



NexGen Energy (Canada) Ltd.

ARBN 649 325 128

A foreign company registered in its original jurisdiction of British Columbia, Canada as NexGen Energy Ltd.

Prospectus

For an offer of 400,000 CHESS Depositary Interests in NexGen at an issue price of A\$5.60 each to raise A\$2,240,000 (before costs)

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the CDIs offered pursuant to this Prospectus involves significant risks that should be carefully considered by prospective investors before applying for CDIs. Refer to Section 4 for a summary of the key risks associated with an investment in the CDIs.

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IMPORTANT INFORMATION

The Offer

This Prospectus is issued by NexGen Energy (Canada) Ltd. (Australian Registered Body Number 649 325 128), a foreign company registered in its original jurisdiction of British Columbia, Canada as NexGen Energy Ltd. (British Columbia company incorporation number BC0983846) (**NexGen**) for the purpose of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The offer contained in this Prospectus is an offer to acquire CHES Depositary Interests (**CDIs**) over fully paid common shares in the capital of NexGen (**Shares**) (**Offer**). Each CDI will represent one underlying Share. The Shares offered under this Prospectus will be issued to investors in the form of CDIs so that those investors may trade the Shares on the Australian Securities Exchange (**ASX**) and settle the transactions through the Clearing House Electronic Subregister System (**CHES**). Note that in this Prospectus, the terms "Shares" and "CDIs" may be used interchangeably, except where the context requires otherwise. Refer to Sections 6, 8.1 and 8.2 for further information.

Lodgement and Listing

This Prospectus is dated and was lodged with the Australian Securities and Investments Commission (**ASIC**) on 16 June 2021. NexGen will apply to ASX Limited (ABN 98 008 624 691) within seven days after the date of this Prospectus for admission of NexGen to the Official List as an ASX Foreign Exempt Listing and quotation of its CDIs on the ASX under the code "NXG" (**Listing**). None of ASIC, the ASX or their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Expiry Date

This Prospectus expires on the date which is 13 months after the date of this Prospectus and no CDIs will be issued on the basis of this Prospectus after that expiry date.

Not investment advice

The information in this Prospectus is not investment or financial product advice. The Offer, and the information in this Prospectus, does not take into account your investment objectives, financial situation or particular needs (including finance and tax issues) as an investor. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in NexGen and completing and lodging an Application Form.

No person is authorised to give any information or to make any representation in connection with the Offer, which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by NexGen or any other person in connection with the Offer.

Speculative Investment

The CDIs offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the CDIs offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the CDIs or that there will be an increase in the value of the CDIs in the future.

Prospective investors should carefully consider whether the CDIs offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 4 for details relating to the key risks applicable to an investment in NexGen.

Forward looking statements

This Prospectus contains forward-looking statements within the meaning of the *United States Private Securities Litigation Reform Act of 1995* and "forward-looking information" within the meaning of applicable Canadian and Australian securities legislation. Forward-looking information and statements include, but are not limited to, statements with respect to planned exploration and development activities, the future interpretation of geological information, the cost and results of exploration and development activities, future financings, the future price of uranium and requirements for additional capital. Generally, forward-looking information and statements can be identified by the use of forward-looking terminology 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 NexGen's business and the industry and markets in which it operates. Forward looking information and statements are made based upon numerous assumptions, including among others, that the results of planned exploration and development activities are as anticipated and on time, the price of uranium, the cost of planned exploration and development activities, there will be limited changes in any project parameters as plans continue to be refined, that financing will be available if and when needed and on reasonable terms, that third-party contractors, equipment, supplies and governmental and other approvals required to conduct NexGen's planned exploration and development activities will be available on reasonable terms and in a timely manner, that there will be no revocation of government approvals and that general business, economic, competitive, social, and political conditions will not change in a material adverse manner. Although the assumptions made by NexGen 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 results, performances and achievements of NexGen to differ materially from any projections of results, performances and achievements of NexGen 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, price of uranium, the appeal of alternate sources of energy, exploration risks, uninsurable risks, reliance upon key management and other personnel, imprecision of mineral resource estimates, potential cost overruns on any development, changes in climate or increases in environmental regulation, aboriginal title and consultation issues, deficiencies in the NexGen's title to its properties, information security and cyber threats, failure to manage conflicts of interest, failure to obtain or maintain required permits and licenses, changes in laws, regulations and policy, competition for resources and financing, volatility in market price of the NexGen's shares, and other risk factors discussed or referred to in Section 4 of this Prospectus.

Although NexGen has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information or statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

There can be no assurance that such information or statements will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. Accordingly, investors should not place undue reliance on forward-looking information or statements. The forward-looking information and statements contained in this Prospectus are made as of the date of this Prospectus and, accordingly, are subject to change after such date. NexGen does not undertake to update or reissue forward-looking information as a result of new information or events except as required by applicable securities laws.

Regulation of NexGen

As NexGen is not established in Australia, its general corporate activities (apart from offering securities in Australia) are not regulated by the Corporations Act or by ASIC, but are instead governed by the *Business Corporations Act* (British Columbia) (**BCBCA**) and other applicable Canadian laws. Refer to Sections 2 and 8.6 for further information.

NexGen's Shares are listed and posted for trading on the Toronto Stock Exchange (**TSX**) (TSX:NXE) and listed on the NYSE American stock exchange (**NYSE American**) (NYSE:NXE) (together, the **Foreign Exchanges**). These Foreign Exchanges are both equities markets operated by TMX Group Limited and Intercontinental Exchange, respectively. Neither TMX Group Limited nor Intercontinental Exchange has examined or approved the contents of this document.

Foreign jurisdictions

This Prospectus does not constitute an offer or invitation to apply for CDIs in any place in which, or to any person to whom, it would be unlawful to make such offer or invitation. No action has been taken to register or qualify the CDIs or the Offer, or to otherwise permit a public offering of the CDIs, in any jurisdiction outside Australia.

The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

United States

This Prospectus may not be distributed to, or relied upon by, persons in the United States. The CDIs have not been, and will not be, registered under the United States Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state of the United States, and may not be offered or sold, directly or indirectly, in the United States, except in a transaction exempt from, or not subject to, registration under the US Securities Act and applicable United States state securities laws.

Canada

This Prospectus may not be distributed to, or relied upon by, persons in Canada. This Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities referred to in this document in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the securities described and any representation to the contrary is an offence.

Exposure Period

The Corporations Act prohibits NexGen from processing applications for CDIs in the seven day period after the date of this Prospectus (**Exposure Period**). ASIC may extend this period by up to a further seven days (i.e., up to a total of 14 days). The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds. The examination may result in the identification of certain deficiencies in this Prospectus in which case any application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be given to applications received during the Exposure Period.

Prospectus and Application Form

This Prospectus will generally be made available in electronic form by being posted on NexGen's website at www.nexgenenergy.ca. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from NexGen's registered Australian office by contacting the Australian Company Secretary. Contact details for

NexGen and details of NexGen's Australian registered office are detailed in the Corporate Directory. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia.

The electronic copy of this Prospectus available from NexGen's website will not include an Application Form. NexGen will provide the Prospectus together with the Application Form to persons invited by the Directors to participate in the Offer. Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from www.nexgenenergy.ca. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for CDIs under the Offer should complete the Application Form. If you do not provide the information required on the Application Form, NexGen may not be able to accept or process your Application.

No cooling-off rights

Cooling-off rights do not apply to an investment in CDIs issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

Defined terms

Some words and expressions used in this Prospectus have defined meanings, which are explained in the Glossary.

Time

Unless otherwise stated or implied, a reference to time in this Prospectus is to Perth, Western Australia time. Unless otherwise stated or implied, references to dates or years are calendar year references.

Currency

All financial amounts contained in this Prospectus are expressed as Canadian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "C\$" are references to Canadian dollars, all references to "US\$" are references to United States dollars and all references to "A\$" are references to Australian dollars.

Where an amount is expressed in this Prospectus in A\$, C\$ or US\$, the conversion is based on the following indicative exchange rates being, A\$1.00 = C\$0.94, C\$1.00 = US\$0.82 and A\$1.00 = US\$0.77. The amount when expressed in A\$, C\$ or US\$ may change as a result of fluctuations in the exchange rate between those currencies.

Amounts referred to in this Prospectus when expressed in Australian dollars, Canadian dollars or United States dollars may change as a result of fluctuations in the exchange rate between those currencies.

The CDIs will be listed on the ASX and priced in Australian dollars. However, NexGen's reporting currency is Canadian dollars and the Shares will also be quoted and trading on the TSX in Canadian dollars and the NYSE American in US dollars. As a result, movements in foreign exchange rates may cause the price of NexGen's securities to fluctuate for reasons unrelated to NexGen's financial condition or performance and may result in a discrepancy between NexGen's actual results of operations and investors' expectations of returns on ASX-listed CDIs expressed in Australian dollars. In addition, if a dividend is paid by NexGen in the future, this dividend will be denominated in Canadian dollars. As such, an investor whose principal currency is not Canadian dollars will be exposed to foreign currency exchange rate risk.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by NexGen. Diagrams and maps used in this Prospectus are illustrative only and may not be drawn to scale.

Privacy

By filling out the Application Form to apply for CDIs you are providing personal information to NexGen through Computershare Investor Services Pty Limited, which is contracted by NexGen to manage Applications (**Australian Share Registry**). NexGen, and the Australian Share Registry on its behalf, may collect, hold and use that personal information in order to process your Application to service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, NexGen and the Australian Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by NexGen, which it considers may be of interest to you. Your personal information may also be provided to NexGen's members, agents and service providers on the basis that they deal with such information in accordance with NexGen's privacy policy and applicable laws. The members, agents and service providers of NexGen may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are as follows: (a) the Australian Share Registry for ongoing administration of the Shareholder register; (b) printers and other companies for the purpose of preparation and distribution of statements and for handling mail; (c) market research companies for the purpose of analysing the Shareholder base and for product development and planning; and (d) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the CDIs and for associated actions.

You may request access to your personal information held by, or on behalf of, NexGen. You may be required to pay a reasonable charge to the Australian Share Registry in order to access your personal information. You can request access to your personal information by writing to the Australian Share Registry as follows: privacy@computershare.com.au.

Website

NexGen maintains a website at www.nexgenenergy.ca. Information contained in or otherwise accessible through this or a related website is not a part of this Prospectus.

Competent Persons Statement

The Mineral Resources estimates of NexGen included in this Prospectus are based on and fairly represent information and supporting documentation reviewed and approved by Mr Troy Boisjoli, Vice President – Exploration & Community. Mr Boisjoli is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan, a recognised professional organisation for the purposes of the JORC Code. Mr Boisjoli has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (**JORC Code**) and has provided his prior written consent as to the form and context in which the Mineral Resource estimates and supporting information are presented in this Prospectus.

The Mineral Reserve estimates of NexGen included in this Prospectus are based on and fairly represent information and supporting documentation reviewed and approved by Mr Mark Hatton, Mining Engineer at Stantec Consulting Ltd. Mr Hatton is a member of the Association of Professional Engineers of Ontario, a recognised professional organisation for the purposes of the JORC Code. Mr Hatton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code and has provided his prior written consent as to the form and context in which the Mineral Reserve estimates and supporting information are presented in this Prospectus.

Technical Information

The disclosure contained in this Prospectus of a scientific or technical nature, including disclosure of Mineral Resources and Ore Reserves, is based on the technical report entitled the "Arrow Deposit, Rook I Project Technical Report" dated 5 March 2021 (**Technical Report**) jointly prepared by Mark Hatton P.Eng. (an employee of Stantec Consulting Ltd), Paul O'Hara, P.Eng. (an employee of Wood Canada Limited) and Mark Mathisen C.P.G (an employee of Roscoe Postle Associates (USA) Ltd, now part of SLR International Corporation) in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (**NI 43-101**). The technical report has been filed under NexGen's profile on SEDAR and may be accessed electronically at www.sedar.com. The technical report was prepared in accordance with NI 43-101 issued by Canadian Securities Administrators, which prescribes reporting standards in relation to reporting of exploration and resource information in relation to mineral projects. Specifically, NI 43-101 requires that Mineral Resource estimates be prepared in accordance with, and have the meaning ascribed by, the Canadian Institute of Mining and Petroleum (**CIM**) Definition Standards. The CIM Definition Standards prescribed by NI 43-101 are broadly equivalent to the reporting standard ordinarily applicable to Australian publicly listed companies, being the JORC Code.

Actual recoveries of mineral products may differ from reported Mineral Resources due to inherent uncertainties in acceptable estimating techniques. In particular, inferred Mineral Resources have a great amount of uncertainty as to their existence, economic and legal feasibility. Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into proven and probable reserve.

TIMETABLE

Prospectus lodgement date	16 June 2021
Offer opens	16 June 2021
Offer closes (Closing Date) (5.00pm AWST)	5 July 2021
Issue of CDIs under the Offer (Allotment Date)	7 July 2021
Expected dispatch of holding statements/ allotment confirmations	8 July 2021
Admission to the Official List of ASX	9 July 2021
Expected commencement of trading of CDIs on the ASX on a normal settlement basis	12 July 2021

These dates are indicative only and are subject to change. NexGen reserves the right to amend any and all of the above dates without notice (subject to the ASX Listing Rules and the Corporations Act).

NexGen also reserves the right not to proceed with the Offer at any time before the issue of CDIs to successful Applicants. If the Offer is cancelled or withdrawn before settlement, all Application Monies provided under the Offer will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

KEY OFFER DETAILS

Current Shares on issue	475,191,415
Offer price per CDI	A\$5.60
Number of CDIs to be issued under the Offer	400,000
Ratio of CDIs per Share	1 for 1
Total number of Shares (including CDIs) to be on issue following the Offer	475,591,415
Proceeds of the Offer (before expenses)	A\$2,240,000

1. INVESTMENT OVERVIEW

The information below is a selective overview only and not intended to provide full information for prospective investors in NexGen. Prospective investors should read this Prospectus and NexGen's other public disclosures in full before deciding whether to invest in any securities of NexGen.

1.1 Company and business overview

Topic	Summary	For more information
Who is the issuer of this Prospectus?	NexGen Energy (Canada) Ltd. (ARBN 649 325 128), a foreign company registered in its original jurisdiction of British Columbia, Canada as NexGen Energy Ltd, with incorporation number BC0983846. On 29 August 2012, NexGen's Shares commenced trading on the TSXV and on 19 April 2013, NexGen completed its "qualifying transaction" and consolidated its Shares on a 2.35:1 basis and changed its name to "NexGen Energy Ltd." On 15 July 2016, the Shares of NexGen were delisted from the TSXV and commenced trading on the TSX. On 17 May 2017, the Shares ceased trading on the OTCQX and commenced trading on the NYSE American.	Section 2.1
What is NexGen's business?	NexGen is engaged in uranium exploration and development. It has a portfolio of projects across the Athabasca Basin, Saskatchewan, Canada. NexGen's portfolio is centred in the southwestern section of the Athabasca Basin where it holds mineral dispositions (claims) over 35,065 hectares of land. NexGen's southwestern properties host the high-grade Arrow deposit, the South Arrow discovery, the Harpoon discovery, the Bow discovery, and the Cannon area all located on NexGen's 100% owned Rook I Project. NexGen has an executive team with experience spanning the entire mining cycle, including experience in exploration, permitting, project financing, mine development and operations.	Sections 2.3, 5.1 and 5.2
Where does NexGen operate?	NexGen is headquartered in Vancouver, Canada. NexGen's primary operations are in Saskatchewan,	Section 2.1.

Topic	Summary	For more information
	Canada.	
What is NexGen's main project?	NexGen's principal asset is its 100% interest in the Rook I Project, a development project in the southwestern section of the Athabasca Basin, Saskatchewan, Canada. The Rook I Project consists of 32 contiguous mineral dispositions (claims) totalling 35,065 hectares. The Rook I Project hosts the Arrow deposit, which is a 100% land based, basement hosted and high-grade uranium discovery. The Rook I Project also hosts the South Arrow, Harpoon, Bow and Cannon discoveries at which uranium mineralisation is known to occur.	Section 2.3
Does the Rook I Project have any defined reserves and resources?	The Arrow deposit within the Rook I Project hosts: • probable Mineral Reserves of 4,575,000 tonnes grading 2.37% U₃O₈ and containing 239.6 M lbs U₃O₈; • measured and indicated Mineral Resources of 3,754,000 tonnes grading 3.10% U₃O₈ and containing 256.7 M lbs of U₃O₈; and • inferred Mineral Resources of 4,399,000 tonnes grading 0.83% U₃O₈ and containing 80.7 M lbs of U₃O₈. Mineral Resources are inclusive of Mineral Reserves.	Section 2.3
Has NexGen completed any technical studies on the Rook I Project?	On 22 February 2021, NexGen announced the results of a feasibility study in respect of NexGen's 100% owned Rook I Project (Feasibility Study). A technical report in respect of the Feasibility Study was filed under NexGen's profile on SEDAR on 10 March 2021. The technical report was completed jointly by Stantec Consulting Limited, Wood Canada Limited and Roscoe Postle Associates Inc (now part of SLR Consulting (Canada) Ltd). Refer to Section 2.3.6 for the economic results of the Feasibility Study.	Section 2.3
What is NexGen's strategy for the Rook I Project?	NexGen intends to advance the development of the Rook I Project including: • initiating Front End Engineering Design (or basic engineering) with a selected engineering, procurement, construction and management company;	Section 2.5

Topic	Summary	For more information
	- conducting site investigation and process plant optimisation studies to support basic engineering; - progressing the Environmental Assessment (EA) and licencing process; and - undertaking further work on the Rook I Project as required in order to optimally advance the Rook I Project.	
Why is NexGen issuing this Prospectus?	This Prospectus is intended to assist NexGen to meet the requirements of ASX as part of NexGen's Listing application. In addition, a nominal amount of approximately A\$2.24 million will be sought under this Prospectus.	Section 6.4
Why is NexGen seeking a listing on ASX?	NexGen believes that the secondary listing on the ASX will: - facilitate Australian investors' ability to trade in NexGen, broaden NexGen's shareholder base, while also building on the strong support received from investors in North America and Asia to date; - increase NexGen's profile in the Australian market with increased analyst coverage and media; and - expose NexGen to the large pool of funds available for investment in Australia (and Asia), which have a significant appetite for resource companies.	
What are the implications of NexGen listing on ASX as an ASX Foreign Exempt Listing?	An ASX Foreign Exempt Listing means NexGen will be exempt from complying with most of the ASX Listing Rules. NexGen must immediately provide to ASX all information provided to TSX and continue to comply with the TSX Rules. A Foreign Exempt Listing will result in holders of NexGen's CDIs having different protections to an entity that has a full listing on ASX. Refer to Section 6.8 for a summary of the ASX Listing Rules applicable to NexGen as an ASX Foreign Exempt Listing.	Section 6.8

1.2 Key strengths

The top 5 strengths of NexGen are outlined in the table below.

Topic	Summary	For more information
Experienced leadership team	NexGen has an executive team with experience spanning the entire mining cycle, including experience in exploration, permitting, project financing, mine development and operations.	Sections 5 and 2.6
Best in class in sustainability	NexGen has a demonstrated track record and is committed to being a leader in sustainable and responsible natural resource development. NexGen has strong and positive relationships with local communities as well as regulators, governments and all stakeholders (Winner of PDAC 2018 Bill Dennis Award for a Canadian Discovery and PDAC 2019 Environmental & Social Responsibility Award).	Section 2.6
Positive Economics	The positive technical and economic results from the Feasibility Study position the Rook I Project for potential development. The Feasibility Study was based on a uranium price assumption of US\$50 /lb U₃O₈ (net of yellow cake transportation fees) and a fixed USD:CAD exchange rate of 0.75 which returned an after-tax NPV of C\$3.47 billion and an after-tax IRR of 52.4%. Refer to Section 2.3.6 for a summary of the key results of the Feasibility Study.	Section 2.3.6
Considerable exploration upside	The Rook I Project contains discoveries in addition to the Arrow discovery, including South Arrow, Harpoon, Bow and Cannon. NexGen also has an extensive portfolio of other uranium exploration properties in the southwestern Athabasca Basin.	Section 2.6
Significant de-risking capital investment already made	Since incorporation in 2011 NexGen has invested significant capital to develop its project pipeline. Funds have been sourced from a combination of equity from NexGen's shareholder base as well as a variety of debt instruments. As at the date of this Prospectus, NexGen (excluding IsoEnergy) has approximately C\$222.7 million (being approximately A\$237.9 million) in cash and approximately C\$45.9 million (being approximately A\$49.0 million) in total liabilities.	Section 2.6

1.3 Key risks

Some of the key risks of investing in NexGen are outlined in the table below. The risk factors set out in Section 4 and other risks applicable to all securities may affect the value of NexGen's Shares in the future. Accordingly, an investment in NexGen should be considered highly speculative. Investors should read Section 4 for further information on risk factors.

