$ 893,794         |
|                                                     | \$ 1,868,732              | \$ 1,568,662       |

## Notes:

<sup>(1)</sup> Short-term compensation to key management personnel for the nine months ended September 30, 2015 amounted to \$641,250 (nine months ended September 30, 2014: \$674,868), of which \$506,250 (nine months ended September 30, 2014: \$539,868) was expensed and included in salaries, benefits and directors' fees on the Company's statement of comprehensive loss. The remaining \$135,000 (nine months ended September 30, 2014: \$135,000) was capitalized to exploration and evaluation assets.

<sup>(2)</sup> Share-based payments to key management personnel for the nine months ended September 30, 2015 amounted to \$1,227,482 (nine months ended September 30, 2014: \$893,794) of which \$987,139 (nine months ended September 30, 2014: \$715,931) was expensed and \$240,343 (nine months ended September 30, 2014: \$177,863) was capitalized to exploration and evaluation assets.

As at September 30, 2015, \$10,000 (December 31, 2014: \$10,000) was included in accounts payable and accrued liabilities to executives for accrued expense reimbursements.

## Short-term loan

Tigers Realm Minerals Ltd. is a shareholder of NexGen. During the three months ended September 30, 2015, the debt to Tigers Realm of \$1,354,664 (December 31, 2014 - \$1,354,664) was fully settled through the issuance of 1,652,029 shares. The shares had a deemed value of \$0.82 per share, and were issued at a fair value of \$0.76 per share. A gain on short-term loan settlement of \$99,122 was recorded on the statement of loss and comprehensive loss.

## OUTSTANDING SHARE DATA

The authorized capital of NexGen consists of an unlimited number of common shares and an unlimited number of preferred shares. As at November 18, 2015, there were 253,972,116 common shares, 22,149,446 stock options and 19,918,592 common share purchase warrants and no preferred shares issued and outstanding.

Set forth below are details regarding the outstanding stock options and common share purchase warrants.

| Number of Options | Number Exercisable | Exercise Price    | Expiry Date        |
|-------------------|--------------------|-------------------|--------------------|
| 50,000            | 50,000             | \$ 0.400          | December 31, 2016  |
| 50,000            | 50,000             | \$ 0.460          | December 31, 2016  |
| 25,000            | 25,000             | \$ 0.500          | December 31, 2016  |
| 331,360           | 331,360            | \$ 0.240          | August 29, 2017    |
| 4,200,000         | 4,200,000          | \$ 0.400          | January 31, 2018   |
| 250,000           | 250,000            | \$ 0.425          | April 22, 2018     |
| 2,168,086         | 2,168,086          | \$ 0.400          | July 30, 2018      |
| 100,000           | 100,000            | \$ 0.400          | August 22, 2018    |
| 250,000           | 166,667            | \$ 0.300          | December 19, 2018  |
| 3,325,000         | 2,216,666          | \$ 0.400          | May 23, 2019       |
| 100,000           | 100,000            | \$ 0.400          | May 23, 2019       |
| 750,000           | 500,000            | \$ 0.400          | June 2, 2019       |
| 50,000            | 50,000             | \$ 0.460          | December 24, 2019  |
| 4,950,000         | 1,666,667          | \$ 0.460          | December 24, 2019  |
| 4,800,000         | 1,600,000          | \$ 0.500          | May 27, 2020       |
| 750,000           | 250,000            | \$ 0.620          | September 21, 2020 |
| <b>Total</b>      | <b>22,149,446</b>  | <b>13,724,446</b> |                    |

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| Number of Warrants       | Exercise Price    | Expiry Date    |
|--------------------------|-------------------|----------------|
| 12,822,500               | \$ 0.650          | March 26, 2016 |
| 153,534                  | \$ 0.650          | March 26, 2016 |
| <sup>(1)</sup> 1,228,272 | \$ 0.450          | March 26, 2016 |
| 5,714,286                | \$ 0.500          | May 31, 2017   |
| <b>Total</b>             | <b>19,918,592</b> |                |

### Notes:

<sup>(1)</sup> Broker warrants each of which are exercisable at \$0.45 into units comprising one common share and one-half of one common share purchase warrant with each purchase warrant exercisable for one common share at a price of \$0.65 until March 26, 2016.

## PROPOSED TRANSACTIONS

As is typical in the mineral exploration and development industry, we are continually reviewing potential merger, acquisition, investment transactions and opportunities that could enhance shareholder value. At present however, there is no proposed business acquisition or disposition before the Board for consideration.