Topic	Summary	For more information
Negative Operating Cash Flow & Dependence of Third Party Financing	NexGen has no source of operating cash flow and is dependent on third party financing to continue exploration activities, undertake development activities and satisfy contractual obligations. Accordingly, the amount and timing of expenditures depends on NexGen's cash reserves and access to third party financing. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Rook I Project. Although NexGen has been successful in raising funds to date, there is no assurance that NexGen will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to NexGen.	Sections 4.2.1 and 4.2.2
Uranium Prices	The price of NexGen's securities is highly sensitive to fluctuations in the price of uranium. Historically, the fluctuations in these prices have been, and are expected to continue to be, affected by numerous factors beyond NexGen's control including demand for nuclear power, political and economic conditions in uranium producing and consuming countries, public and political response to a nuclear accident, improvements in nuclear reactor efficiencies, reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails, sales of excess inventories by governments and industry participants, and production levels and production costs in key uranium producing countries. These factors could have a material and adverse effect on NexGen's ability to obtain the required financing in the future or to obtain such financing on terms acceptable to NexGen, resulting in material and adverse effects on its exploration and development programs, cash flow and financial condition.	Section 4.2.3
Industry and Economic Risks	The underlying value of NexGen's exploration and evaluation assets is dependent upon the existence and economic recovery of Mineral Reserves and is subject to risks such as securing adequate capital, exploration, development and operational risks inherent in the mining	Section 4.2.8

Topic	Summary	For more information
	industry, changes in government policies and regulations, the ability to obtain the necessary permitting, as well as global economic and uranium price volatility. Changes in future conditions could require material write-downs of the carrying value of NexGen's exploration and evaluation assets.	
Current litigation with Métis Nation-Saskatchewan	NexGen is currently the subject of a claim brought by Métis Nation-Saskatchewan pursuant to which it is alleged that NexGen failed to negotiate an Impact Benefit Agreement in good faith by the target date of 30 June 2020. Further, Métis Nation-Saskatchewan has sought an injunction to stop NexGen from filing its draft EIS for the Rook I Project pending the resolution of the proceedings.	Section 4.2.2 3
Project Development Risk	Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated recoveries, capital and operating cost estimates and the estimate of future commodity prices. Each of these factors involves uncertainties and, as a result, NexGen cannot give any assurance that any development or exploration projects will become operating mines.	Section 4.2.2 7

1.4 Key financial metrics

The financial information presented below is intended as a summary only and should be read in conjunction with the Historical Financial Information referred to in Section 3, including the assumptions, management discussion and analysis and sensitive analysis, as well as the risk factors set out in Section 4.

Topic	Summary	For more information
What is NexGen's financial position?	NexGen's reviewed condensed consolidated interim financial statements as of 31 March 2021 and audited consolidated financial statements as of 31 December 2020, 31 December 2019 and 31 December 2018 are annexed to this Prospectus. NexGen's has cash reserves as at the date of this Prospectus of approximately C\$222.7 million (being approximately A\$237.9 million) (excluding IsoEnergy).	Section 3 and Annexures A, B and C
How does NexGen	NexGen is seeking to further explore and develop the	Section 2.9

Topic	Summary	For more information
generate revenue?	Rook I Project. As at the date of this Prospectus, NexGen has no operating revenue and is unlikely to generate any operating revenue unless and until the Rook I Project is successfully funded and developed.	
How does NexGen intend to fund the Rook I Project?	NexGen is investigating a range of options for the funding of the Rook I Project. These options are likely to include debt and equity financings in the future. The funding required for the Rook I Project represents a key risk facing NexGen. Refer to Section 4 for further details of this risk.	Sections 2.5 and 4
How will NexGen periodically report to Shareholders on the performance of its activities?	Under applicable Canadian securities laws, NexGen is required to prepare and file, among other things: • unaudited interim financial statements and an interim management discussion and analysis (MD&A) on a quarterly basis; • audited annual financial statements and an annual MD&A; and • an annual information form (AIF). Further details of NexGen's continuous and periodic reporting obligations are set out in Section 8.11. These filings will be available under NexGen's profile on SEDAR and the ASX market announcements platform.	Section 8.11
Will NexGen pay dividends?	Although not restricted from doing so, NexGen has not paid any dividends since incorporation and NexGen does not expect to pay dividends in the foreseeable future. Payment of dividends in the future will be made at the discretion of the Board based upon, among other things, cash flow, the results of operations and financial condition of NexGen, the need for funds to finance ongoing operations and such other factors as the Board considers relevant.	Section 2.10

1.5 Directors and Related Party Interests

The NexGen Board is comprised of members with experience in the exploration, permitting and mining sector in Canada and globally.

Topic	Summary	For more information
Who is on the Board of NexGen?	The Directors of NexGen are: • Mr Leigh Curyer – President and Chief Executive Officer • Mr Christopher McFadden – Non-Executive Director and Chairperson • Mr Warren Gilman – Non-Executive Director • Ms Karri Howlett – Non-Executive Director • Mr Bradley Wall – Non-Executive Director • Mr Richard Patricio – Non-Executive Director • Mr Trevor Thiele – Non-Executive Director • Ms Sybil Veenman – Non-Executive Director • Mr Donald Roberts – Non-Executive Director The profiles of each of the Directors are detailed in Section 5.1.	Section 5.1
Who are the leadership team of NexGen?	The key management personnel of NexGen are: • Mr Leigh Curyer – President and Chief Executive Officer • Mr Travis McPherson – Senior Vice President, Corporate Development • Mr Tony George – Chief Project Officer • Ms Gillian McCombie – Vice President, Human Resources • Ms Harpreet Dhaliwal – Chief Financial Officer The profiles of each of the key management personnel are detailed in Section 5.3.	Section 5.3

Topic	Summary	For more information																							
What benefits are payable to Directors?	Compensation paid to the non-executive Directors comprises an annual retainer for serving on the Board and Board Committees. Details of these fees payable are set out in Annexure D. The non-executive Directors at the date of this Prospectus are entitled to the following annual remuneration and fees. • Mr Christopher McFadden – C\$90,000; • Mr Warren Gilman – C\$70,000; • Ms Karri Howlett – C\$75,000; • Mr Bradley Wall – C\$70,000; • Mr Richard Patricio – C\$90,000; • Mr Trevor Thiele – C\$90,000; • Ms Sybil Veenman – C\$70,000; and • Mr Donald Roberts – C\$70,000. Executive Directors do not receive additional compensation for serving as Directors. Currently, Mr Leigh Curyer, President, CEO and Director is the only executive Director. Details of the compensation payable to Mr Curyer and the other key management of NexGen is set out in Annexure D. Directors and key management are also entitled to participate in the Stock Option Plan described in Section 7.3.	Section 5.4 and Annexure D																							
What interests to Directors have in the Securities of NexGen?	As at the date of this Prospectus, the Directors hold relevant interests in the NexGen securities set out below: <table border="1"> <thead> <tr> <th rowspan="2">Name</th><th colspan="2">Number of Securities beneficially held</th></tr> <tr> <th>Shares</th><th>Options</th></tr> </thead> <tbody> <tr> <td>Leigh Curyer</td><td>4,350,000</td><td>13,350,000</td></tr> <tr> <td>Christopher McFadden</td><td>710,000</td><td>2,150,000</td></tr> <tr> <td>Warren Gilman</td><td>-</td><td>2,000,000</td></tr> <tr> <td>Karri Howlett</td><td>-</td><td>1,750,000</td></tr> <tr> <td>Bradley Wall</td><td>17,100</td><td>1,750,000</td></tr> <tr> <td>Richard Patricio</td><td>794,900</td><td>2,300,000</td></tr> </tbody> </table>	Name	Number of Securities beneficially held		Shares	Options	Leigh Curyer	4,350,000	13,350,000	Christopher McFadden	710,000	2,150,000	Warren Gilman	-	2,000,000	Karri Howlett	-	1,750,000	Bradley Wall	17,100	1,750,000	Richard Patricio	794,900	2,300,000	Section 5.4 and Annexure D
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Topic	Summary	For more information									
	<table border="1"> <tr> <td>Trevor Thiele</td><td>-</td><td>2,300,000</td></tr> <tr> <td>Sybil Veenman</td><td>60,000</td><td>1,750,000</td></tr> <tr> <td>Donald Roberts</td><td>-</td><td>-</td></tr> </table> Refer to Section 8.3 for a summary of the terms and conditions of the Options.	Trevor Thiele	-	2,300,000	Sybil Veenman	60,000	1,750,000	Donald Roberts	-	-	
Trevor Thiele	-	2,300,000									
Sybil Veenman	60,000	1,750,000									
Donald Roberts	-	-									
Who are the substantial Shareholders of NexGen?	To the best of the knowledge of NexGen based on available information, as of the date of this Prospectus, the following persons beneficially own, or control or direct, directly or indirectly, 10% or more of the Shares on issue: • Mr Ka-shing Li has an interest in 50,231,498 Shares comprising approximately 10.57% of NexGen's total issued Share capital; and • Mr Victor Tzar-Kuoi Li has an interest in 50,231,498 Shares (being the same Shares in respect of which Mr Ka-shing Li has an interest) comprising approximately 10.57% of NexGen's total issued Share capital. NexGen does not consider that the Offer will have a material effect on the control of NexGen. Refer to Section 2.8 for further details of NexGen's substantial Shareholders.	Section 2.8									

1.6 Key differences between Australian and Canadian company law

Topic	Summary	For more information
What are the key differences between Australian and Canadian company law?	As NexGen is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the BCBCA, Canadian common law, applicable Canadian securities laws, applicable United States securities laws, the Articles, and the rules and policies of the TSX and NYSE American. Although there are similarities between the two jurisdictions from a company law perspective, there are differences with respect to the operation of certain laws	Section 8.6

and regulations concerning shares of publicly listed companies including, but not limited to:

- corporate procedures;
- transactions requiring shareholder approval;
- shareholders' right to requisition meetings, vote and appoint proxies;
- takeovers;
- substantial shareholders reporting;
- related party transactions;
- protection of minority shareholders - oppressive conduct; and
- "two-strikes" rule in relation to remuneration reports.

Please refer to Section 8.6 for a summary of applicable Canadian securities laws.

1.7 Overview of the Offer

Topic	Summary	For more information
What is the Offer?	NexGen is offering up to 400,000 CDIs at an Offer Price of A\$5.60 per CDI to raise up to A\$2,240,000 (before costs).	Section 6.1
What is the minimum subscription to the Offer?	The Offer is subject to a minimum subscription of 400,000 CDIs, being A\$2,240,000 (before associated costs).	Section 6.2
What is the purpose of the Offer?	The purpose of the Offer is not to raise substantial funds but rather to assist NexGen to meet the requirements of ASX as part of NexGen's Listing application.	Section 6.4
What securities in NexGen will be listed on the ASX?	NexGen will apply to ASX within seven days after the date of this Prospectus for admission to the Official List of ASX (as an ASX Foreign Exempt Listing) and quotation of all of its CDIs on ASX under the code "NXG". A "CDI" or a "CHESS Depositary Interest" is the instrument through which investors will be able to acquire an interest in NexGen through trading on the ASX. Each NexGen CDI will represent a beneficial interest in one NexGen Share.	Sections 6.7 and 6.9

Topic	Summary	For more information
Why is NexGen using CDIs?	ASX uses an electronic system called CHESS for the clearance and settlement of trades on ASX. NexGen is incorporated in British Columbia, Canada, and the requirements of British Columbian laws that registered shareholders have the right to receive a stock certificate do not permit the CHESS system of holding uncertificated securities. Accordingly, to enable companies such as NexGen to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. CDIs represent the beneficial interest in the underlying shares in a foreign company such as NexGen and are traded in a manner similar to shares in an Australian company listed on ASX. Each CDI will be equivalent to one Share.	Section 6.10
What rights and liabilities attach to the NexGen CDIs and underlying Shares?	A description of NexGen's Shares, including the rights and liabilities attaching to them, is set out in Section 8.1. A description of the rights of CDI Holders is set out in Section 8.2.	Sections 8.1 and 8.2.
Who is eligible to participate?	The Offer is only open to investors with a registered address in Australia.	Sections 6.5 and 6.11
How do I apply for CDIs?	Applications under the Offer can be made by completing the Application Form, in accordance with the instructions accompanying the Application Form.	Section 6.5
What is the allocation policy?	The allotment of CDIs under the Offer will be determined by the Directors in conjunction with the Lead Manager with a view to ensuring an appropriate CDI Holder base for NexGen going forward. The Directors reserve the right to issue to an Applicant a lesser number of CDIs than the number applied for or reject an Application. If the number of CDIs issued is less than the number applied for by an Applicant, surplus Application Monies will be refunded in full without interest in accordance with the Corporations Act.	Section 6.9
What are the tax implications of investing in the CDIs?	The tax consequences of any investment in the CDIs will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 6.13

Topic	Summary	For more information
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 6.1
Is there a lead manager to the Offer	Argonaut Securities Pty Ltd (Argonaut) is Lead Manager of the Offer.	Section 6.5
Can the Offer be withdrawn?	Yes. NexGen reserves the right to withdraw the Offer at any time before the issue of CDIs to successful Applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.	Section 6.7

1.8 Further Information

Topic	Summary	For more information
How can I obtain further information?	Further information can be obtained by reading this Prospectus and consulting your professional advisors. You can also contact NexGen's Australian Company Secretary on +61(8) 9316 9100 for further details.	Section 6.14

2. COMPANY OVERVIEW

2.1 Background of NexGen

2.1.1 Corporate Background

NexGen was incorporated on 8 March 2011 under the *Business Corporations Act* (British Columbia) as "Clermont Capital Inc.", a "capital pool company" within the meaning of Policy 2.4 – *Capital Pool Companies* of the TSX Venture Exchange (**TSXV**). On 29 August 2012, NexGen's common shares commenced trading on the TSXV under the symbol "XYZ.P".

On 19 April 2013, NexGen completed its "qualifying transaction" and consolidated its common shares on a 2.35:1 basis and changed its name to "NexGen Energy Ltd." On 22 April 2013, NexGen's common shares commenced trading on the TSXV under the symbol "NXE".

On 15 July 2016, the common shares of NexGen were delisted from the TSXV and commenced trading on the TSX. On 17 May 2017, the common shares of NexGen ceased trading on the OTCQX and commenced trading on the NYSE American under the symbol "NXE".

NexGen is engaged in uranium exploration and the development of its portfolio of uranium properties.

NexGen is based in Canada, with a registered office in Vancouver, British Columbia, Canada and a local agent in Australia. NexGen's website address is www.nexgenenergy.ca.

NexGen is a reporting issuer in all of the Canadian provinces, except Québec. NexGen Shares are also registered under the United States *Securities Exchange Act of 1934*, as amended, and NexGen files periodic reports with the United States Securities and Exchange Commission.

2.1.2 General Development of the Business

NexGen owns a portfolio of prospective uranium exploration assets in the Athabasca Basin, Saskatchewan, Canada.

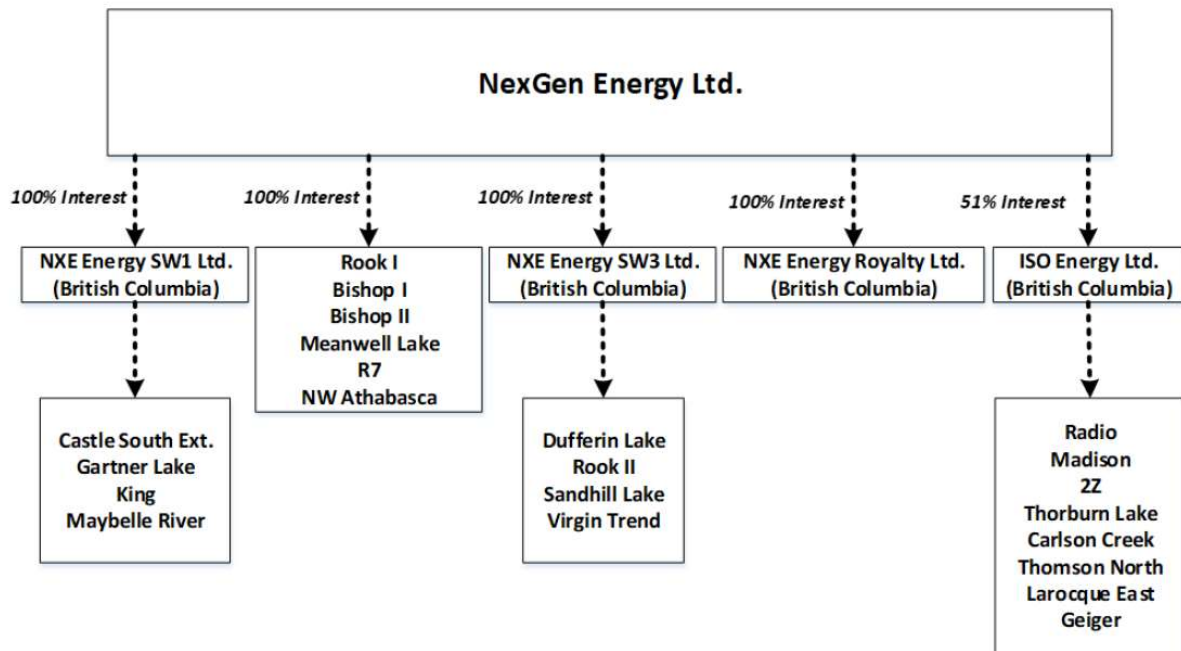
NexGen's principal asset is currently its 100% interest in the Rook I uranium project, a development project in the Athabasca Basin, Saskatchewan, Canada (**Rook I Project**), which includes the Arrow deposit, South Arrow discovery, the Harpoon occurrence, the Bow occurrence, the Cannon occurrence, the Camp East occurrence and the Area A occurrence. The Rook I Project consists of 32 contiguous mineral claims totalling 35,065 hectares.

On 22 February 2021, NexGen announced positive results from a Feasibility Study for the Rook I Project. Details of the Feasibility Study are set out in Section 2.3.6.

2.2 Corporate structure

NexGen has three wholly owned subsidiaries: NXE Energy Royalty Ltd, NXE Energy SW1 Ltd and NXE Energy SW3 Ltd (together, including NexGen, the **Group**). These subsidiaries hold interests in NexGen's properties as set out in the structure below. NexGen also holds approximately 51% of the outstanding common shares of IsoEnergy Ltd. (**IsoEnergy**). Each of the wholly owned subsidiaries and IsoEnergy were incorporated (and continue to exist) under the BCBCA. Refer to Section 2.11 for further details on IsoEnergy.

NexGen's corporate structure is as follows:



2.3 Overview of the Rook I Project

2.3.1 Project Overview & location

NexGen's principal asset is its 100% interest in the Rook I Project, a development project in the south western section of the Athabasca Basin, Saskatchewan, approximately 40km east of the Alberta–Saskatchewan border, 150km north of the town of La Loche, and 640km northwest of the city of Saskatoon. The Rook I Project can be accessed via all-weather gravel, Highway 955, which travels north-south approximately 8km west of the Arrow deposit. From Highway 955, a 13km long all-weather, single-lane road provides access to the western portion of the Rook I Project, including the Arrow deposit area.

Uranium mineralisation is known to occur at seven locations on the Rook I Project: Arrow deposit, South Arrow discovery, the Harpoon occurrence, the Bow occurrence, the Cannon occurrence, Camp East occurrence and the Area A occurrence. The most significant of these is the Arrow deposit.

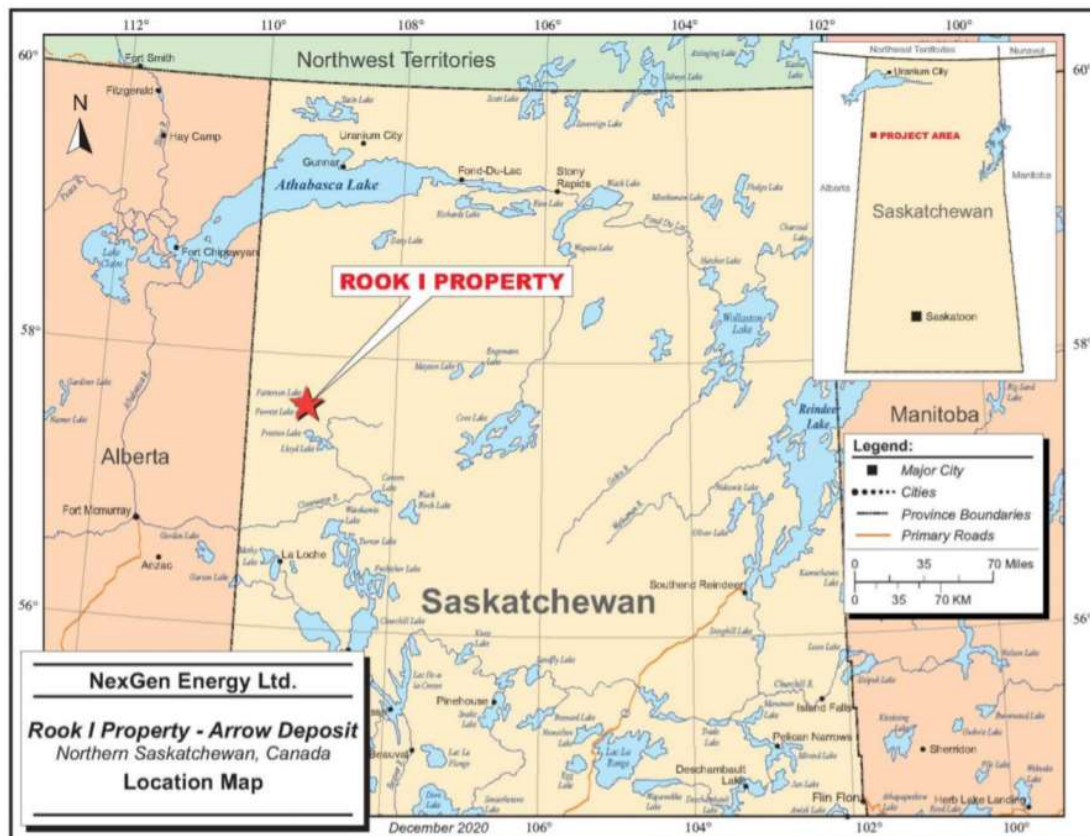


Figure 1: Location of the Rook I Project

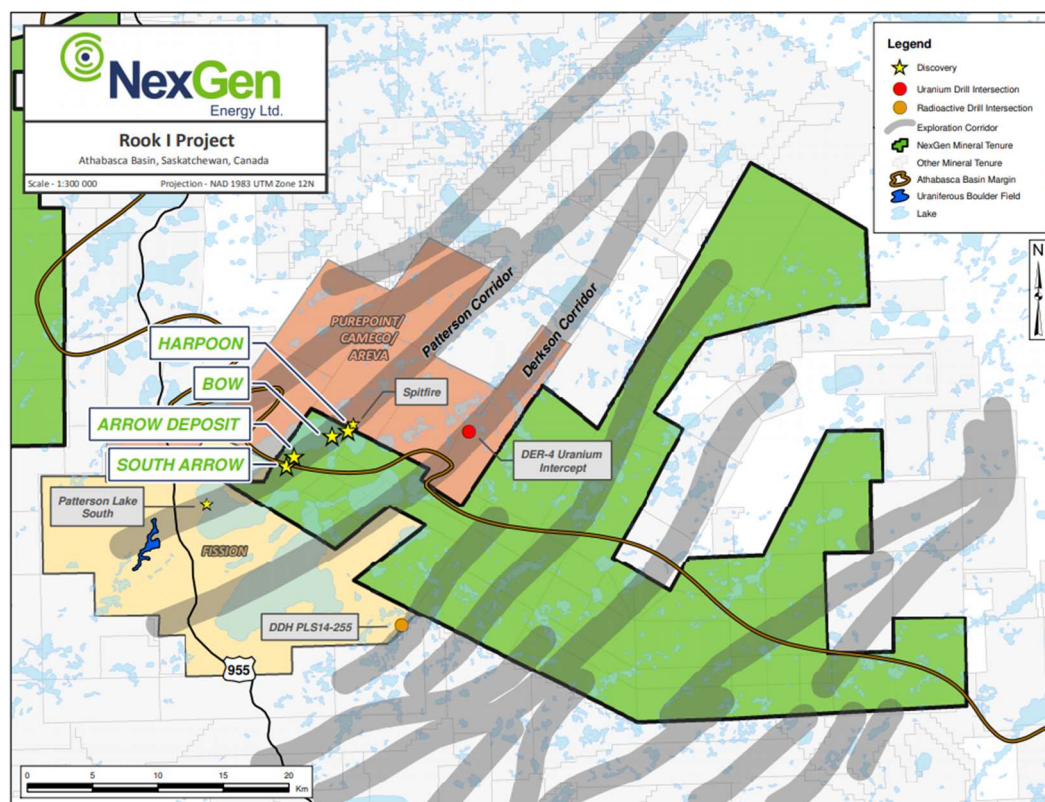


Figure 2: NexGen's mineral properties

2.3.2 Mineral Tenure, Surface Rights, Royalties, and Agreements

The Rook I Project consists of 32 contiguous mineral dispositions (claims) totalling 35,065 hectares. All claims are 100% owned by NexGen. Subject to certain conditions, a claim grants to the holder the exclusive right to explore for minerals within the claim lands. A claim does not grant the holder the right to mine, produce or remove minerals from the claim lands, except for the purposes of assaying and testing and for metallurgical, mineralogical or other scientific studies. Refer to pages 5 and 6 of the Title Opinion at Section 10 for further information regarding NexGen's interests in claims.

Six of the 32 claims are subject to a 2% net smelter return royalty (**NSR Royalty**) payable to Advance Royalty Corporation (**ARC**), and a 10% production carried interest with Terra Ventures Inc (**Terra**). These claims are S-113928, S-113929, S-113930, S-113931, S-113932, and S-113933. The Arrow deposit is located outside of these six claims. The NSR Royalty may be reduced to 1% upon payment of C\$1 million to ARC. The 10% production carried interest provides Terra with a right to 10% of potential future production, provided Terra repays NexGen (from 75% of the holder's share of production) its 10% pro rata portion of the collective expenditure from 20 June 2005.

The Rook I Project is located on provincial Crown land; as the owner, the Province of Saskatchewan can grant surface rights under the authority of the *Forest Resources Management Act* and the *Provincial Lands Act*. Granting surface rights for the purpose of accessing the land to extract minerals is done by issuing a mineral surface lease subject to the Crown Resource Land Regulations. Mineral surface leases have a 33-year maximum term which may be extended, as necessary.

NexGen does not currently hold the surface rights of the Rook I Project area. Surface rights are obtained after the ministerial review and approval of the Environmental Assessment, and the successful negotiation of a mineral surface lease agreement with the Province of Saskatchewan.

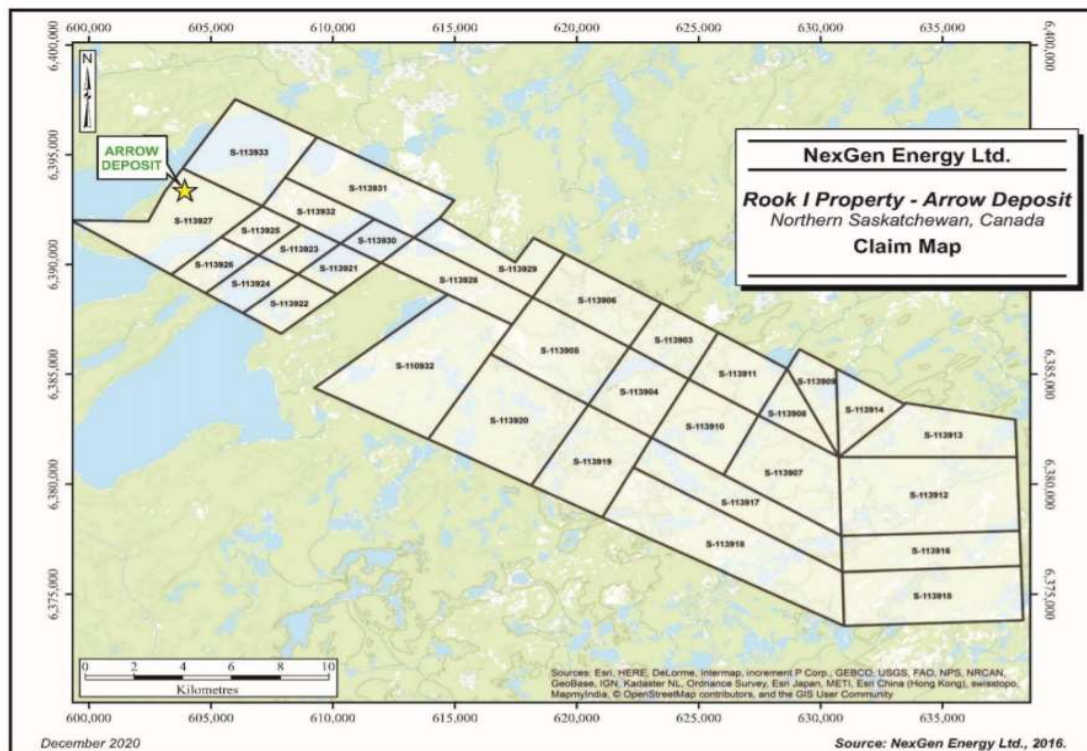


Figure 3: Location of NexGen's mineral claims

2.3.3 Geology and Mineralisation

The Rook I Project is located along the southwestern rim of the Athabasca Basin, a large Paleoproterozoic-aged, flat-lying, intracontinental, fluvial, redbed sedimentary basin that covers much of northern Saskatchewan and part of northern Alberta. The Athabasca Basin is ovalar at surface, with approximate dimensions of 450km by 200km. It reaches a maximum thickness of approximately 1,500 metres near its centre.

The southwest portion of the Athabasca Basin is overlain by the flat-lying Phanerozoic stratigraphy of the Western Canada Sedimentary Basin, including the carbonate-rich rocks of the Lower to Middle Devonian Elk Point Group, Lower Cretaceous Manville Group sandstones and mudstones, moderately lithified diamictites, and Quaternary unconsolidated sediments.

Mineralisation occurs at seven locations on the Rook I Project (Arrow deposit, South Arrow discovery, the Harpoon occurrence, the Bow occurrence, the Cannon occurrence, Camp East occurrence and the Area A occurrence) and is exclusively hosted in basement lithologies below the unconformity that is overlain by the Athabasca Group. Of the seven mineralized locations, the Arrow deposit has undergone the most exploration.

The Arrow deposit is currently interpreted as being hosted chiefly in variably altered porphyroblastic quartz-flooded quartz-feldspar-garnet-biotite ($\pm$ graphite) gneiss. Mineralisation at the Arrow deposit is defined by an area comprising several steeply dipping shears that have been labelled as the A0, A1, A2, A3, A4, and A5 shears. The A0 through A5 shears locally host high-grade uranium mineralisation.

2.3.4 Exploration History

NexGen has carried out exploration activities on the Rook I Project consisting of ground gravity surveys, ground direct current resistivity and induced polarisation surveys, an airborne magnetic-radiometric- very low frequency survey, an airborne VTEM survey, an airborne Z-Axis Tipper electromagnetic survey, an airborne gravity survey, a radon-in-water geochemical survey and a ground radiometric and boulder prospecting program.

NexGen also conducted diamond drilling programs to test several targets on the Rook I Project, which resulted in the discovery of the Arrow deposit in drill hole AR-14-001 (formerly known as RK-14-21) in February 2014.

Mineralisation at the Arrow deposit is defined by an area comprising the A0 through A5 shears, which locally host high grade uranium mineralisation. The mineralized area is 315 m wide, with an overall strike of 980 m. Mineralisation is noted to occur 100 m below surface, and it extends to a depth of 980 m. The individual shear zones vary in thickness from 2 m to 60 m. The Arrow deposit is open in most directions and at depth.

Regional drilling completed by NexGen from 2015–2019 along the Patterson conductive corridor identified new uranium discoveries at the Harpoon, Bow, Cannon, Camp East, and Area A occurrences, and the South Arrow discovery. NexGen has drilled 716 holes totalling 374,917 metres within the Rook I Project.

2.3.5 Mineral Resource and Reserve estimate

On 22 February 2021, NexGen announced, concurrent with its announcement of the results of the Feasibility Study, the following updated Mineral Resources estimate on the Rook I Project:

Structure	Tonnage ('000 tonnes)	Grade (U ₃ O ₈ %)	Metal ('000,000 lbs U ₃ O ₈)
Measured Mineral Resource			
A2 Low Grade	920	0.79	16.0
A2 High Grade	441	16.65	161.9
A3 Low Grade	821	1.75	31.7
Measured Total	2,183	4.35	209.6
Indicated Mineral Resources			
A2 Low Grade	700	0.79	12.2
A2 High Grade	56	9.92	12.3
A3 Low Grade	815	1.26	22.7
Indicated Total	1,572	1.36	47.1
Measured and Indicated			
A2 Low Grade	1,620	0.79	28.1
A2 High Grade	497	15.9	174.2
A3 Low Grade	1,637	1.51	54.4
Measured and Indicated Total	3,754	3.1	256.7
Inferred Mineral Resources			
A1 Low Grade	1,557	0.69	23.7
A2 Low Grade	863	0.61	11.5
A2 High Grade	3	10.95	0.6
A3 Low Grade	1,207	1.12	29.8
A4 Low Grade	769	0.89	15.0
Inferred Total	4,339	0.83	80.7

Notes:

- 1 CIM definitions were followed for Mineral Resources.
- 2 Mineral Resources are reported at a cut-off grade of 0.25% U₃O₈ based on a long-term price of US\$50 per pound U₃O₈ and estimated costs.
- 3 A minimum thickness of one metre was used.
- 4 Tonnes are based on bulk density weighting.
- 5 Mineral Resources are inclusive of Mineral Reserves.
- 6 Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- 7 Numbers may not sum due to rounding.

On 22 February 2021, NexGen also announced the following updated Probable Mineral Reserves on the Rook I Project:

Structure	Tonnage ('000 tonnes)	Grade (U ₃ O ₈ %)	Metal ('000,000 lbs U ₃ O ₈)
Probable Mineral Reserves			
A2	2,594	3.32	190.0
A3	1,982	1.13	49.5
Total	4,575	2.37	239.6

Notes:

- 1 CIM definitions were followed for Mineral Reserves.
- 2 Mineral Reserves include transverse and longitudinal stopes, ore development, marginal ore, special waste and a nominal amount of waste required for mill ramp-up and grade control.
- 3 Stopes were estimated at a cut-off grade of 0.30% U₃O₈.
- 4 Marginal ore is material between 0.26% and 0.30% U₃O₈.

- 5 Special waste in material between 0.03% and 0.26% U₃O₈ that must be extracted to access mining areas. 0.03% U₃O₈ is the limit for what is considered benign waste and material that must be treated and stockpiled in an engineered facility.
- 6 Mineral Reserves are estimated using a long-term metal price of US\$50 per pound U₃O₈, and a USD:CAD exchange rate of 0.75 (C\$1.00 = US\$0.75). The cost to ship the yellow cake product to a refinery is considered to be included in the metal price.
- 7 A minimum mining width of 3.0 m was applied for all long hole stopes.
- 8 Mineral Reserves are estimated using a combined underground mining recovery of 95.5% and total dilution (planned and unplanned) of 33.8%.
- 9 The density varies according to the U₃O₈ grade in the block model. Waste density is 2.464 t/m³.
- 10 Numbers may not add due to rounding.

2.3.6 Feasibility Study

2.3.6.1 Background and Key Outcomes

On 22 February 2021, NexGen announced the results of the Feasibility Study in respect of the Rook I Project. The Feasibility Study is based on NexGen processing 4,575 kt of uranium grading 2.37% U₃O₈ (probable Mineral Reserve) from the Arrow deposit. The Feasibility Study was based on processing taking place over an initial 10.7 year mine life to produce 233.6 M lb of recovered U₃O₈, with an average metallurgical recovery of 97.6%.

The key economic outcomes of the Feasibility Study are as follows:

Summary of Arrow Deposit Feasibility Study (based on US\$50/lb U ₃ O ₈ price)	
After-Tax Net Present Value (8% discount)	C\$3.47 billion
After-Tax Internal Rate of Return (IRR)	52.4%
After-Tax Payback	0.9 years
Pre-Commitment Early Works Capital	C\$157.9 million
Project Execution Capital	C\$1,142 million
Capital Costs (CAPEX)	C\$1,300 million
Average Annual Production (Years 1-5)	28.8 M lbs U₃O₈
Average Annual After - Tax Net Cash Flow (Years 1-5)	C\$1,038 million
Average Annual Production (LOM)	21.7 M lbs U ₃ O ₈
Average Annual After - Tax Net Cash Flow (LOM)	C\$763 million
Nominal Mill Capacity	1,300 tonnes per day
Average Annual Mill Feed Grade	2.37% U ₃ O ₈
Life of Mine	10.7 years
Average Annual Operating Cost (OPEX, Life of Mine)	C\$7.58 (US\$5.69)/lb U ₃ O ₈

Notes:

- 1 The economic analysis was based on the timing of a final investment decision (**FID**) and does not include the Pre-Commitment Early Works Capital, which are costs NexGen intends on expending prior to the FID. Pre-Commitment Early Works scope includes site preparation and the supporting infrastructure (concrete batch plant, Phase I camp accommodations and bulk fuel storage) required to support full Project Execution Capital.
- 2 Feasibility Study based on USD:CAD exchange rate of 0.75 and US\$50/lb U₃O₈ price.

2.3.6.2 Metallurgy

NexGen conducted a metallurgical test program in 2018, which included a bench test program, a pilot plant, and paste backfill testing. Test work samples comprised three composite samples, consisting of low grade, medium grade, and high grade material, and ten samples of localised deposit areas.

Completed bench test work included quantitative evaluation of materials by scanning electron microscopy (**QEMSCAN**), potential acid generation, SAGDesign™ and Bond ball mill index, batch leach, optimisation leaching, confirmation and variability, settling, solvent extraction, separating funnel shakeout, stripping, gypsum precipitation, YC precipitation, preliminary sulfide flotation and diagnostic gravity separation.

Two pilot leaching tests were performed in 2018 using two different feed samples.

In 2019, a series of tests were carried out to advance the process design. These tests were carried out at the Saskatchewan Research Council (**SRC**) facilities and included: bench-scale testing to recover uranium from gypsum (June 2019), trade-off study / test work of dewatering and washing technologies using belt filters (July 2019), and trade-off study / test work of dewatering and washing technologies using centrifuges (August 2019).

An advanced phase of the paste backfill testing program was conducted in 2019 using drill core samples from the pilot plant program. Geotechnical and geochemical evaluations were performed to validate the mine / mill design, and results will be used for the Rook I Project's Environmental Assessment (**EA**).

The Feasibility Study assumes a metallurgical steady state uranium recovery of 97.6%. This value was determined based on the results of pilot plant test work, and by compiling the performance of unit operation uranium recoveries. Pilot leach testing results indicated uranium extractions of 99.3%. The washing efficiency in the counter current decantation was greater than 99.6%. All other unit operations in the pilot testing had uranium recoveries of greater than 99.6%.

The QEMSCAN analysis identified that there were no primary molybdenum-bearing minerals present. However, molybdenum did occur in chalcopyrite and galena solid solutions. Similarly, there were no arsenic-bearing minerals identified.

2.3.6.3 Mining

Access to the underground Arrow deposit will be via two shafts, an 8m diameter production shaft (intake air) and a 5.5m diameter exhaust shaft (second egress). Access to the working will be from the production shaft with stations on 500 and 590 levels. Levels will be spaced 30m apart underground and will be connected via an internal ramp.

Production will be via a conventional longhole mining. The longhole mining methods and mine design discussed in this Section were chosen to optimise safety performance, reduce worker exposure to physical hazards and radiation, maximise Mineral Resource extraction, and increase operational flexibility and productivity by achieving simultaneous production from multiple mining fronts.

The estimated mill capacity is targeted at 1,300 tonnes per day of ore. To realise this target, the mine plan will include longhole production on four separate mining blocks, with multiple stopes available per block. The estimated production rates of the stopes range from 250 t/d to 300 t/d.

2.3.6.4 Infrastructure

The key infrastructure contemplated for the Rook I Project includes the following:

- underground mine with two vertical shafts;
- underground infrastructure, including material handling systems, maintenance facilities, fuel bay, explosives magazine, ventilation, paste backfill and paste tailings distribution system, electrical and communications facilities, UG water supply, dewatering facilities;
- underground tailings management facility (**UGTMF**);

- surface support infrastructure for the mine, including headframe and hoist facilities, surface explosives magazine, and ventilation fans;
- surface support infrastructure for the mill, including process plant, SX plant, effluent treatment plant, and acid plant;
- site support infrastructure, including accommodation camp, LNG facilities, LNG power plant, mine and mill dry facilities, analytical and metallurgical laboratory and maintenance, warehouse and security buildings;
- surface ore storage stockpile facility;
- waste rock storage facilities for potentially acid generating (**PAG**), non-potentially acid generating and special waste materials;
- water management facilities, including: two site water runoff ponds, six contact water process ponds, a PAG stockpile runoff collection pond, and conveyance and diversion structures.
- domestic / industrial waste management areas;
- airstrip; and
- LNG power plant.

From a study completed during the pre-feasibility study for the Rook I Project, it was determined that the Rook I Project site would be powered by an on-site generation plant due to a lack of existing power infrastructure and a high cost for the installation of a new transmission line. An LNG power plant was progressed during this Feasibility Study with a power requirement of 26.5 MW based on a nominal demand of 24.1 MW.

2.3.6.5 Tailings

The tailings produced by the mill will be returned underground as either cemented paste backfill for the production stopes or as cemented paste tailings into stopes that will be created for this purpose. The UGTMF will be located on the north side of the deposit and will consist of approximately 97 waste stopes and related development.

The creation of paste tailings is directly proportional to the amount of material processed through the plant. For each tonne of processed material, 0.82m³ of paste tailings will be created, along with 0.32m³ of combined waste precipitates. Based on a steady-state production rate, the total fill produced will be nominally 373,100m³ per year for paste tailings, and 145,600 m³ per year for combined precipitates. Tailings not used for paste backfill will be stored in the UGTMF.

2.3.6.6 Capital Cost Estimate

The total pre-production capital expenditure for the contemplated underground mine, process plant and supporting infrastructure at the Arrow deposit is estimated at C\$1.3 billion. The capital costs are estimated based on a three-dimensional model, a mechanical equipment list, material takeoffs, vendor budget quotations on major and secondary equipment, and inputs from leading expert service providers who have significant experience in construction projects and cost estimation both in the Athabasca Basin and globally.

Total pre-production construction is envisioned to occur in two stages: (i) pre-commitment early works, and (ii) project execution.

The pre-commitment early works stage is scheduled to be completed in six months with the objective of de-risking early earthworks, drilling the temporary freeze holes for shaft sinking and

establishing supporting infrastructure required to maximise efficiencies for the project execution stage. Supporting infrastructure includes the construction of a concrete batch plant, phase I camp accommodations and bulk fuel storage. The project execution stage is scheduled to be completed in three and a half years and will include the balance of the project scope incorporating ramp-up and commissioning.

The capital expenditure is summarised in the following table.