## CHANGES IN ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 4 to the audited financial statements for the year ended December 31, 2014, and have been consistently followed in the preparation of the Interim Financial Statements, except for IFRS 9 (a new standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018) which has not yet been adopted. Financial liabilities will be classified under IFRS 9 in a similar manner to under IAS 39, however, there will be differences in the requirements applying to the measurement of an entity's own credit risk. The Company is currently evaluating the extent of the impact of the adoption of the Company's adoption of IFRS 9.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, sales taxes receivables, accounts payable and accrued liabilities. The risks associated with these financial instruments are discussed below.

The fair values of these financial instruments approximate the carrying value, which is the amount on the Interim Financial Statements due to their short-term maturities or ability of prompt liquidation.

### 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 sales taxes receivable. The Company deposits cash with large Canadian and Australian banks. Credit risk is however concentrated as a significant amount of the Company's cash on hand is held at one financial institution. Management believes the risk of loss to be remote. The Company's sales taxes receivable consists of input tax credits receivable from the Government of Canada. Accordingly, the Company does not believe it is subject to significant credit risk.

### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining

sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital to meet short-term obligations. As at September 30, 2015, NexGen had a cash balance of \$20,749,898 (December 31, 2014 - \$13,840,457) to settle current liabilities of \$2,478,047 (December 31, 2014 - \$1,733,969).

### **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 estimated fair values of the Company's cash balances as of September 30, 2015. 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 Company does not have any interest bearing debt.

### **Foreign Currency Risk**

The functional currency of the Company 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 include Australian dollar denominated cash and Australian and US dollar accounts payable and accrued liabilities. The Company will maintain Australian dollar bank accounts in Australia and Canadian dollar bank accounts in Canada.

### **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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Future declines in this commodity price 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 to be taken by the Company.

### **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional disclosure concerning NexGen's general and administrative expenses and exploration and evaluation expenses is provided in the Company's statement of loss and comprehensive loss contained in its Interim Financial Statements for the nine months ended September 30, 2015 and in its annual financial statements for the year ended December 31, 2014 and 2013, which are all available on NexGen's website or on its profile at [www.sedar.com](http://www.sedar.com).

### **NOTE REGARDING FORWARD-LOOKING INFORMATION**

*This MD&A contains "forward-looking information" and "forward looking statements" within the meaning of applicable Canadian securities laws. Forward-looking information and statements include, but are not limited to, statements with respect to the completion Proposed Offering, planned exploration activities, the future interpretation of geological information; whether results thereof will lead to estimated mineral resources and the timing of such estimates. Generally, but not always, forward looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof. Forward-looking information and statements are based on the then current expectations, beliefs, assumptions, estimates and forecasts about the Company's business and the industry and markets in*

*which it operates.*

*Such forward information and statements are based on numerous assumptions, including among others, that all required approvals for completion of the Proposed Offering will be received as and when required and that all other conditions to the Proposed Offering will be satisfied, the results of planned exploration activities are as anticipated, the price of uranium, the cost of planned exploration activities, that financing will be available if and when needed and on reasonable terms, that third party contractors, equipment and supplies and governmental and other approvals required to conduct the Company's planned exploration activities will be available on reasonable terms and in a timely manner and that general business and economic conditions will not change in a material adverse manner. Although the assumptions made by the Company in providing forward looking information or making forward-looking statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate.*

*Forward-looking information and statements also involve known and unknown risks and uncertainties and other factors, which may cause actual events or results in future periods to differ materially from any projections of future events or results expressed or implied by such forward-looking information or statements, including, among others: negative operating cash flow and dependence on third party financing, uncertainty of additional financing, no known mineral reserves or resources, alternative sources of energy, aboriginal title and consultation issues, reliance on key management and other personnel; potential downturns in economic conditions; actual results of exploration activities being different than anticipated; changes in exploration programs based upon results; availability of third party contractors; availability of equipment and supplies; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks associated with the mineral exploration industry; environmental risks; changes in laws and regulations; community relations; and delays in obtaining governmental or other approvals and other factors discussed or referred to in the Company's AIF under "Risk Factors".*

*Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information or implied by forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. NexGen undertakes no obligation to update or reissue forward-looking information as a result of new information or events except as required by applicable securities laws.*

## **APPROVAL**

The Audit Committee and the Board of Directors of NexGen have approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information, on the SEDAR website at [www.sedar.com](http://www.sedar.com) or by contacting the Corporate Manager located at Suite 2450, 650 West Georgia Street, Vancouver, BC V6B 4N9 or at (604) 428-4112.