Capital Cost Description	(C\$ million)
Pre-Commitment Early Works	157.9
Project Execution Capital	
<i>UG Mining</i>	240.0
<i>Processing</i>	216.4
<i>Site Development</i>	27.7
<i>On-Site / Off-Site Infrastructure</i>	118.9
<i>Indirect Costs</i>	326.5
<i>Owners Costs</i>	97.9
<i>Contingency – Project Execution</i>	114.8
Total Project Execution Capital	1,142.0
Total Pre-Production Capital	1,299.9

Notes:

1. Numbers may not add due to rounding.
2. Pre-Commitment Early Works capital includes contingency.

2.3.6.7 Operating Cost Estimate

The operating expenditure estimate is based on a shaft-accessed underground mine with a conventional longitudinal and transverse long-hole stope mining method, a conventional processing facility, and a UGTMF. While in operation the Feasibility Study defines a peak required workforce of approximately 470 persons, 290 would be on-site at any one time; the expertise required ranges from skilled labour, equipment operators, mining professionals, technical professional, management and administrative. NexGen's community-first approach ensures all opportunities are prioritised within the local region.

The operating expenditure is summarised in the following table.

Operating Cost Description	C\$/t (milled)	C\$/lb U ₃ O ₈
Mining	151.09	2.96
Mineral Processing	141.41	2.77
Tailings and Paste	31.46	0.62
General and Administration	62.84	1.23
Total Operating Costs	386.80	7.58

Note:

1. Numbers may not add due to rounding.

2.3.6.8 Sensitivity Analysis

The Feasibility Study was based on a uranium price of US\$50/lb U₃O₈ per pound, net of yellow cake transportation fees and a fixed USD:CAD exchange rate of US\$0.75.

The Feasibility Study cash flow model was subjected to a sensitivity analysis to determine the effects of variances to head grade, process recovery, uranium price, overall operating costs, overall capital costs, labour costs, reagent costs and the C\$ to US\$ exchange rate.

The anticipated cash flow is most sensitive to fluctuations in the uranium price (refer to the table below), head grade, and process recovery. Yellowcake is primarily traded in US\$, whereas capital and operating costs for the Rook I Project would be primarily priced in C\$. Therefore, the C\$ to US\$ exchange rate may significantly influence project economics.

Uranium Price (US\$/lb U ₃ O ₈)	After-Tax NPV	After-Tax IRR
\$65/lb U ₃ O ₈	C\$4.87 billion	62.8%
\$60/lb U ₃ O ₈	C\$4.40 billion	59.5%
\$55/lb U ₃ O ₈	C\$3.93 billion	56.1%
\$50/lb U ₃ O ₈ (base case)	C\$3.47 billion	52.4%
\$45/lb U ₃ O ₈	C\$3.00 billion	48.4%
\$40/lb U ₃ O ₈	C\$2.53 billion	44.0%

2.3.6.9 Environment, Social, Community and Permitting

Environment

NexGen commenced collection of baseline data in 2015, with the majority of field studies commencing in 2018. Where necessary, some studies continued into 2019 and 2020 to complete the baseline data and information collection requirements, with some work ongoing into 2021. NexGen has undertaken sufficient baseline data collection to complete a comprehensive EA.

Social and Community

NexGen has established relationships with local communities and Indigenous groups since 2013. Engagement mechanisms include notification letters, meetings with leadership, establishing joint working groups for detailed discussions, and providing funding for traditional land use studies. The engagement process will continue throughout the EA and licensing processes.

In the second half of 2019, NexGen entered into study agreements with four Indigenous groups: Clearwater River Dene Nation, Métis Nation – Saskatchewan, Birch Narrows Dene Nation and Buffalo River Dene Nation.

These study agreements provide a framework for working collaboratively to advance the EA and exchange information that will be used to inform the Crown as the Crown undertakes its duty to consult.

The study agreements provide funding to each Indigenous group and outline a collaborative process for formal engagement to support the inclusion of Indigenous knowledge in the EA. The study agreements also outline processes for identifying potential effects to Indigenous rights, treaty rights, and socio-economic interests, and avoidance and accommodation measures in relation to the Rook I Project.

Permitting

There are several federal and provincial regulatory approvals required for a new uranium mine and mill development.

Federally, under the authority of the Nuclear Safety Control Act (**NSCA**), proponents wishing to carry out uranium mining and milling must first obtain a licence from the federal nuclear regulator, the Canadian Nuclear Safety Commission (**CNSC**). The CNSC licensing process is in progress. Before the CNSC can make a licensing decision, proponents are required to undergo an EA of

the proposed project. As the Rook I Project falls under both federal and provincial jurisdictions for EA, each of the CNSC and the Saskatchewan Ministry of Environment (**ENV**) – Environmental Assessment Branch will require an EA prior to project approval. The EA process for the Rook I Project is currently in progress and preparation of a draft Environmental Impact Statement (**EIS**) is underway.

Licensing and Approval

The proponent of a new uranium mining and milling project is required to obtain a license from the CNSC under the NSCA prior to development. NSCA regulations list the information applicants must submit to the CNSC as part of their license applications.

The CNSC's licensing process for uranium mines and mills typically follows the lifecycle of a project, and includes the following four general licensing phases: (i) License to Prepare Site and Construct, (ii) License to Operate, (iii) License to Decommission and (iv) License to Abandon.

Under provincial legislation, the ENV is responsible for protecting and managing Saskatchewan's environmental and natural resources. Following completion of an EA, approvals under the Environmental Management and Protection Act must be secured prior to construction, and adhered to throughout the project lifecycle.

Another important approval requirement is the development and maintenance of a preliminary decommissioning plan and preliminary decommissioning cost estimate. Financial assurance will be required to cover the costs associated with executing the decommissioning plan, and the assurance will require approval by both the CNSC and the ENV.

2.3.6.10 Early-works program

NexGen is preparing a pre-commitment early works program for the Rook I Project that will encompass all scheduled activities to advance certain elements of the overall scope and mitigate project risks. The program includes work and the associated costs that NexGen intends on expending prior to a FID.

The scope of the pre-commitment early works program includes the following:

- mobilisation of select contractors to the Rook I Project site;
- clearing and grubbing the project footprint, in preparation for civil construction;
- site levelling (cut/fill), on-site road construction, pad/terrace construction, and water management ponds, berms, and ditches;
- batch plant installation, including building and foundations, and the installation of the concrete batching equipment;
- phase 1 of the accommodation camp installations;
- phase 1 of the powerplant installation;
- shaft-sinking preparations, including drilling the freeze-holes and installing temporary infrastructure required for construction, including the freeze plant and temporary water treatment plant; and
- construction of the airstrip and apron.

2.4 Exploration activities

2.4.1 SW1 and SW3 properties

The SW1 property (**SW1**) is located north-west of the Arrow deposit. SW1 is situated on the western limb of a regional scale structure, with the Patterson Lake Uranium Corridor (**PLC**) and the Arrow deposit situated on the eastern limb. SW1 comprises 70 contiguous mineral claims totalling 66,399 hectares.

Several conductive corridors have been identified on SW1, including the Gartner Lake Corridor which displays strong similarities to the PLC. Those similar characteristics include a strong conductive signature with numerous off-sets coincident with discrete gravity lows and steep magnetic gradients, all of which create prospective target areas for uranium exploration.

In the North American fall of 2019, NexGen completed its maiden diamond drill exploration program on SW1. Areas of hydrothermal alteration and brittle structure consistent with those recognised in uranium bearing systems were intersected, highlighting the potential for discovery of significant uranium mineralisation on the property.

The SW3 property (**SW3**) is located east-south-east of the Rook I Project, along trend and proximal to Cameco's Centennial deposit. SW3 comprises 18 mineral claims, 16 of which are contiguous, for a total 48,530 hectares of land.

Several conductive corridors have been identified on SW3, all of which lie within or proximal to the Virgin River shear zone (**VRSZ**) and Dufferin Lake Fault, in which the Centennial deposit is associated with. The VRSZ contains highly strained rocks from the Taltson and Virgin River/Mudjatik domains and has been subject to significant historical drilling. Structural kinematics of the Dufferin Lake fault and VRSZ suggest several conductive corridors with cross-cutting structures are prospective for uranium mineralisation on SW3.

To date, NexGen has conducted several airborne geophysical surveys over the property which have highlighted numerous prospective target areas that warrant additional exploration.

2.4.2 Recent drilling programs

Winter 2019

The winter 2019 drill program, using ten drill rigs, was a continuation of the December 2018 drilling program with Objectives I, II and III below:

- **Objective I - Convert High Grade Indicated Mineral Resources to Measured Mineral Resources:** Drilling at a spacing sufficient to support the conversion of the currently defined high-grade indicated Mineral Resource to measured Mineral Resource. Measured Mineral Resources represent the highest level of mineral resource confidence, adding Measured Mineral Resources to the Arrow deposit will further increase assurance in future technical and economic study for which the Arrow Mineral Resource forms the basis.
- **Objective II – Mine Development Rock Mass Characterisation:** Geotechnical and hydrogeological characterisation in support of validating the rock-mass within areas of the Arrow deposit with proposed mine development.
- **Objective III – An UGTMF Rock Mass Rating Characterisation:** Geotechnical and hydrogeological characterisation and radiological sterilisation of the rock-mass around proposed area for UGTMF development.

The winter 2019 drill program completed 125 drill holes totalling 54,057.9 metres for an overall drill program total of 57,282.4 metres in 131 drill holes inclusive of December 2018 drilling. All winter 2019 drill holes for resource conversion were collared at a steep inclination, then shallowed out before intersecting the target by utilizing the latest in directional drilling technology. All resource conversion drill holes intersected strong uranium mineralisation and further demonstrate high-grade continuity of the Arrow deposit at the highest confidence measured drill hole spacing.

Outside of the Arrow deposit, four holes were completed within the UGTMF area and positively indicate the area contains suitable rock-mass and hydraulic conductivity to facilitate underground development. One hole was drilled to the Athabasca Unconformity above the proposed UGTMF for the purpose of hydrogeological characterisation.

Fall 2019 drilling

In addition to the UGTMF holes completed during the winter 2019 drill program, a five-hole drill program totalling 3,107.7 metres was completed in December 2019 and was successful in further characterising the rock-mass in and around the proposed UGTMF area beyond the Feasibility Study level. Four of the additional drill holes received VWP installations and one received a Westbay multilevel groundwater monitoring system installation.

A maiden, helicopter supported, exploration drill program was completed on the SW1 property in November 2019. Two drill rigs were utilised during the program for a total of 2,478 metres in four completed drill holes. Drilling identified hydrothermal alteration and brittle structural disruption consistent with those recognized in a uranium bearing system. The prospective intersections from the drilling program add value in furthering targeting efforts towards potential discovery on the SW1 property.

2.5 Objectives and Use of Funds

NexGen's objective is to advance the development of the Rook I Project. The steps involved to achieve this objective are as follows:

- submit an Environmental Impact Statement (refer to Section 2.3.6.9);
- submit a Licencing Application (refer to Section 2.3.6.9);
- undertake the pre-commitment early works program outlined in Section 2.3.6.10; and
- undertake further work on the Rook I Project as required in order to position NexGen to make a FID in relation to the Rook I Project.

In addition, NexGen will continue to actively explore for greenfield uranium deposits on the SW1 and SW3 properties (refer to Section 2.4 for further details).

As at the date of this Prospectus, NexGen has cash reserves of approximately C\$222.7 million (excluding IsoEnergy). After paying for the expenses of the Offer of approximately A\$758,772, funds raised from the Offer (being approximately A\$1,481,228) will be allocated to NexGen's working capital.

NexGen's expected capital expenditure prior to making a FID in respect of the Rook I Project is as follows:

	Use of Funds ('000)		Percentage of Funds
Funds Available			
Existing cash reserves ⁽¹⁾	C\$222,669	A\$237,909	99.1%
Proceeds from the Offer (before costs)	C\$2,097	A\$2,240	0.9%
TOTAL	C\$224,766	A\$240,149	100%
Allocation of Funds			
Technical Report Recommendations ⁽²⁾			
<i>Site Investigations</i>	C\$9,000	A\$9,540	4.00%
<i>Process Plant Optimisations</i>	C\$1,500	A\$1,590	0.67%
<i>Engineering</i>	C\$35,000	A\$37,100	15.57%
Pre-Commitment Early Works Program ⁽³⁾	C\$94,500	A\$100,170	42.00%
General Working Capital (including Operations and Project costs) ⁽⁴⁾	C\$84,053	A\$89,096	37.40%
Estimated costs of the Offer ⁽⁵⁾	C\$713	A\$759	0.32%
TOTAL	C\$224,766	A\$238,255	100%

Notes:

- These funds represent existing cash held by NexGen as at 11 June 2021, and exclude IsoEnergy.
- NexGen plans to continue the development of the Rook I Project in accordance with the recommended development path set out in the Technical Report, by continuing to advance the EA and licensing efforts while concurrently advancing key activities that will provide further project definition and reduce project execution timeline risks, namely:
 - proceed with site investigations to support basic engineering and complete process plant optimisation studies, including loaded strip acid recovery, gypsum belt filter optimisation, YC particle size enhancement, YC belt filter optimisation, clarifier optimisation, paste plant optimisation, geo-metallurgical characterisation, and mine water pre-treatment technology; and
 - proceed to basic engineering to complete engineering to a 40–45% level of completion, in alignment with the AACE Class 2 estimate requirements, develop request for proposal packages for construction level quotations, fully define long-lead procurement items and initiate procurement process for critical path items, develop a Class 2 capital cost estimate that will form the control budget for the Rook I Project, and develop a Level 4 Implementation Schedule for the Rook I Project.
- Refer to Section 2.3.6.10 for further details. As set out in section 13.1 of the Technical Report, costs for the pre-commitment early works will total an estimated C\$158 million. NexGen is preparing a pre-commitment early works program that will advance certain elements of the overall scope and mitigate project risks. The program includes work and the associated costs that NexGen intends on expending prior to making a FID. NexGen anticipates that it will require to obtain additional funding from equity, debt or other sources prior to a FID.
- General working capital includes operational costs and project costs not specifically defined in the table above in addition to corporate administration costs
- Refer to Section 8.13 for further details.

The above estimated expenditures will be subject to modification on an on-going basis depending on the results obtained from NexGen's activities. Due to market conditions and the development of new opportunities or any number of other factors (including the risks outlined in Section 4), actual expenditure levels may differ significantly to the above estimates. NexGen also intends to

capitalise on other opportunities as they arise which may result in costs being incurred that are not included in the above estimates. NexGen anticipates that it will require additional funding from equity, debt or other sources prior to a FID. If a positive decision is made, NexGen may need to assess its medium and long term capital requirements which may involve significant debt and/or equity financing.

2.6 Key Strengths

The Board considers that NexGen has a number of key strengths as follows:

- **Experienced leadership team** – NexGen has an executive team with experience spanning the entire mining cycle, including experience in exploration, permitting, project financing, mine development and operations.
- **Best in class in sustainability** - NexGen has a demonstrated track record and is committed to being a leader in sustainable and responsible natural resource development. NexGen has strong and positive relationships with local communities as well as regulators, governments and all stakeholders.
- **Positive Economics** – The positive technical and economic results from the Feasibility Study position the Rook I Project for potential development.

The Feasibility Study was based on a uranium price assumption of US\$50 /lb U3O8 (net of yellow cake transportation fees) and a fixed USD:CAD exchange rate of 0.75 which returned an after-tax NPV of C\$3.47 billion and an after-tax IRR of 52.4%.

Refer to Section 2.3.6 6 for a summary of the key results of the Feasibility Study.

- **Considerable exploration upside** – The Rook I Project contains discoveries in addition to the Arrow discovery, including South Arrow, Harpoon, Bow and Cannon. NexGen also has an extensive portfolio of other uranium exploration properties in the southwestern Athabasca Basin.
- **Significant de-risking capital investment already made** – Since incorporation in 2011 NexGen has invested significant capital to develop its project pipeline. Funds have been sourced from a combination of equity from NexGen's strong and well-respected shareholder base as well as a variety of debt instruments.

2.7 Capital structure

NexGen's current capital structure and proposed capital structure upon completion of the Offer is as follows:

Class	Current	To be issued under the Offer	Total following completion of the Offer
Shares (including CDIs)	475,191,415	400,000	475,591,415
Options ^{(1),(2)}	39,846,495	-	39,846,495
2020 Convertible Debentures ⁽³⁾	convertible into 7,817,385 Shares	-	convertible into 7,817,385 Shares

Notes:

- 1 The options are unquoted and issued to various Directors, employees and consultants under NexGen's Stock Option Plan. Refer to Section 8.3 for the terms and conditions of the Options and Section 7.3 for a summary of the Stock Option Plan.
- 2 As at the date of this Prospectus, 27,085,704 Options have vested.
- 3 Refer to Section 8.4 for a summary of the 2020 Convertible Debentures.

2.8 Substantial Shareholders

To the best knowledge of NexGen based on available information, as of the date of this Prospectus, the following persons beneficially own, or control or direct, directly or indirectly, 10% or more of NexGen's Shares on issue:

Name	Number of Shares	% of Shares
Ka-shing Li	50,231,498 ⁽¹⁾	10.57%
Victor Tzar-Kuoi Li	50,231,498 ⁽¹⁾	10.57%

Notes:

1. Each of Ka-Shing Li and Victor Tzar-Kuoi Li have disclosed through the System for Electronic Disclosure by Insiders (SEDI) that they may each be regarded as having the ability to exercise, or control the exercise of, one-third or more of the voting power at general meetings of Next Global Holdings Limited and Sprinkle Ring Investments Limited and, consequently, Ka-Shing Li and Victor Ka-shing Li each may be deemed to indirectly own, or exercise control or direction over, an aggregate of 50,231,499 Shares, consisting of 29,628,849 Shares owned by Next Global Holdings Limited and 20,602,648 Shares owned by Sprinkle Ring Investments Limited.

The above table is based upon beneficial ownership reports filed with the United States Securities and Exchange Commission and "early warning reports" and similar regulatory filings filed on SEDAR and on the Canadian System for the Electronic Disclosure by Insiders (SEDI). NexGen has no reason to believe that such information is false or misleading in any material respect. However, the information cannot be verified with complete certainty due to limits on the availability and reliability of publicly disclosed information, the voluntary nature of the beneficial ownership disclosure process and other limitations and uncertainties. No representation can therefore be given as to the accuracy of any of the information.

NexGen does not consider that the Offer will have a material effect on control of NexGen.

Refer to Section 8.6.7 for details on NexGen's substantial shareholder reporting obligations under applicable Canadian and US securities laws.

2.9 Liquidity and Capital Resources

NexGen has no revenue-producing operations, earns only minimal interest income on cash, and historically has recurring operating losses. As at 31 March 2021, NexGen had an accumulated deficit of approximately C\$282.1 million.

As at the date of this Prospectus, NexGen has approximately C\$222.7 million (being approximately A\$237.9 million) in cash reserves and approximately C\$3.1 million (being approximately A\$3.4 million) in current liabilities. NexGen's working capital balance as at the date of this Prospectus is approximately C\$220 million (being approximately A\$236 million). These figures exclude IsoEnergy. As noted in Section 2.5 of this Prospectus, if the Offer is successful, funds raised from the Offer (after expenses) will total approximately A\$1,481,228.

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.

NexGen is dependent on external financing, including equity issuances and debt financing, to fund its activities. Circumstances that could impair NexGen's ability to raise future additional funds include general economic conditions, the price of uranium and the other factors set forth in Section 4 of this Prospectus.

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of NexGen are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable future earnings forecasts in this Prospectus.

2.10 Dividend Policy

Although not restricted from doing so, NexGen has not declared or paid any dividends since incorporation and does not expect to declare or pay dividends in the foreseeable future. The declaration or payment of dividends in the future will be made at the discretion of the Board based upon, among other things, cash flow, the results of operations and financial condition of NexGen, the need for funds to finance ongoing operations and such other considerations as the Board deems relevant.

2.11 IsoEnergy

The information in this Section 2.11 with respect to IsoEnergy has been sourced from IsoEnergy's publicly available information found under IsoEnergy's profile on SEDAR and at IsoEnergy's website <https://www.isoenergy.ca/>.

2.11.1 History & Background

IsoEnergy was incorporated under the BCBCA on 2 February 2016, as a wholly owned subsidiary of NexGen for the purpose of acquiring a portfolio of early stage mineral exploration properties from NexGen.

On 17 June 2016, NexGen transferred certain early stage exploration mineral assets located in the Athabasca Basin, Saskatchewan to IsoEnergy in consideration for 29,000,000 common shares in IsoEnergy. On 30 June 2016, IsoEnergy acquired a 100% interest in the Thorburn North property from NexGen in consideration for C\$100,000 and 1,000,000 common shares in IsoEnergy.

On 19 October 2016, IsoEnergy's common shares commenced trading on the TSXV under the symbol "ISO". As at the date of this Prospectus, NexGen holds 48,256,114 shares in IsoEnergy, representing approximately 51% of IsoEnergy's outstanding issued share capital.

2.11.2 Board of Directors

The board of IsoEnergy currently comprises:

- Mr Leigh Curyer (Chairman) - refer to Section 5.1.1 for details;
- Mr Tim Gabruch (CEO and Director) – Mr Gabruch brings over 25 years of experience in the uranium mining and nuclear energy industries. Most recently, Mr Gabruch was Vice President Commercial with Denison Mines Corp where he led the company's commercial function in support of development of its flagship Wheeler River uranium project. He also acted as Chief Commercial Officer of Uranium Participation Corporation during this period. Previously, Mr Gabruch spent more than 20 years with Cameco Corporation in various marketing and corporate development roles, having served as Vice President Marketing, from 2011 to 2017. During that period, he led a diverse corporate marketing team tasked with delivering more than 30 million pounds of uranium annually and contributed to key management decisions as a member of Cameco's executive management committee.
- Mr Christopher McFadden - refer to Section 5.1.2 for details;
- Mr Richard Patricio - refer to Section 5.1.6 for details; and
- Mr Trevor Thiele - refer to Section 5.1.7 for details.

2.11.3 Current Activities/ Projects

IsoEnergy is a uranium exploration and development company with a portfolio of prospective projects that sit in the Athabasca Basin in Saskatchewan, Canada. IsoEnergy holds 15 strategically located and prospective assets in the eastern Athabasca Basin, with Larocque East, Geiger, Thorburn Lake and Radio being the highest priority properties.

The 100% owned Larocque East property consists of 20 mineral claims totalling 8,371ha and is not encumbered by any royalties or other interests. Larocque East is immediately adjacent to the north end of IsoEnergy's Geiger property and is 35km northwest of Orano Canada's McClean Lake uranium mine and mill. The Larocque East property covers a 15km long northeast extension of the Larocque Lake conductor system; a trend of graphitic metasedimentary basement rocks that is associated with significant uranium mineralisation at the Hurricane zone, and in several occurrences on Cameco Corp.'s neighbouring property to the southwest of Larocque East. The Hurricane zone was discovered in July 2018 and was followed up with a 12-hole drilling campaign in the winter of 2019 and a recently completed 17-hole summer drilling campaign. Dimensions are currently 500m along-strike, 40m wide and up to 10m thick. The zone is open for expansion along-strike and on most sections.

The Geiger property hosts high grade basement hosted uranium mineralisation up to 2.74% U₃O₈ over 1.2m and is located within 20km of the McClean Lake uranium mill. In addition to Larocque

East and Geiger, IsoEnergy holds a 100% interest in the Thorburn Lake project which is located 7km east of Cameco's Cigar Lake mine. Uranium has been intersected on the property, including 0.6m of 0.43% U₃O₈ in drill hole DDH-11-05a in basement rocks immediately below the sub-Athabasca unconformity. Numerous geophysical targets remain to be drilled at Thorburn Lake.

IsoEnergy also holds a 100%-interest in the Radio project. Radio is located 2km east (and along strike) of Rio Tinto's Roughrider uranium deposit. Exploration drilling by IsoEnergy in 2016 and 2017 has located a large zone of strong clay alteration with locally elevated uranium geochemistry in basement rocks along the southern boundary of the property.

Further information on IsoEnergy's projects and current activities can be found under IsoEnergy's profile on SEDAR and at IsoEnergy's website <https://www.isoenergy.ca/>.

2.11.4 Capital Structure

IsoEnergy's capital structure is as follows:

Class	Total
Common Shares	98,761,949
Options	7,005,000 ⁽¹⁾
Warrants	4,034,292 ⁽²⁾
Convertible debentures granted by IsoEnergy	convertible into up to 9,206,311 common shares in IsoEnergy ^{(3),(4)}

Notes:

1. The options have varying exercise prices between C\$0.36 and C\$2.44 and varying expiry dates on or before 17 February 2026.
2. Each warrant entitles the holder to purchase one common share in IsoEnergy. The warrants have varying exercise prices between C\$0.45 and C\$1.48 and varying expiry dates on or before 22 December 2022.
3. The convertible debentures are held by Queen's Road.
4. The convertible debentures will be convertible at the holder's option at a conversion price of C\$0.88 (which price will be converted to USD at the time of conversion (the **Conversion Price**)) into a maximum of 9,206,311 common shares of IsoEnergy.

IsoEnergy will be entitled, on or after the third anniversary of the date of issuance of the convertible debenture, at any time the 20-day VWAP on the TSX Venture Exchange exceeds 130% of the Conversion Price, to redeem the convertible debentures at par plus accrued and unpaid interest.

The convertible debentures bear interest at a rate of 8.5% per annum, payable semi-annually, with 6% of such interest payable in cash and the remaining 2.5% payable in common shares of IsoEnergy, subject to TSXV approval, such shares to be issued at a price per share equal to market price of IsoEnergy's common shares on the TSXV on the day prior to the day interest is payable.

2.11.5 Substantial Holders

To the best knowledge of NexGen based on publicly available information, as of the date of this Prospectus, NexGen is the only person who beneficially own, or controls or directs, directly or indirectly, 10% or more of IsoEnergy's common shares. NexGen holds 48,256,114 shares in IsoEnergy, representing approximately 51% of IsoEnergy's outstanding issued share capital.

3. FINANCIAL INFORMATION

Annexed to this Prospectus are the following financial statements:

- (a) the unaudited condensed consolidated interim financial statements of NexGen as at 31 March 2021 and 31 March 2020 (see Annexure A to this Prospectus);
- (b) the consolidated financial statements of NexGen as at 31 December 2020 and 31 December 2019 (see Annexure B to this Prospectus); and
- (c) the consolidated financial statements of NexGen as at 31 December 2019 and 31 December 2018 (see Annexure C to this Prospectus).

NexGen's consolidated financial statements referred to in paragraphs (b) and (c) above were audited by KPMG LLP in accordance with standards of the Public Company Accounting Oversight Board (United States) (**PCAOB**) and KPMG LLP issued an unqualified audit opinion in respect of these financial statements.

The interim financial statements referred to in paragraph (a) above were reviewed by KPMG LLP in accordance with the interim review standards of the PCAOB. Such a review is not an audit of the relevant entity's interim financial statements and the objective of such a review is not the expression of an opinion on the entity's financial information. A review of interim financial statements has the objective of providing a basis for reporting as to whether the party undertaking the review is aware of any material modifications that should be made to the interim financial information for it to be in accordance with the relevant financial reporting framework.

Financial statements prepared in future periods will be prepared in accordance with the recognition and measurement principles contained in International Financial Reporting Standards and NexGen's adopted accounting policies. Audits of those financial statements will be conducted in accordance with the standards of the PCAOB.

4. RISKS

4.1 Introduction

The operations of NexGen are speculative due to the high-risk nature of its business which is the exploration and development of mining properties. Before making an investment decision in CDIs, prospective investors should carefully consider the information described in this Prospectus. There are certain risks inherent in an investment in CDIs, including any risk factors described in this Section 4, which investors should carefully consider before investing. Some of these risk factors are interrelated and, consequently, investors should treat such risk factors as a whole. If any of these risk factors occur, it could have a material adverse effect on the business, financial condition and results of operations of NexGen. Additional risks and uncertainties of which NexGen is currently unaware or that are unknown or that NexGen currently deems to be immaterial could have a material adverse effect on NexGen's business, financial condition and results of operation. NexGen cannot assure you that it will successfully address any or all of these risks. There is no assurance that any risk management steps taken will avoid future loss due to the occurrence of the risks described in this Section 4.

Investors should be aware that the performance of NexGen may be affected and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with NexGen guarantee NexGen's performance, the performance of the Shares the subject of the Offer or the market price at which the Shares will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 4, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether or not to apply for CDIs.

Investors should also take their own tax advice as to the consequences of owning CDIs, as well as receiving returns from them. No representation or warranty, express or implied, is given to investors as to the tax consequences of their acquiring, owning or disposing of any CDIs and neither NexGen nor the Directors will be responsible for any tax consequences for any such investors.

4.2 Risks Specific to an Investment in NexGen

4.2.1 Negative Operating Cash Flow and Dependence on Third Party Financing

NexGen has no source of operating cash flow and there can be no assurance that NexGen will ever achieve profitability. Accordingly, NexGen is dependent on third party financing to continue exploration activities on NexGen's properties, maintain capacity and satisfy contractual obligations. Accordingly, the amount and timing of expenditures depends on NexGen's cash reserves and access to third party financing. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of NexGen's properties, including the Rook I Project, or require NexGen to sell one or more of its properties (or an interest therein).

4.2.2 Uncertainty of Additional Financing

As stated above, NexGen is dependent on third party financing, whether through debt, equity, or other means. Although NexGen has been successful in raising funds to date, there is no

assurance that NexGen will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to NexGen. NexGen's access to third party financing depends on a number of factors including the price of uranium, the results of ongoing exploration and development, the results of the proposed work towards the development of the Rook I Project and any other economic or other analysis, a claim against NexGen, a significant event disrupting NexGen's business or uranium industry generally, or other factors may make it difficult or impossible to obtain financing through debt, equity, or other means on favourable terms, or at all. As previously stated, failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of NexGen's properties, including the Rook I Project, or require NexGen to sell one or more of its properties (or an interest therein).

4.2.3 Alternate Sources of Energy and Uranium Prices

The price of NexGen's securities is highly sensitive to fluctuations in the price of uranium. Historically, the fluctuations in these prices have been, and are expected to continue to be, affected by numerous factors beyond NexGen's control. Such factors include, among others: demand for nuclear power; political and economic conditions in uranium producing and consuming countries; public and political response to a nuclear accident; improvements in nuclear reactor efficiencies; reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails; sales of excess inventories by governments and industry participants; and production levels and production costs in key uranium producing countries.

In addition, nuclear energy competes with other sources of energy like oil, natural gas, coal and hydro-electricity. These sources are somewhat interchangeable with nuclear energy, particularly over the longer term. If lower prices of oil, natural gas, coal and hydro-electricity are sustained over time, it may result in lower demand for uranium concentrates and uranium conversion services, which, among other things, could lead to lower uranium prices. Growth of the uranium and nuclear power industry will also depend on continuing and growing public support for nuclear technology to generate electricity. Unique political, technological and environmental factors affect the nuclear industry, exposing it to the risk of public opinion, which could have a negative effect on the demand for nuclear power and increase the regulation of the nuclear power industry. An accident at a nuclear reactor anywhere in the world could affect acceptance of nuclear energy and the future prospects for nuclear generation.

All of the above factors could have a material and adverse effect on NexGen's ability to obtain the required financing in the future or to obtain such financing on terms acceptable to NexGen, resulting in material and adverse effects on its exploration and development programs, cash flow and financial condition.

4.2.4 Exploration Risks

Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. There is also no assurance that even if commercial quantities of ore are discovered that it will be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, most of which factors are beyond the

control of NexGen and may result in NexGen not receiving adequate return on investment capital.

4.2.5 Uninsurable Risks

Mining operations generally involve a high degree of risk. Exploration, development and production operations on mineral properties involve numerous risks, including but not limited to unexpected or unusual geological operating conditions, seismic activity, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, and political and social instability, any of which could result in damage to, or destruction of, life or property, environmental damage and possible legal liability. Although NexGen believes that appropriate precautions to mitigate these risks are being taken, operations are subject to hazards such as equipment failure or failure of structures, which may result in environmental pollution and consequent liability. It is not always possible to obtain insurance against all such risks and NexGen may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate NexGen's future profitability and result in increasing costs and a decline in the value of the Shares. While NexGen may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting NexGen's business and financial condition.

4.2.6 Reliance upon Key Management and Other Personnel

NexGen relies on the specialised skills of management in the areas of mineral exploration, geology and business negotiations and management. The loss of any of these individuals could have an adverse effect on NexGen. NexGen does not currently maintain key-man life insurance on any of its key employees. In addition, as NexGen's business activity continues to grow, it will require additional key financial, administrative and qualified technical personnel. Although NexGen believes that it will be successful in attracting, retaining and training qualified personnel, there can be no assurance of such success. If it is not successful in attracting, retaining and training qualified personnel, the efficiency of NexGen's business could be affected, which could have an adverse impact on its future cash flows, earnings, results of operation and financial condition.

4.2.7 Imprecision of Mineral Resource Estimates

Mineral Resource and Mineral Reserves are estimates, and no assurances can be given that the estimated levels of uranium will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While NexGen believes that its mineral resource estimate is well established and reflects management's best estimates, by their nature, mineral resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Should NexGen encounter mineralisation or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted.

4.2.8 Industry and Economic Factors that May Affect the Business

The business of mining for minerals 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 and industry. These risks include, but are not limited to, the challenges of securing adequate capital, exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary permitting; as well as global economic and uranium price volatility; all of which are uncertain.

The underlying value of NexGen's 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 NexGen's exploration and evaluation assets.

In particular, NexGen does not generate revenue. As a result, NexGen continues to be dependent on third-party financing to continue exploration and development activities on NexGen's properties, maintain capacity and satisfy contractual obligations including servicing the interest payments due on the 2020 Convertible Debentures and repaying the principal amount thereof at maturity (or sooner in the event of redemption in accordance with the terms of the 2020 Convertible Debentures). Accordingly, NexGen'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 risks and the other risk factors described in this Section 4.

4.2.9 Pending Assay Results

Due to the nature of uranium and immediate visibility of radioactive content, in the interest of good disclosure practices it is NexGen's practice to measure the natural gamma radiation of all core using a Radiation Solutions Inc. RS-120 gamma-ray handheld scintillometer as soon as practicable and immediately announce the results thereof by news release. After core has been appropriately handled and logged, samples are dispatched for testing. Assay results historically are generally received between 30 and 120 days after receipt of samples by the laboratory. The total count gamma readings using the scintillometer 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 assay results, once received, will confirm the previously announced scintillometer readings.

4.2.10 Climate Change

The exploration, development and future operations of NexGen's properties may be adversely affected by climate change. Governments are moving to introduce climate change legislation and treaties at all levels of government. Changes to the climate, such as increased greenhouse gases and diminishing energy and water resources, may affect the cost and profitability of developing NexGen's properties. The scientific community has predicted an increase, over time, in the frequency and severity of extraordinary or catastrophic natural phenomena as a result of climate change. NexGen can provide no assurance that it will be able to predict, respond to, measure, monitor or manage the risks posed as a result. Physical climate change events, and the trend toward more stringent regulations aimed at reducing the effects of climate change, could impact NexGen's decision to pursue future opportunities, which could have an adverse effect on the business and future operations. There is no assurance that efforts to mitigate the risks of climate

changes will be effective and that the physical risks of climate change will not have an adverse effect on NexGen's operations and profitability.

4.2.11 Aboriginal Title and Consultation Issues

Aboriginal and treaty rights in Canada, as well as related consultation issues, may impact NexGen's ability to conduct exploration, development and mining activities at its mineral properties in Saskatchewan. NexGen's properties are located within areas subject to First Nation treaty rights and asserted aboriginal rights and title of the Métis, including an outstanding land claim that encompasses a large portion of northern Saskatchewan and Alberta. The legal requirements associated with aboriginal and treaty rights in Canada, including aboriginal title and land claims, are complex and constantly evolving. While the decision of the Supreme Court of Canada in *Tsilhqot'in Nation v. British Columbia* (2014 SCC 44) provided additional clarity in relation to the scope and content of aboriginal title in Canada, there remains considerable uncertainty about how aboriginal title claims will be reconciled with other interests in land. For example, the *Tsilhqot'in* decision did not fully address the impacts of a declaration of aboriginal title on third-party interests, including holders of mineral rights, within aboriginal title lands. The federal government has also recently introduced proposed legislation to implement the United Nations Declaration of the Rights of Indigenous Peoples in Canada, the impacts of which may not be fully understood for some time. Developing and maintaining strong relationships with First Nations and Métis people is a matter of paramount importance to NexGen. However, there can be no assurance that aboriginal title claims and related consultation issues, including outstanding land claims, will not arise on or with respect to NexGen's mineral properties. These legal requirements and the risk of Indigenous Peoples' opposition may increase NexGen's operating costs and affect NexGen's ability to carry on its business.

4.2.12 Title to Properties

NexGen has diligently investigated all title matters concerning the ownership of all mineral claims and plans to do so for all new claims and rights to be acquired. While to the best of its knowledge, title to NexGen's mineral properties are in good standing, this should not be construed as a guarantee of title. NexGen's mineral properties may be affected by undetected defects in title, such as the reduction in size of the mineral titles and other third party claims affecting NexGen's interests. Maintenance of such interests is subject to ongoing compliance with the terms governing such mineral titles. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that NexGen does not have title to any of its mineral properties could cause NexGen to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

4.2.13 Information Systems and Cyber Security

NexGen's information systems are vulnerable to an increasing threat of continually evolving cybersecurity risks. Unauthorised parties may attempt to gain access to these systems or NexGen's information through fraud or other means of deception. NexGen's operations depend, in part, on how well NexGen and those entities with which it does business, protect networks, equipment, information, technology systems and software against damage from a number of threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact NexGen's reputation and results of operations.

Although to date NexGen has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that NexGen will not incur such losses in the future. NexGen's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorised access remains a priority.

4.2.14 Conflicts of Interest

Directors of NexGen are or may become directors of other reporting companies or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which NexGen may participate, the directors of NexGen may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. NexGen and its directors will attempt to minimise such conflicts.

4.2.15 Permits and Licences

NexGen's exploration and development activities are subject to receiving and maintaining licenses, approvals and permits (collectively, **permits**) from appropriate governmental and non-governmental authorities. NexGen may be unable to obtain on a timely basis or on reasonable terms or maintain in the future all necessary permits to explore and develop its properties, commence construction or operating of mining facilities and properties. Delays may occur in obtaining necessary renewals or modifications of permits for NexGen's existing activities, additional permits for existing or future operations and activities, or additional or amended permits associated with new legislation. Such permits will be subject to changes in rules, regulations and/or new legislation and in various operating circumstances. There can be no assurance that NexGen will be able to obtain all necessary permits required to carry out planned exploration, development and mining operations at any of its projects or that such necessary permits may not be refused or revoked in the future.

Development and operations of the Rook I Project require approval from various governmental and non-governmental authorities in Canada. There can be no assurance that all future permits that NexGen requires for its operations at the Rook I Project will be obtainable on reasonable terms, or at all. Delay or a failure to obtain required permits would materially affect NexGen's business.

4.2.16 Environmental and Other Regulatory Requirements

Environmental and other regulatory requirements affect the current and future operations of NexGen, including exploration and development activities, require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. NexGen believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. Companies engaged in the development and operation of mines and related facilities often experience increased costs, along with delays in production and other schedules, as a result of the need to comply with applicable laws, regulations and permits.

Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of NexGen mineral

properties. There can be no assurance that NexGen will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at NexGen's mineral properties on terms which enable operations to be conducted at economically justifiable costs. Further, such additional permits and studies may require significant capital outlays, impacting NexGen's earning power, or cause material changes in its intended activities.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Past or ongoing violations of mining or environmental laws could provide a basis to revoke existing permits or to deny the issuance of additional permits. In addition, evolving reclamation or environmental concerns may threaten NexGen's ability to renew existing permits or obtain new permits in connection with future development, expansions and operations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on NexGen and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

4.2.17 Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital. Any such changes may affect both NexGen's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, and its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

4.2.18 Competition

The mineral exploration business is a competitive business. NexGen competes with numerous other companies and individuals who may have greater financial resources in the search for and the acquisition of personnel, funding and attractive mineral properties. As a result of this competition, NexGen may be unable to obtain additional capital or other types of financing on acceptable terms or at all, acquire properties of interest or retain qualified personnel.

4.2.19 Share Price Risk

The trading price of the Shares may be subject to large fluctuations. The trading price of the Shares may increase or decrease in response to a number of events and factors, including: the price of metals and minerals including the price of uranium; NexGen's operating performance and the performance of competitors and other similar companies; exploration and development of NexGen's properties; the public's reaction to NexGen's press releases, other public announcements and NexGen's filings with the various securities regulatory authorities; changes

in earnings estimates or recommendations by research analysts who track the Shares or the shares of other companies in the resource sector; changes in general economic conditions; the volume of Shares publicly traded; the arrival or departure of key personnel; and acquisitions, strategic alliances or joint ventures involving NexGen or its competitors.

In addition, the market price of the Shares is affected by many variables not directly related to NexGen's success and not within NexGen's control, including: developments that affect the market for all resource sector shares; the breadth of the public market for the Shares; and the attractiveness of alternative investments. In addition, securities markets have recently experienced an extreme level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. As a result of these and other factors, NexGen's share price may be volatile in the future and may decline below the price at which an investor acquired its shares. Accordingly, investors may not be able to sell their securities at or above their acquisition cost.

4.2.20 Potential Dilution from Future Financings

Additional financing needed to continue funding the exploration, development and operation of NexGen's properties may require the issuance of additional securities of NexGen. The issuance of additional securities and the exercise of Share purchase warrants, stock options and other convertible securities will result in dilution of the equity interests of any persons who are or may become holders of Shares.

4.2.21 Negative Impacts by an Outbreak of Infectious Diseases or a Pandemic

An outbreak of an infectious disease, pandemic or a similar public health threat, such as the COVID-19 pandemic, and the responses thereto, could adversely impact NexGen, both operationally and financially. The global response to the COVID-19 pandemic has resulted in, among other things, border closures, severe travel restrictions and extreme fluctuations in financial and commodity markets. Additional measures may be implemented by one or more governments around the world in jurisdictions where NexGen operates. Labour shortages due to illness, NexGen or government imposed isolation programs, or restrictions on the movement of personnel or possibly supply chain disruptions could result in a reduction or interruption of NexGen's operations, including operational shutdowns or suspensions. The inability to continue ongoing exploration and development work could have a material adverse effect on NexGen's future cash flows, earnings, results of operations and financial condition. The extent to which COVID-19 and any other pandemic or public health crisis impacts NexGen's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of and the actions required to contain the COVID 19 pandemic or remedy its impact, amongst others.

4.2.22 Loss of Foreign Private Issuer Status in the Future

NexGen may in the future lose its foreign private issuer status if a majority of the Shares are owned of record in the United States and NexGen fails to meet the additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs to NexGen under U.S. federal securities laws as a U.S. domestic issuer may be significantly more than the costs NexGen incurs as a Canadian foreign private issuer eligible to use a multi-jurisdictional disclosure system (**MJDS**) adopted in the United States and Canada. If NexGen is not a foreign private issuer, it would not be eligible to use the MJDS or other foreign issuer forms

and would be required to file periodic and current reports and registration statements on US domestic issue forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer.

4.2.23 Métis Nation-Saskatchewan claim

NexGen is currently the subject of the 2020 Action, being an alleged claim brought by Métis Nation-Saskatchewan in the Saskatchewan Court of Queen's Bench pursuant to which it is alleged that NexGen breached the study agreement between the NexGen and MN-S by failing to negotiate an Impact Benefit Agreement in good faith by the target date of 30 June 2020 (refer to Section 2.3.6.9 for background to the study agreement). Further, MN-S has also sought an injunction to stop NexGen from filing its draft EIS for the Rook I Project pending the resolution of the proceedings that are currently ongoing. The injunction was heard on 5 April 2021, and NexGen is currently awaiting the outcome. If the injunction is granted, NexGen may be restricted from submitting its EIS until certain conditions have been satisfied. If the 2020 Action is successful, the court may declare that NexGen has not acted in good faith in negotiating an Impact Benefit Agreement and/ or award damages in favour of MN-S.

NexGen is committed to the principles that it has successfully implemented with respect to the Rook I Project for the benefit of all communities and intends to defend the 2020 Action. NexGen also remains committed to concluding an Impact Benefit Agreement with the MN-S and has encouraged the MN-S to return to negotiations.

Refer to Section 8.10 for further information in relation to the 2020 Action.

4.2.24 Surface Rights Risk

NexGen does not control the surface rights over the claims which comprise the Rook I Project. The Rook I Project is located on provincial Crown land. As the owner, the Province of Saskatchewan can grant surface rights under the authority of the *Forest Resources Management Act* and the *Provincial Lands Act*. Granting surface rights for the purpose of accessing the land to extract minerals is done by issuing a mineral surface lease subject to the Crown Resource Land Regulations. Mineral surface leases have a 33-year maximum term which may be extended, as necessary.

There is no guarantee that areas needed for extractive activities, including potential waste disposal, infrastructure, or areas for processing plants and related facilities, will be available. NexGen's interest in the Rook I Project could be adversely affected by delays or an inability to obtain surface access rights, or by challenges, regardless of merit, to existing surface access agreements.

4.2.25 NexGen is a Foreign Company

NexGen is incorporated under the laws of the province of British Columbia, Canada, and listed on the TSX and NYSE American. Accordingly, NexGen is subject to foreign corporate governance requirements and securities laws, which may differ from corporate governance requirements and securities laws applicable in an investor's place of residence (including Australia).

The foreign aspects of the organisation, management and officers of NexGen may make it more difficult for Shareholders to enforce their legal rights than if NexGen was organised, managed and incorporated in Australia. The common law and statutory rights of shareholders under the laws of Canada may be less extensive than statutory rights available to shareholders under the laws of Australia.

The rights of Shareholders will be governed by the respective rules of the TSX and NYSE American and applicable Canadian and US securities laws, but, other than in certain limited situations, not by the Corporations Act.

A summary of the Canadian laws as applicable to NexGen can be found at Section 8.6.

4.2.26 Infrastructure Risks

Mineral exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The lack of availability on acceptable terms, or the delay in the availability of any one or more of these items, could prevent or delay the development of NexGen's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development of the NexGen's projects will be commenced or completed on a timely basis, if at all, or that construction costs and ongoing operating costs will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage or other interference in the maintenance or provision of such infrastructure could adversely affect NexGen's operations.

4.2.27 Project Development Risks

Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory Mineral Reserve estimates, the level of estimated recoveries, capital and operating cost estimates and the estimate of future commodity prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades to be mined and processed, the configuration of the mineral body, ground and mining conditions, expected recovery rates and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and, as a result, NexGen cannot give any assurance that any development or exploration projects will become operating mines. If a mine is developed, actual operating results may differ from those anticipated in a technical study, including the Feasibility Study.

Any of the following events, among others, could affect the profitability or economic feasibility of a project:

- unanticipated changes in grade and tonnage of ore to be mined and processed;
- unanticipated adverse geotechnical conditions;
- incorrect data on which engineering assumptions are made;
- availability of financing;
- costs of constructing and operating a mine in a specific environment;
- availability of labour;
- availability and costs of processing and refining facilities;
- availability of economic sources of power;
- adequacy of water supply;
- availability of surface tenure on which to locate processing and refining facilities;

- adequate access to the site, including competing land uses (such as agriculture and illegal mining);
- unanticipated transportation costs;
- government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands);
- fluctuations in commodity prices; and
- accidents, labour actions and force majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at any stage.

4.3 General Risks

4.3.1 Liquidity in Trading of CDIs on ASX

As a condition of NexGen's Listing, NexGen does not anticipate ASX will require a minimum number of CDIs to be quoted on ASX. If the number of CDIs quoted on ASX is less than the number of outstanding Shares listed on the Foreign Exchanges, it is possible that the market for CDIs on the ASX may be less liquid than the market for Shares on the Foreign Exchanges. This may have the effect of reducing the volume of CDIs that can be bought and sold on ASX and the speed with which they can be bought and sold.

This reduced liquidity may also result in CDIs trading on ASX at a discount to Shares on the Foreign Exchanges. However, a holder of CDIs can convert their CDIs into Shares tradeable on the Foreign Exchanges at any time, should the holder wish to access the market in Shares on the Foreign Exchanges.

4.3.2 Commodity Price Risk

To the extent NexGen is involved in mineral production the revenue derived through the sale of commodities may expose the potential income of NexGen to commodity price and exchange rate risks. The prices of uranium, and other minerals fluctuate widely and are affected by numerous factors beyond the control of NexGen, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market values of uranium, and other minerals could cause the development of, and eventually the commercial production from, NexGen's projects, including the Rook I Project to be rendered uneconomic. Depending on the prices of commodities, NexGen could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of uranium and other minerals are produced, a profitable market will exist for it.

In addition to adversely affecting any potential future reserve estimates of NexGen and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct

such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

4.3.3 Exchange Rate Risk

International prices of various commodities are denominated in United States dollars, whereas the income and expenditure of NexGen are and will be taken into account in Canadian currency, exposing NexGen to the fluctuations and volatility of the rate of exchange between the United States dollar and the Canadian dollar as determined in international markets.

In addition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

4.3.4 Impact of Laws and Regulations

NexGen is subject to Canadian laws and regulations that could adversely affect the cost, timing, manner or feasibility of conducting its operations. NexGen's exploration, development and future production and related operations are subject to complex and stringent laws and regulations. In order to conduct its operations in compliance with these laws and regulations, NexGen (directly or through the operator of its producing properties) must obtain and maintain numerous permits, approvals and certificates from various federal, state, local and governmental authorities in Canada. The areas of regulation with more significant risks of impact to NexGen's operations include safety, climate change and greenhouse gases, water use and air emissions.

4.3.5 Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs associated with litigation can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process and dealings with the regulatory bodies, there can be no assurance that the resolution of any particular legal or regulatory proceeding will not have a material adverse effect on NexGen's future cash flow, results of operations or financial condition.

4.3.6 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in NexGen are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, NexGen, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of acquiring and disposing Shares.

5. KEY PEOPLE, INTERESTS, AND BENEFITS

5.1 Board of Directors

The Directors bring strong on-target industry experience to the NexGen Board. The Board includes residents of Canada, Hong Kong and Australia. The Board's functional skills include corporate governance, asset development, accounting, finance and government policy, combined with deep industry experience in mining, exploration and development, and project evaluation.

5.1.1 Mr Leigh Curyer

President, CEO and Director

Member of the ESG Committee

Mr Curyer has over 20 years' experience in the resources and corporate sector. Mr Curyer founded NexGen in 2011 and was appointed to the Board on 19 April 2013, where he currently serves as the President and Chief Executive Officer. Mr Curyer was previously the Chief Financial Officer and head of corporate development of Southern Cross Resources Inc. (now Uranium One Inc.). From 2008 to 2011, Mr Curyer was Head of Corporate Development for Accord Nuclear Resources Management, assessing uranium projects worldwide for First Reserve Corporation, a global energy-focused private equity and infrastructure investment firm.

Mr Curyer's uranium project assessment experience has been focused on assets located in Canada, Australia, USA, Africa, Central Asia and Europe, including operating mines, advanced development projects and exploration prospects. Mr Curyer has a Bachelor of Arts in Accountancy from the University of South Australia and is a member of Chartered Accountants Australia and New Zealand.

Mr Curyer resides in British Columbia, Canada.

5.1.2 Mr Christopher McFadden

Independent Non-executive Director and Chair

Member of the Audit Committee, and the ESG Committee

Mr McFadden is a lawyer with 22 years' experience in exploration and mining. Previously, Mr McFadden was the President and Chief Executive Officer of NxGold Ltd, and, before that the Manager, Business Development at Newcrest Mining Limited, the Head of Commercial, Strategy and Corporate Development for Tigers Realm Coal Limited, which is listed on the ASX. Additionally, Mr McFadden was General Manager, Business Development of Tigers Realm Minerals Pty Ltd. Prior to commencing with the Tigers Realm Group in 2010, Mr McFadden was a Commercial General Manager with Rio Tinto's exploration division with responsibility for gaining entry into new projects through negotiation with government or joint venture partners, or through acquisition.

Mr McFadden has extensive international experience in managing large and complex transactions and has a broad knowledge of all aspects of project evaluation and negotiation in challenging and varied environments. Mr McFadden holds a combined law/commerce degree from Melbourne University and an MBA from Monash University.

Mr McFadden was appointed to the Board on 19 April 2013.

Mr McFadden resides in Victoria, Australia.

5.1.3 Mr Warren Gilman

Independent Non-executive Director

Member of the Audit Committee, and the ESG Committee

Mr Gilman was appointed Chairman and CEO of Queen's Road in 2019. Prior to that he was Chairman and CEO of CEF Holdings Limited. Previously he was Vice Chairman of CIBC World Markets. Mr Gilman was also previously Managing Director and Head of Asia Pacific Region for CIBC for 10 years where he was responsible for all of CIBC's activities across Asia. Mr Gilman is a mining engineer who co-founded CIBC's Global Mining Group in 1988. During his 26 years with CIBC he ran the mining team in Canada, Australia and Asia and worked in the Toronto, Sydney, Perth, Shanghai and Hong Kong offices of CIBC. He has acted as adviser to the largest mining companies in the world including BHP, Rio Tinto, Anglo American, Noranda, Falconbridge, Meridian Gold, China Minmetals, Jinchuan and Zijin and has been responsible for some of the largest equity capital markets financings in Canadian mining history. Mr Gilman also serves on the Board of Chaarat Gold Holdings Ltd, Aurania Resources Lt., and Gold Royalty Corp. Mr Gilman obtained his B.Sc. in Mining Engineering at Queen's University and his MBA from the Ivey Business School at Western University. He is Chairman of the International Advisory Board of Western University and a member of the Dean's Advisory Board of Laurentian University.

Mr Gilman was appointed as a Director of NexGen on 21 July 2017.

Mr Gilman resides in Hong Kong.

5.1.4 Ms Karri Howlett

Independent Non-executive Director

Member of the ESG Committee (Chair)

Ms Howlett has over 20 years' experience in corporate strategy, mergers and acquisitions, financial due diligence and risk analysis. Ms Howlett currently sits on the Boards of SaskPower (as Chair of the Safety, Environment and Social Responsibility Committee) and Saskatchewan Trade Export Partnership.

Ms Howlett has conducted financial due diligence and risk analysis for several business endeavours, including business advisement and financial modelling for several mining and energy projects, as well as mergers of financial institutions. Ms Howlett was President of RESPEC Consulting Inc., which is a geoscience and engineering consulting company based in Saskatoon, Saskatchewan.

Ms Howlett holds a Bachelor of Commerce (with honours) in Finance from the University of Saskatchewan and has earned the Chartered Financial Analyst (CFA) designation and the Chartered Director designation. An active community member, Ms Howlett previously served on the boards of Varsity View Community Association, Skate Saskatoon, and CFA Society of Saskatchewan. In addition, Ms Howlett has been involved with the University of Saskatchewan's Edwards School of Business as a lecturer in the Department of Finance, a participant in the Leadership Development Program, and a protégé in the Betty Ann Heggie Womensorship Program.

Ms Howlett was appointed to the Board on 27 August 2018.

Ms Howlett resides in Saskatchewan, Canada.

5.1.5 Mr Bradley Wall

Non-independent Non-executive Director

Mr Wall was the 14th Premier of Saskatchewan, and brings to the Board political experience spanning over an 18-year period. During his 10-year tenure as Premier of Saskatchewan, Mr Wall led the province to economic expansion, strong population and export growth, record infrastructure investment and the first ever and continuing AAA credit for the Province's finances. Mr Wall worked successfully with the previous federal government to achieve nuclear cooperation agreements between Canada and both India and China opening up those civilian nuclear energy markets to Canadian uranium. He is an advocate for sustainable, inclusive economic development and provides strategic insight to the energy sector. Mr Wall currently serves on the Board of Maxim Power Corp, Whitecap Resources Inc and Dye and Durham.

Mr Wall was appointed to the Board on 21 March 2019.

Mr Wall resides in Saskatchewan, Canada.

5.1.6 Mr Richard Patricio

Independent Non-executive Director

Member of Audit Committee, Compensation Committee (Chair), and Nomination and Governance Committee (Chair)

Mr Patricio is the President and Chief Executive Officer of Mega Uranium Ltd, having previously been its Executive Vice President from 2005 to 2015.

Until April 2016, Mr Patricio was also the Chief Executive Officer of Pinetree Capital Ltd. Mr Patricio joined Pinetree in November 2005 as Vice President, Corporate and Legal Affairs. Mr Patricio was previously general counsel for Teknion Corp., a senior TSX-listed manufacturing company. Prior to that, Mr Patricio practiced law at Osler LLP in Toronto where he focused on mergers and acquisitions, securities law and general corporate transactions.

Mr Patricio has built a number of mining companies with global operations and holds senior officer and director positions in several companies listed on stock exchanges in Toronto, Australia, London and New York. Mr Patricio currently serves on the Board of Iso Energy Ltd, Sterling Metals Corp., Toro Energy Limited, Sixty Six Capital Inc and Mindset Pharma Inc. Mr Patricio received his law degree from Osgoode Hall and was called to the Ontario bar in 2000.

Mr Patricio was appointed to the Board on 19 April 2013.

Mr Patricio resides in Ontario, Canada.

5.1.7 Mr Trevor Thiele

Independent Non-executive Director

Member of the Audit Committee (Chair), Compensation Committee, and Nomination and Governance Committee

Mr Thiele has over 30 years' experience in senior finance roles in medium to large Australian listed companies. Mr Thiele has also been Chief Financial Officer for companies involved in the agribusiness sector (Elders and ABB Grain Ltd., Rural Services Division) and the biotechnology sector (Bionomics Limited). In these roles he combined his technical, accounting and financial skills with commercial expertise thereby substantially contributing to the growth of each of these businesses. During this time, Mr Thiele was actively involved in initial public offerings, capital raisings, corporate restructures, mergers and acquisitions, refinancing and joint ventures.

Mr Thiele currently serves on the Board of Iso Energy Ltd.

Mr Thiele holds a Bachelor of Arts in Accountancy from the University of South Australia and is a member of Chartered Accountants Australia and New Zealand.

Mr Thiele was appointed to the Board on 19 April 2013

Mr Thiele resides in South Australia.

5.1.8 Ms Sybil Veenman

Independent Non-executive Director

Member of the Compensation Committee, and Nominations and Governance Committee

Ms Veenman has over 20 years' mining industry experience, including as a senior executive and, more recently, as a public company director. Ms Veenman currently serves as a Director at Nasdaq-listed Royal Gold Inc., and TSXV-listed Major Drilling Group International Inc. Ms Veenman is also Chair of the Board of Directors of the Boost Child & Youth Advocacy Centre in Toronto, a non-profit organisation dedicated to providing child and youth services and support. Previously, Ms Veenman was a Senior Vice-President and General Counsel and a member of the executive leadership team at Barrick Gold Corporation. In that capacity, Ms Veenman was responsible for overall management of legal affairs, extensively engaged in that company's significant M&A and financing transactions and involved in a wide range of operational, regulatory, political and social responsibility aspects of the mining business.

Ms Veenman holds a Law degree from the University of Toronto and has completed the Institute of Corporate Directors, Directors Education Program and obtained the ICD.D designation from the Institute.

Ms. Veenman was appointed to the Board on 27 August 2018.

Ms Veenman resides in Ontario, Canada.

5.1.9 Mr Donald Roberts

Independent Non-executive Director

Mr Roberts has had a lengthy and successful career as a leading financial executive and Chartered Accountant in various countries including Canada, Italy and Hong Kong.

Mr Roberts retired in 2011 after a 23 year career in Hong Kong as Group Deputy Chief Financial Officer of CK Hutchison Holdings (previously Hutchison Whampoa Limited), a listed conglomerate and Fortune 500 company headquartered in Hong Kong with operations in over 40 countries, including Hong Kong, Mainland China, Canada and throughout Europe. During this career he was responsible for listed company financial reporting, credit rating reviews, and group wide taxation, and actively involved in investor relations, corporate governance, equity and debt capital market activities, corporate restructurings, acquisitions, mergers and joint ventures in various countries around the world. Prior to joining CK Hutchison Holdings, he trained and worked at PricewaterhouseCoopers in their Calgary, Vancouver, Turin - Italy, and Hong Kong offices.

During his career he has been involved in various industries including oil and gas, mining, manufacturing, shipping, container ports, telecommunications, property investment and development, utilities, infrastructure, retail, treasury and investment.

Mr Roberts currently serves as an Independent Non-executive Director and Chairman or member of the audit committee on a number of listed and private companies including CK Asset Holdings,

CK Life Sciences Int'l, HK Electric Investments, all listed in Hong Kong and Queen's Road Capital Investment, listed on the TSX.

Mr Roberts holds a Bachelor of Commerce degree from the University of Calgary and is a member of the Chartered Professional Accounts of Canada.

In accordance with the 2017 Investor Rights Agreement (refer to Section 7.2), for so long as the percentage of Shares beneficially owned directly or indirectly by the 2017 Investors, collectively, is more than 15%, CEF Holdings Limited (**CEF Holdings**), on behalf of the 2017 Investors, may nominate person to the Board of NexGen. CEF Holdings has nominated Mr Roberts as that nominee. Mr Roberts was appointed to the Board on 30 April 2021.

Mr Roberts is a resident of Hong Kong.

5.2 Director Disclosures

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

5.3 Executive Management Team

Mr Leigh Curyer

President, CEO and Director

Refer to Section 5.1.1 for Mr Curyer's biography.

Mr Travis McPherson

Senior Vice President, Corporate Development

Mr McPherson has worked in the global mining sector across a variety of commodities and jurisdictions for 12 years. Mr McPherson joined NexGen in early 2014 and is currently Senior Vice President Corporate Development at NexGen where he has been an integral part of raising approximately \$500 million for NexGen to date. Prior to NexGen, Mr McPherson was head of Corporate Development for a TSX-listed gold producer and developer where he was involved in a variety of corporate mandates including corporate strategy and budgeting, M&A, as well as mine permitting, feasibility, financing across the capital structure and construction. Mr McPherson began his career in the natural resources group of an independent boutique Canadian investment bank.

Mr Anthony (Tony) George

Chief Project Officer

Mr George is a mining engineer with over 35 years of experience in operations, project management and construction. Mr George is currently the Chief Project Officer at NexGen.

Mr George commenced his career with De Beers in South Africa and Namibia. In 1993, he came to Canada and has held senior positions at the Iron Ore Company of Canada in Labrador; Aura

Minerals, working on projects in South America; as a lead consultant working on many international projects with Rescan Engineering and MRDI (AMEC). At De Beers Canada he was the mine general manager on the team that brought the Victor open pit diamond project through feasibility, engineering and construction; and Vice President Project Development at Lucara Diamond Corp, where he was responsible for taking the Karowe Mine in Botswana from feasibility study, through engineering and construction, into operations. Tony was Vice President Project Development at Lundin Gold where he was responsible for all aspects of the feasibility study for the advancement and development of the Fruta del Norte project in Ecuador.

Prior to joining NexGen, Tony served as Vice President Project Execution with Victoria Gold Corp. where he oversaw the Eagle Mine through detailed engineering and construction which was successfully completed ahead of schedule and on budget on June 2019.

Ms Gillian McCombie

Vice President, Human Resources

Ms Gillian McCombie is a senior strategic Human Resources professional with over 24 years of experience in both the mining and telecom industries. Ms McCombie started her career in the mining industry with Placer Dome Inc. During her time at Placer she worked across six different countries at the operational, corporate and international levels. Ms McCombie has expertise in succession planning, executive compensation; talent management, strategic recruiting, employee engagement, policies and procedures and international service. During her time in telecom Ms McCombie worked for TELUS, where she helped build the national engagement strategy and provided strategic HR support to two key business units - Client Experience and Small & Medium Business. Most recently, Ms McCombie spent seven years with Capstone Mining Corp where she was responsible for the overall strategic HR function for the organisation.

Ms Harpreet Dhaliwal

Chief Financial Officer

Ms Harpreet Dhaliwal is a financial executive with 14 years of extensive experience in the resource sector. A graduate of The University of British Columbia, Ms Dhaliwal commenced her career in the public accounting field before transitioning to the resource sector working with Uranium One Inc., American Bonanza Gold Corp, and Endeavour Mining Corporation.

Most recently, Ms Dhaliwal served as the Chief Financial Officer at Leagold Mining Corp. At Leagold, she was responsible for the design and implementation of financial reporting, treasury, gold sale contract negotiations, multinational tax structuring, budgeting, and forecasting. She successfully led the financial and tax due diligence for numerous mergers and acquisitions and led the post integration of numerous mines resulting in lean and efficient finance teams.

5.4 Directors' Interests and Remuneration

5.4.1 Interests of Directors and Promoters

Other than as set out below or elsewhere in this Prospectus, no:

- (a) Director;
- (b) person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (c) promoter of NexGen; or

(d) Lead Manager to the Offer,

holds at the Prospectus Date, or has held in the two years before the Prospectus Date, an interest in:

(e) the formation or promotion of NexGen;

(f) property acquired or proposed to be acquired by NexGen in connection with its formation or promotion, or in connection with the Offer; or

(g) the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of NexGen or the Offer or to any Director to induce them to become, or qualify as, a Director.

5.4.2 Directors' Remuneration and other Benefits

Details of the NexGen's Director and executive compensation practices and policies is set out in Annexure D.

5.4.2.1 Executive Services Agreement – Mr Leigh Curyer

NexGen entered into an amended and restated executive services agreement with Mr Leigh Curyer dated 19 February 2016 (**Executive Services Agreement**) in respect of his engagement as President and Chief Executive Officer of NexGen.

Details of the remuneration arrangements for Mr Curyer including salary, bonus entitlements, termination benefits and any other non-cash arrangements is set out in Annexure D of this Prospectus.

The Executive Services Agreement is for an indefinite term continuing until either NexGen or Mr Curyer, terminate Mr Curyer's employment, as follows:

- Mr Curyer or NexGen may terminate the Executive Services Agreement by providing 30 days' written notice to the other party; and
- Mr Curyer may also terminate the Executive Services Agreement for 'good cause' by providing 2 weeks written notice to NexGen upon which Mr Curyer will be entitled to a severance package comprising his final statutory entitlements, an additional payment equal to the highest monthly bonus multiplied by the number of completed months in the current fiscal year up to the termination date, a sum equivalent to 18 months' salary aggregated with Mr Curyer's highest monthly bonus and, at the option of Mr Curyer, continued coverage of the employee insurance benefits for the duration of the severance period or pay Mr Curyer a lump sum cash payment to source equivalent alternate coverage for the term of the severance period. Good cause includes a material reduction to Mr Curyer's responsibilities, title or reporting, and any other circumstances that constitute constructive dismissal.

Mr Curyer is also entitled to participate in NexGen's Stock Option Plan. Refer to Section 7.3 for a summary of the Stock Option Plan.

5.4.2.2 Non-Executive Director Agreements

Details of the remuneration arrangements for the Non-Executive Directors is set out in Annexure D of this Prospectus.

The Non-Executive Directors are also entitled to participate in NexGen's Stock Option Plan. Refer to Section 7.3 for a summary of the Stock Option Plan.

5.4.3 Rights of Access, Insurance and Indemnity for Directors

NexGen has obtained directors' and officers' liability insurance for the benefit of NexGen's Directors and intends to continue to maintain such coverage and pay all premiums thereunder to the fullest extent permitted by the BCBCA.

In addition, NexGen has entered into standard deeds of access, indemnity and insurance with each of the Directors. Pursuant to those deeds, NexGen has undertaken, to the fullest extent permitted by law, to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director during the period of their appointment and for 10 years after the Director has ceased to be a Director. NexGen has further undertaken to make available to each Director, and for 10 years after the Director has ceased to be a Director, the documents and records of NexGen.

As of the date of this Prospectus, no claims for directors' liability insurance have been filed under this insurance policy and NexGen is not aware of any pending or threatened litigation or proceeding involving any of NexGen's Directors in which indemnification is sought.

5.4.4 Directors' interests in Shares and other securities

The Directors (and/ or their related entities) have an interest in the following Securities.

Director	Shares	Options
Leigh Curyer	4,350,000 ⁽¹⁾	13,350,000 ⁽³⁾
Warren Gilman	-	2,000,000 ⁽⁴⁾
Karri Howlett	-	1,750,000 ⁽⁵⁾
Richard Patricio	794,900	2,300,000 ⁽⁶⁾
Chris McFadden	710,000	2,150,000 ⁽⁷⁾
Trevor Thiele	-	2,300,000 ⁽⁸⁾
Sybil Veenman	60,000	1,750,000 ⁽⁹⁾
Bradley Wall	17,100 ⁽²⁾	1,750,000 ⁽¹⁰⁾
Donald Roberts	-	-

Notes:

- 1,856,250 Shares are held by the Curyer Family Trust.
- 5,500 Shares are held by Flying W Consulting Inc., a company associated with Mr Bradley Wall, Director.
- Comprising 1,000,000 Class A Options, 1,000,000 Class B Options, 1,500,000 Class D Options, 500,000 Class G Options, 750,000 Class J Options, 1,500,000 Class L Options (with 1,000,000 Options currently exercisable), 1,100,000 Class M Options (with 733,333 Options currently exercisable), 2,000,000 Class N Options (with 666,667 Options currently exercisable) and 4,000,000 Class Q Options (with 1,333,333 Options currently exercisable).
- Comprising 250,000 Class B Options, 300,000 Class D Options, 200,000 Class G Options, 250,000 Class J Options, 200,000 Class L Options (with 133,333 Options currently exercisable), 250,000 Class M Options (with 166,666 Options currently exercisable), 250,000 Class N Options (with 83,333 Options currently exercisable) and 300,000 Class Q Options (with 100,000 Options currently exercisable).
- Comprising 300,000 Class F Options, 200,000 Class G Options, 250,000 Class J Options, 200,000 Class L Options (with 133,333 Options currently exercisable), 250,000 Class M Options (with 83,333 Options currently exercisable), 250,000 Class N Options (with 83,333 Options currently exercisable) and 300,000 Class Q Options (with 100,000 Options currently exercisable).
- Comprising 250,000 Class A Options, 250,000 Class B Options, 450,000 Class D Options, 200,000 Class G Options, 250,000 Class J Options, 100,000 Class L Options (with 66,667 Options currently exercisable), 250,000 Class M Options (with 166,666 Options currently exercisable), 250,000 Class N Options (with 83,333 Options currently exercisable) and 300,000 Class Q Options (with 100,000 Options currently exercisable).

- exercisable).
7. Comprising 250,000 Class A Options, 250,000 Class B Options, 300,000 Class D Options, 200,000 Class G Options, 250,000 Class J Options, 100,000 Class L Options (with 66,667 Options currently exercisable), 250,000 Class M Options (with 166,666 Options currently exercisable), 250,000 Class N Options (with 83,333 Options currently exercisable) and 300,000 Class Q Options (with 100,000 Options currently exercisable).
 8. Comprising 250,000 Class A Options, 250,000 Class B Options, 450,000 Class D Options, 200,000 Class G Options, 250,000 Class J Options, 100,000 Class L Options (with 66,667 Options currently exercisable), 250,000 Class M Options (with 166,666 Options currently exercisable), 250,000 Class N Options (with 83,333 Options currently exercisable) and 300,000 Class Q Options (with 100,000 Options currently exercisable).
 9. Comprising 300,000 Class F Options, 200,000 Class G Options, 250,000 Class J Options, 200,000 Class L Options (with 133,333 Options currently exercisable), 250,000 Class M Options (with 166,666 Options currently exercisable), 250,000 Class N Options (with 83,333 Options currently exercisable) and 300,000 Class Q Options (with 100,000 Options currently exercisable).
 10. Comprising 500,000 Class H Options, 250,000 Class J Options, 200,000 Class L Options (with 133,333 Options currently exercisable), 250,000 Class M Options (with 166,666 Options currently exercisable), 250,000 Class N Options (with 83,333 Options currently exercisable) and 300,000 Class Q Options (with 100,000 Options currently exercisable).
 11. Refer to Section 8.3 for the terms and conditions of the Options.

5.5 Corporate Governance

5.5.1 Overview

NexGen has adopted appropriate systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering NexGen's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with NexGen's needs.

The Board is committed to maximising performance, generating appropriate levels of shareholder value and financial return, and sustaining the growth and success of NexGen. With these objectives in mind, the Board seeks to ensure that NexGen is properly managed to protect and enhance shareholder interests, and that NexGen and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing NexGen, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for NexGen's business and which are designed to promote the responsible management and conduct of NexGen.

Copies of NexGen's key policies, Board mandate and the charters of each standing committee of the Board are at <https://www.nexgenenergy.ca/corporate/corporate-governance/>.

As an ASX Foreign Exempt Listing, NexGen will not be required to disclose against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

5.5.2 Board

The Board is responsible for the corporate governance of NexGen. The Board develops strategies for NexGen, reviews strategic objectives and monitors performance against those objectives.

In general, the Board assumes (amongst others) the following responsibilities:

- Strategy – providing input into and approval of NexGen's long-term operational and financial goals, strategic plan to achieve such goals, and directing, monitoring and assessing NexGen's performance against the strategic plan.

- Management – the appointment and removal of the CEO, setting their remuneration, monitoring the performance of the CEO and other senior executives, ensuring that the framework for setting and monitoring remuneration and conditions of service for management is appropriate, ensuring that a process is in place for executive succession planning, and monitoring that process and approving the adoption of equity compensation plans and incentive plan criteria.
- Compliance and risk management – setting the risk appetite for NexGen, approving and regularly reviewing the risk and legal compliance framework in order to ensure that risks are identified and appropriately managed, and overseeing and monitoring management's implementation of NexGen's risk management legal compliance framework.
- Shareholders – ensuring effective communication with shareholders, with the objective of adhering to disclosure controls and processes for consistent, transparent, regular and timely public disclosure.
- Financial reporting and management – overseeing NexGen's financial and capital management, including:
 - o the approval of NexGen's annual operating and capital budget and annual and quarterly financial reports;
 - o the monitoring of NexGen's financial results on an ongoing basis;
 - o monitoring the progress of cash management plans and strategies, including the establishment and maintenance of bank, investment and brokerage accounts;
 - o decisions affecting the capital of NexGen, including capital structure or restructure and major financing arrangements;
 - o approving borrowing and hedging and authorising NexGen to issue debt or equity securities, declare dividends, or purchasing Shares for cancellation; and
 - o decisions (based on recommendations from the Audit and Risk Committee) in relation to ensuring the integrity of financial reporting, including the appointment and role of the external auditors.

5.5.3 Composition of the Board

The Board is currently comprised of the CEO and President, and eight Non-executive Directors, of whom seven are considered independent, as follows:

- Christopher McFadden – Independent Non-executive Director and Chair;
- Leigh Curyer – CEO, President and Executive Director;
- Warren Gilman – Independent Non-executive Director;
- Karri Howlett– Independent Non-executive Director;
- Richard Patricio – Independent Non-executive Director; and
- Trevor Thiele – Independent Non-executive Director;
- Sybil Veenman – Independent Non-executive Director;
- Bradley Wall – Non-executive Director; and

- Donald Roberts – Independent Non-executive Director.

Detailed biographies of the Board members are provided in Section 5.1.

5.5.4 Independence of the Board

NexGen assesses its Directors' independence on the basis of the definition of independence prescribed under National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the CSA (**NI 58-101**). Under the definition of "independence" applicable to NexGen's Directors under NI 58-101, a director is independent if he or she has no direct or indirect material relationship with NexGen. A "material relationship" is defined with reference to section 1.4 of *Multilateral Instrument 52-110 Audit Committees* (**MI 52-110**) as one which could, in the view of the Board, reasonably be expected to interfere with his or her ability to exercise independent judgment. Furthermore, MI 52-110 stipulates that the following specified relationships are deemed to constitute a material relationship with NexGen:

- an individual who is, or has been, an employee or executive officer of NexGen, unless the prescribed period has elapsed since the end of the service or employment;
- an individual whose immediate family member is, or has been, an executive officer of NexGen, unless the prescribed period has elapsed since the end of the service or employment;
- an individual who is, or has been, an affiliated entity of, a partner of, or employed by, a current or former internal or external auditor of NexGen, unless the prescribed period has elapsed since the person's relationship with the internal or external auditor, or the auditing relationship, has ended;
- an individual whose immediate family member is, or has been, an affiliated entity of, a partner of, or employed in a professional capacity by, a current or former internal or external auditor of NexGen, unless the prescribed period has elapsed since the person's relationship with the internal or external auditor, or the auditing relationship, has ended;
- an individual who is, or has been, or whose immediate family member is or has been, an executive officer of an entity if any of NexGen's current executive officers serve on NexGen's Compensation Committee, unless the prescribed period has elapsed since the end of the service or employment; and
- an individual who receives, or whose immediate family member receives, more than C\$75,000 per year in direct compensation from NexGen, other than as remuneration for acting in his or her capacity as a member of the Board or any Board committee, or as a part-time chair or vice-chair of the Board or any Board committee, unless the prescribed period has elapsed since he or she ceased to receive more than C\$75,000 per year in such compensation.

The Board has determined that each of Mr Chris McFadden, Mr Warren Gilman, Ms Karri Howlett, Mr Richard Patricio, Mr Trevor Thiele, Ms Sybil Veenman and Mr Roberts are independent Directors for the purposes of NI 58-101.

NexGen does not consider:

- Mr Leigh Curyer to be independent due to his role as CEO and President of NexGen; or

- Mr Bradley Wall to be independent on the basis that he is an executive officer of the consulting company, Flying W Consulting that is engaged by NexGen (refer to Section 8.12 for further details).

5.5.5 Board Committees

5.5.5.1 Audit Committee

The role of the Audit Committee is to assist the Board in carrying out its accounting, auditing, financial reporting and risk management responsibilities, including maintaining oversight of:

- the quality, accuracy and integrity of NexGen's external financial reporting and financial statements;
- the reports, qualifications, independence and performance of NexGen's external auditors;
- NexGen's compliance with applicable legal and regulatory requirements;
- NexGen's risk identification, assessment and management program;
- NexGen's management of information technology relating to financial reporting and financial controls; and
- the maintenance of open channels of communication between management personnel, the external auditors and the Board.

Under its charter and applicable Canadian securities laws, the Audit Committee must comprise at least three independent Board members, each of whom must be independent under applicable securities laws and have not participated in the preparation of the financial statements of any Group member during the preceding three years. Further, under its charter and applicable Canadian securities laws, all members of the Audit Committee must be financially literate. Additionally, under its charter, at least one member should have financial expertise (i.e. should be an accountant or financial professional with an appropriate level of experience of financial and accounting matters). The Chair of the committee is appointed by the Board, in consultation with the Nomination and Governance Committee.

The current members of the Audit Committee are Trevor Thiele (Chair), Richard Patricio, Warren Gilman and Christopher McFadden.

The Audit Committee has adopted a policy that its external auditing firm must be independent of NexGen at all times. This charter requires that the committee review and assess the independence, quality of services and value of services of the external auditors annually (if required) and at a minimum at least every five years.

NexGen does not currently have an internal audit function in place. The Audit Committee charter puts in place processes to monitor NexGen's financial and risk management procedures and the Board currently considers these processes appropriate for the size and level of operations of NexGen. NexGen employs several safeguards to ensure that its risk management and internal control process is efficient and accurate.

The Audit Committee will meet quarterly, or more frequently at the discretion of the Audit Committee, as circumstances require. Directors, management personnel, legal counsel, external auditors and advisors may be invited to meetings at the discretion of the committee. The Audit Committee may, at any time, obtain outside financial, legal or other advisors as it determines necessary to carry out its duties. The Audit and Risk Committee will report to the Board after each committee meeting.

5.5.5.2 Nomination and Governance Committee

The role of the Nomination and Governance Committee is to assist and advise the Board (to ensure the Board can properly carry out its responsibilities) in relation to:

- the development, implementation and monitoring of NexGen's corporate governance practices;
- Director and Board performance evaluation processes and criteria;
- the size and composition of the Board and Board committees;
- the establishment of appropriate risk oversight functions at the Board and Board committee levels; and
- succession planning for the Board and senior management,

to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills, and in the best interests of NexGen as a whole.

Under its charter, the Nomination and Governance Committee must comprise at least two independent Board members. The Chair of the Nomination and Governance Committee is appointed by the Board.

The current members of the Nomination and Governance Committee are Richard Patricio (Chair), Sybil Veenman and Trevor Thiele.

The Nomination and Governance Committee will meet semi-annually, or more frequently as the circumstances require. Directors, management personnel, legal counsel, external auditors and advisors may be invited to meetings at the discretion of the Nomination and Governance Committee. The Nomination and Governance Committee will report regularly to the Board after each meeting.

5.5.5.3 Compensation Committee

The role of the Compensation Committee is to assist and advise the Board in relation to remuneration policies and practices, including:

- reviewing the Board's compensation;
- overseeing NexGen's compensation programs, including executive compensation and the identification and management of risks associated with NexGen's compensation policies and practices;
- considering, and mitigating, the Board's succession and resource planning risks; and
- ensuring the following:
 - o executive compensation is adequate to attract, motivate and retain, competent executive personnel; and
 - o executive compensation is directly and materially related to performance and aligned with the short term and long term objectives of NexGen and its Shareholders.

Under its charter, the Compensation Committee must comprise at least two independent Board members.

The current members of the Compensation Committee are Richard Patricio (Chair), Trevor Thiele and Sybil Veenman. The Chair of the committee is appointed by the Board.

The Compensation Committee will meet semi-annually, or more frequently as the circumstances require. Directors, management personnel, legal counsel, external auditors and advisors may be invited to meetings at the discretion of the Compensation Committee. The Compensation Committee will report regularly to the Board after each meeting.

5.5.5.4 ESG Committee

The role of the ESG Committee is to assist the Board in reviewing and monitoring the environmental, corporate social responsibility and health and safety practices of NexGen.

The committee will conduct periodic reviews of matters relating to the environment, corporate social responsibility and health and safety and provide guidance to management to ensure that NexGen is operating within the appropriate guidelines.

Under its charter, the ESG Committee must comprise at least two directors, with one being an independent Board member. The current members of the ESG Committee are Karri Howlett (Chair), Leigh Curyer, Christopher McFadden and Warren Gilman.

The ESG Committee will meet semi-annually, or more frequently as the circumstances require. Directors, management personnel, legal counsel, external auditors and advisors may be invited to meetings at the discretion of the ESG Committee. The ESG Committee will report to the Board after each meeting.

5.6 Corporate Governance Policies

Set out below is a summary of the key corporate governance policies adopted by the Board.

Copies of the policies are available to view on, and are located in the corporate governance section of, NexGen's website at www.nexgenenergy.ca/.

5.6.1 Code of Ethics

NexGen has adopted a code of ethics to ensure NexGen and its directors, officers, employees, consultants, contractors and agents foster a consistent and high standard of ethical behaviour and professional integrity. This code of ethics stipulates that no person associated with NexGen should achieve results through violation of laws or regulations or through unscrupulous dealings.

5.6.2 Diversity Policy

NexGen has adopted a diversity policy to communicate the importance NexGen places on the diversity of its Board and senior management team. NexGen also strives for diversity in areas such as senior leadership and gender. The Nomination and Governance Committee is responsible for overseeing the implementation of the diversity policy.

5.6.3 Insider Trading and Reporting Policy

NexGen has adopted an insider trading policy that applies to the Group's employees, directors, consultants, contractors and agents, family members of those persons and affiliates of such persons and their family members (**NexGen Personnel**). The policy prohibits NexGen Personnel from trading with the knowledge of inside information, being information that would reasonably be expected to have a significant effect on the market price or value of NexGen's securities and information that is not generally available to the public that a reasonable investor would be likely to consider important when making an investment decision.

5.6.4 Whistle-blower Policy

The Group is committed to the highest standards of professional and ethical conduct in all activities and believes it is critical to maintain a workplace where concerns regarding questionable business practices can be raised without fear of any discrimination, retaliation or harassment. Accordingly, NexGen has adopted a whistle-blower policy where employees, consultants and contractors, of the Group are informed of the procedure by which they can raise concerns confidentially (which they may elect to do so anonymously), regarding potential unprofessional or unethical conduct, or wrongdoing, in NexGen without fear of harassment or victimisation.

5.6.5 Continuous Disclosure and Communications Policy

NexGen has adopted a continuous disclosure policy which establishes procedures which are aimed at ensuring that Directors and employees are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information. The disclosure policy contains procedures and guidelines including but not limited to; trading restrictions and blackout periods, maintaining confidentiality, public relations with the media, investors and analysts, expert disclosure, electronic communications and forward-looking information (refer to Section 8.11 and the disclosure policy set out in full on NexGen's website).

NexGen also aims to communicate all important information relating to NexGen to its Shareholders. Additionally, NexGen recognises that potential investors and other interested stakeholders may wish to obtain information about NexGen from time to time. To achieve this, NexGen will communicate information regularly to shareholders and other stakeholders through a range of forums and publications (including through its website, at the annual general meeting, through the AIF and via ASX, TSX and NYSE American announcements).

5.6.6 Majority Voting Policy

NexGen has adopted a majority voting policy which requires that each Director must be elected by at least a majority of the votes cast with regard to his or her election (**Majority Voting Policy**). Any Director who receives a greater number of votes "withheld" from his or her election than votes "for" such election must promptly tender his or her resignation to the Board, to be effective upon acceptance by the Board. The Nomination and Governance Committee will make a determination as to whether or not to accept the tendered resignation and make a recommendation to the Board. The Board will then determine whether or not to accept the tendered resignation within 90 days of the shareholder meeting. The Nomination and Governance Committee will accept the tendered resignation absent exceptional circumstances and the resignation will be effective when accepted by the Board. NexGen shall promptly issue a news release with the Board's decision which, in the event the resignation is not accepted, must fully state the reason for that decision. Subject to any restrictions under applicable Canadian laws, the Board may fill any resulting vacancy through the appointment of a new director. The Director in question may not participate in any committee or Board votes concerning his or her resignation. The Majority Voting Policy will not apply in circumstances involving contested director elections.

6. DETAILS OF THE OFFER

6.1 Description of the Offer

This Prospectus relates to the public offering of 400,000 CDIs over 400,000 Shares (i.e. a ratio of 1 CDI for 1 Share) at an Offer Price of A\$5.60 per CDI to raise A\$2,240,000 (before associated costs).

Successful Applicants will receive CDIs in respect of Shares applied for. The issue of CDIs is necessary to allow ASX trading of securities of a company incorporated in Canada. CDIs give a holder similar, but not identical rights, to a holder of Shares. Refer to Sections 6.10 and 8.2 for further details of CDIs.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus. Refer to Section 6.5 for details on how to apply for Shares under the Offer.

The Offer is not underwritten.

6.2 Minimum Subscription

The Offer is subject to a minimum subscription of 400,000 CDIs to raise A\$2,240,000 (before associated costs) (**Minimum Subscription**).

None of the CDIs offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within three months from the date of this Prospectus, NexGen will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

6.3 Conditions of the Offer

The Offer is conditional upon:

- achieving the Minimum Subscription (refer to Section 6.2) and
- ASX granting conditional approval for NexGen to be admitted to the Official List as an ASX Foreign Exempt Listing (subject to such conditions as are acceptable to NexGen),

(together, the **Conditions**).

If the Conditions are not satisfied NexGen will not proceed with the Offer and will refund all Application Monies (without interest) in accordance with the Corporations Act.

6.4 Purpose of the Offer

The purpose of this Prospectus and the Offer is to assist NexGen to meet the requirements of ASX as part of NexGen's Listing application.

In addition, an amount of approximately A\$2.24 million will sought to be raised under this Prospectus.

Additionally, the Prospectus ensures that on-sales of any CDIs, transmuted from Shares issued by NexGen prior to the date of this Prospectus, do not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

6.5 Lead Manger Mandate

NexGen has engaged Argonaut to assist NexGen through the provision of capital raising services and to act as Lead Manager to the Offer.

Upon completion of the Listing, Argonaut will be entitled to a capital raising fee of 6% of the gross amount raised through the Offer.

In addition, Argonaut will be entitled to be reimbursed for reasonable out of pocket expenses incurred. Argonaut's engagement is subject to warranties, representations and indemnities that are customary for such an agreement.

6.6 How to Apply

Only persons invited by NexGen may participate in the Offer. These persons will be provided with a copy of the Prospectus together with an Application Form.

If you have received an invitation to apply for CDIs and wish to apply for those CDIs, you should contact your stockbroker for information about how to submit your Application Form and for payment instructions. Applicants must not send their Application Forms or payment to the Australian Share Registry.

Applications must be for a minimum of 900 CDIs (i.e. A\$5,040) and, thereafter, in multiples of 100 CDIs (i.e. A\$560). Applications for less than the minimum accepted Application of 900 CDIs will not be accepted. NexGen reserves the right to issue to an Applicant a lesser number of CDIs than the number applied for or reject an Application. Any Application Monies received for more than your final allocation of CDIs will be refunded (without interest) in accordance with the requirements of the Corporations Act.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

An original completed and lodged Application Form (or a paper copy of the Application Form from the Electronic Prospectus), together with the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of CDIs specified in the Application Form. The Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by NexGen upon allotment of the CDIs.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, NexGen reserves the right to extend the Offer or accept late Applications.

6.7 Risk Factors of an Investment in NexGen

Prospective investors should be aware that an investment in NexGen should be considered highly speculative and involves a number of risks inherent in the various business segments of NexGen. Section 4 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in NexGen.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in NexGen. If you have any questions about the desirability of, or procedure for, investing in NexGen please contact your stockbroker, accountant or other independent adviser.

6.8 ASX Foreign Exempt Listing

NexGen will apply to ASX within seven days of the Prospectus Date for admission to the Official List of ASX as an ASX Foreign Exempt Listing and quotation of all of its CDIs on ASX under the code "NXG". NexGen's Shares will also continue to be listed and posted for trading on the Foreign Exchanges.

Settlement of the Offer is subject to satisfaction of the Conditions (refer to Section 6.3), which include ASX granting conditional approval for NexGen to be admitted to the Official List as an ASX Foreign Exempt Listing (subject to such conditions as are acceptable to NexGen). If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

Once admitted to the Official List of ASX as an ASX Foreign Exempt Listing, NexGen will be exempt from complying with most of the ASX Listing Rules. However, NexGen will be required to:

- immediately provide to ASX all information it provides to the TSX that is, or is to be, made public;
- continue to comply with the TSX Rules and, by no later than the lodgement of its full year accounts with ASX each year, give ASX a statement that it continues to comply with those TSX Rules for release to the market;
- promptly inform ASX if it is granted a waiver of all or part of any TSX Rule and provide the terms of any such waiver for release to the market;
- immediately request a trading halt or suspension of its CDIs if trading in its Shares on TSX is halted or suspended;
- lodge with ASX on a monthly basis an Appendix 4A *Statement of CDIs on Issue*;
- comply with various ASX Listing Rules relating to transfers and registers of securities;
- lodge with ASX copies of notices it receives from substantial holders;
- comply with some ASX Listing Rules relating to certain procedural and administrative matters; and
- pay ASX's prescribed fees.

Neither ASX nor any of its officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The fact that ASX may admit NexGen to the Official List is not to be taken as an indication of the merits of NexGen or the CDIs being offered.

6.9 Allotment

Application Monies will be held in trust for Applicants until the allotment of the CDIs. Any interest that accrues will be retained by NexGen. No allotment of CDIs under this Prospectus will occur unless the Conditions are satisfied (refer to Section 6.3).

NexGen reserves the right to reject any Application or to issue a lesser number of CDIs than those applied for. Where the number of CDIs issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Subject to the matters in Section 6.3, CDIs under the Offer are expected to be allotted on the Allotment Date. It is the responsibility of Applicants to determine their allocation prior to trading in the CDIs issued under the Offer. Applicants who sell CDIs before they receive their holding statements or allotment confirmation do so at their own risk.

6.10 CDIs and CHESS

Successful Applicants should note that, as NexGen is incorporated and registered in British Columbia, Canada, they will be issued with CDIs instead of Shares under this Prospectus. This is because the requirements of Canadian laws that registered shareholders have the right to receive a stock certificate does not permit the CHESS system of holding uncertificated securities.

CDIs issued pursuant to this Prospectus will allow beneficial title to the Shares to be held and transferred. CDIs are electronic depositary interests or receipts issued and are units of beneficial ownership in Shares registered on the Canadian register of Shareholders in the name of CHESS Depositary Nominees Pty Ltd (**CDN**). CDN is a wholly owned subsidiary of ASX. The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN for the benefit of the CDI holder. The Shares underlying the CDIs issued pursuant to this Prospectus will be registered in the name of CDN for the benefit of CDI Holders. Each CDI represents one underlying Share.

CDN receives no fees from investors for acting as the depositary nominee in respect of CDIs.

CDI Holders have the same economic benefits of holding the underlying Shares. CDI Holders are able to transfer and settle transactions electronically on ASX.

With the exception of voting rights, the CDI Holders are generally entitled to equivalent rights and entitlements as if they were the legal owners of Shares. CDI Holders will receive notices of general meetings of Shareholders. As CDI Holders are not the legal owners of underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at shareholder meetings of NexGen on the instruction of the CDI Holders. CDI Holders are entitled to give instructions for one vote for every underlying Share held by CDN. Refer to Sections 8.2 (*Rights of CDI Holders*) 8.5 (*Converting between CDIs and Shares*) for further information about CDIs.

NexGen will apply to participate in CHESS, which is the ASX electronic transfer and settlement system in Australia, in accordance with the ASX Listing Rules and ASX Operating Rules. Settlement of trading of quoted securities on the ASX market takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHESS, NexGen will operate electronic issuer-sponsored and CHESS sub-registers. The two sub-registers together will make up NexGen's register of CDI holders. NexGen will not issue certificates of title to CDI holders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement or allotment confirmation notice which sets out the number of CDIs issued to them, in much the same way as the holder of shares in an Australian incorporated ASX-listed entity would receive a holding statement in respect of shares. A holding statement will also provide details of a CDI holder's Holder Identification Number (in the case of a holding on the CHESS sub-register) or Securityholder Reference Number (in the case of a holding on the issuer sponsored sub-register).

Following distribution of the initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of CDIs held by CDI Holders. CDI Holders may also request statements at any other time (although NexGen may charge an administration fee).

6.11 Overseas Applicants

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit the public offering of CDIs, in any jurisdiction outside of Australia.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. In particular, this Prospectus may not be distributed to any person, and the CDIs may not be offered or sold in any country outside Australia except to the extent permitted below.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by NexGen to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

6.12 Restricted Securities

None of the CDIs issued pursuant to the Offer or the existing Shares on issue will be subject to any ASX escrow restrictions.

6.13 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers.

Neither NexGen nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the Offer.

6.14 Enquiries

This Prospectus provides information for potential investors in NexGen and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in NexGen, please contact your stockbroker, accountant or independent financial adviser. Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to NexGen Australia Company Secretary on +61 8 9316 9100.

7. MATERIAL CONTRACTS

7.1 Shareholder Rights Plan

7.1.1 Background

On 22 April 2017, NexGen entered into a shareholders rights plan with Computershare Investor Services Inc (**Shareholder Rights Plan**). In accordance with its terms, the Shareholder Rights Plan is to be ratified at every third annual meeting. On 11 June 2020, Shareholders ratified the Shareholder Rights Plan, with the next ratification to occur at NexGen's 2023 annual general meeting.

Generally, takeover bids must remain open for at least 105 days from the date of mailing the circular (refer to Section 8.6.6 for a summary of applicable Canadian securities laws with respect to takeover bids). The purpose of the Shareholder Rights Plan is primarily to protect Shareholders against "creeping" take-over bids for control such as normal course market purchases of up to 5% per year, private agreement purchases from five or fewer sellers at a price not greater than 115% of market price, and the ability to purchase 5% of the outstanding shares during the course of a take-over bid. The Shareholder Rights Plan is intended to ensure that all Shareholders have an equal opportunity to share in the payment of a control premium.

For the purposes of the Shareholder Rights Plan, a "**Takeover Bid**" is an offer to acquire Shares or securities in NexGen which carry the right to vote generally for the election of directors (**Voting Shares**) or securities convertible into Voting Shares where the shares the subject of the offer, together with securities beneficially owned by the person making the Takeover Bid, constitute 20% or more of the Voting Shares of NexGen (**Relevant Threshold**).

The Shareholder Rights Plan encourages any potential bidder to proceed either with the approval of the Board or by way of a Takeover Bid which satisfies all of the following minimum conditions (a **Permitted Bid**):

- (a) the Takeover Bid must be made for all Shares other than those Shares held by the bidder;
- (b) the Takeover Bid shall contain irrevocable and unqualified conditions that:
 - (i) no Shares shall be taken up or paid for prior to close of business on a date which is not less than 105 days following the date of the Takeover Bid, and only if at such date more than 50% of the Shares held by Shareholders other than the bidder (and their associates and affiliates) have been deposited or tendered and not withdrawn;
 - (ii) any Shares may be:
 - (A) deposited at any time until they are first taken up and paid for unless the Takeover Bid is withdrawn; and
 - (B) withdrawn until taken up and paid for; and
 - (iii) if the deposit requirements in paragraph (b)(i) are met, the bidder will make a public announcement of that fact and the Takeover Bid will remain open for deposits and tender of common shares for not less than 10 days from the date of such public announcement.

7.1.2 Key Terms

The following is a summary of the material terms of the Shareholder Rights Plan.

7.1.2.1 Issue of Rights

In order to implement the Shareholder Rights Plan, the Board has authorised the issuance of one right (**Right**) in respect of each Share on issue and each Share subsequently issued by NexGen up until the Separation Time (defined below).

7.1.2.2 Trading of Rights

Rights are transferable only with the Shares up until the date that is 10 Canadian Business Days (**Separation Time**) after a person has acquired or commenced or publicly announced the intention to commence a Takeover Bid other than by an acquisition pursuant to a Permitted Bid. Until the Separation Time, the Rights will be evidenced by the certificates representing the Shares.

After the Separation Time, separate certificates evidencing the Rights (**Rights Certificates**) will be mailed to holders of Shares (other than a bidder) as of the Separation Time. Rights Certificates will also be issued for Rights in respect of Shares issued after the Separation Time.

7.1.2.3 Exercise of Rights

The acquisition by any person (an **Acquiring Person**) of a Relevant Threshold of Voting Shares, other than by way of a Permitted Bid, is a **Flip-In Event**.

Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event.

Ten Canadian Trading Days after the occurrence of the Flip-in Event, each Right (excluding Rights held by an Acquiring Person which have become void), will permit the purchase by holders of such Rights of Shares at a 50% discount to their market price.

7.1.2.4 Redemption and Waiver

- **Redemption of Rights:** The Board, with the approval of a majority of votes cast by the independent Shareholders (or the holders of Rights if the Separation Time has occurred) voting in person or by proxy at a meeting duly called for that purpose, may redeem the Rights at C\$0.000001 per Right (**Redemption Price**). Rights will be deemed to have been redeemed by the Board following completion of a Permitted Bid.
- **Inadvertent Acquisition:** The Directors acting in good faith will waive the application of the Shareholder Rights Plan in respect of the occurrence of any Flip-in Event which the Directors determine is inadvertent or temporary.
- **Permitted Bids:** If a person acquires, through a Permitted Bid or certain other exempt acquisitions, more than 50% of the Shares, the Directors shall be deemed to have elected to redeem all of the Rights at the Redemption Price.
- **Withdrawal or Termination of Takeover Bid:** Where a Takeover Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time and before a Flip-in Event occurs, the Directors may elect to redeem all the outstanding Rights at the Redemption Price.

7.1.2.5 Anti-Dilution Mechanisms

The exercise price of a Right, the number and kind of securities subject to purchase upon the exercise of each Right, and/or the number of rights outstanding are subject to adjustment from time to time in certain circumstances including upon a Share split or consolidation by NexGen.

7.2 Investor Rights Agreements

7.2.1 Background

On 21 July 2017, NexGen entered into an Investor Rights Agreement with CEF Holdings, CEF (Capital Markets) Limited, Next Global Holdings Limited and Sprinkle Ring Investment Limited (together, the **Initial 2017 Investors**) in connection with an aggregate US\$170 million financing package comprising US\$50 million Shares and US\$120 million convertible debentures that were converted, at the holders' election, in February 2021 (**2017 Investor Rights Agreement**).

By way of agreement dated 27 June 2019, Canadian Imperial Bank of Commerce and Cheung Kong (Holding) Limited (together, with the Initial 2017 Investors, the **2017 Investors**) acquired Shares and convertible debentures from the Initial 2017 Investors and became parties to the 2017 Investor Rights Agreement.

In May 2020, NexGen entered into an investor rights agreement with Queen's Road Capital Investment Ltd. (**Queen's Road**) in connection with a US\$30 million financing package comprising US\$15 million of Shares and the 2020 Convertible Debentures (**2020 Investor Rights Agreement**).

Refer to Section 8.4 for a summary of the terms of the 2020 Convertible Debentures.

The 2017 Investor Rights Agreement and the 2020 Investor Rights Agreement (together, the **Investor Rights Agreements**) provide certain separate and independent rights to the 2017 Investors and Queens Road.

7.2.2 Key Terms

The following is a summary of the material terms of the Investor Rights Agreements.

7.2.2.1 Board Nominee

Under the terms of the 2017 Investor Rights Agreement, if the 2017 Investors and their Affiliates have, in aggregate, an Investor Percentage greater than 15%, CEF (on behalf of the 2017 Investors) has the right to appoint a nominee to the Board of NexGen.

There are no Board nomination rights under the terms of the 2020 Investor Rights Agreement.

7.2.2.2 Standstill

Whilst:

- (a) the 2017 Investors have an Investor Percentage, in aggregate, of more than 10%; and/or
- (b) Queens Road has an Investor Percentage of more than 5%,

the 2017 Investors and/or Queens Road (as applicable) may not:

- (c) acquire any securities in NexGen;
- (d) solicit proxies from security holders or otherwise attempt to influence the conduct of security holders;
- (e) solicit, initiate or engage in any discussions or negotiations, or enter into any agreement in order to propose or effect any take-over bid, tender or exchange offer, amalgamation, merger, arrangement or other business combination involving NexGen propose or effect any acquisition of assets from NexGen; or

- (f) directly or indirectly, seek to control or influence the Board.

7.2.2.3 Voting Alignment

Whilst:

- (a) the 2017 Investors have an Investor Percentage, in aggregate, of more than 10%; and/or
- (b) Queens Road has an Investor Percentage of more than 5%,

the 2017 Investors and/ or Queens Road (as applicable) will exercise the votes attached to any and all Shares held holds in the manner recommended by the Board to the Shareholders of NexGen.

7.2.2.4 Voting Alignment - Change of Control

Whilst:

- (a) the 2017 Investors have an Investor Percentage, in aggregate, of more than 10%; or
- (b) Queens Road has an Investor Percentage of more than 5%,

the 2017 Investors and/ or Queens Road (as applicable):

- (c) will not tender or agree to tender any Shares it holds (including, in the case of Queens Road, as a result of the conversion of any 2020 Convertible Debentures) to an unsolicited takeover bid that constitutes a Change of Control unless and until the Board recommends that Shareholders accept such bid or the bidder acquires more than 66.66% of the Shares (on a fully diluted basis); and
- (d) will exercise the votes attached to any Shares it holds (including, in the case of Queens Road, as a result of the conversion of the 2020 Convertible Debentures) in the manner recommended by the Board to the Shareholders of NexGen in respect of any Change of Control transaction.

Additionally, whilst Queens Road has an Investor Percentage of more than 5%, Queens Road will not convert the 2020 Convertible Debentures in circumstances where an unsolicited takeover bid is made that constitutes a Change of Control unless and until the Board recommends that Shareholders accept such takeover bid or the bidder acquires more than 66.66% of the Shares (on a fully diluted basis).

7.2.2.5 Disposing Shares

Whilst:

- (a) the 2017 Investors have an Investor Percentage, in aggregate, of more than 10%; or
- (b) Queens Road has an Investor Percentage of more than 5%,

the 2017 Investors and/ or Queens Road (as applicable) are subject to restrictions on disposing any Shares they hold, consisting of giving prior notice to NexGen of any proposed disposition (within a 30 day period) of more than 0.5% of the number of Shares and either:

- (c) disposing of such Shares to specific willing investors identified by NexGen within a seven day period; or
- (d) thereafter, disposing of such Shares either through a broad distribution on the public markets or in a private transaction or block trade to anyone other than specific investors identified by NexGen within the seven day period.

7.2.3 Fundamental Change

Each of the restrictions in Sections 7.2.2.2 to 7.2.2.4 (inclusive) may be undertaken with the prior consent of NexGen, or upon the completion of a Change of Control that includes each of the following components:

- (a) the occurrence of one or more of the following events:
 - (i) the acquisition by any transaction, directly or indirectly, by a person or group of persons acting jointly or in concert of voting control or direction over 50% or more of NexGen's Shares;
 - (ii) the amalgamation, consolidation or merger of NexGen with or into another entity as a result of which the holders of the shares immediately prior to such transaction, directly or indirectly, hold less than 50% of voting control or direction over the entity carrying on the business of NexGen following such transaction; or
 - (iii) the sale, assignment, transfer or other disposition of all or substantially all of the property or assets of NexGen to another entity in which the holders of the common shares immediately prior to such transaction, directly or indirectly, hold less than 50% of voting control or direction following such transaction; or one or more of items (a), (b) or (c) of the definition of Change of Control; and
- (b) the removal by resolution of the Shareholders of NexGen, of more than 51% of the then incumbent directors of NexGen which removal has not been recommended in NexGen's management information circular, or the failure to elect to the Board a majority of the directors proposed for election by management in NexGen's management information circular; and
- (c) the CEO of NexGen no longer being actively employed as the most senior executive officer of NexGen following completion of the Change of Control.

7.3 Summary of the Stock Option Plan

7.3.1 Number of Shares reserved

The maximum aggregate number of Shares that may be reserved for issuance under the Stock Option Plan at any time is 20% of the outstanding Shares.

7.3.2 Administration

The Stock Option Plan is administered by the Board or by a committee of the Board, to which such authority is delegated by the Board from time to time.

7.3.3 Eligible Persons

The Stock Option Plan provides that options (**Plan Options**) may be issued only to employees, officers, directors or service providers (being a person or company engaged by NexGen to provide services for a period of 12 months or more) (**Eligible Person**).

7.3.4 Board Discretion

The Stock Option Plan provides that, generally, the exercise price, the expiry time, the extent to which a Plan Option is exercisable and other terms and conditions relating to such Plan Option

shall be determined by the Board or any committee to which such authority is delegated by the Board from time to time.

7.3.5 Limitation on Grant

The number of Shares that may be issued under the Stock Option Plan to insiders (as defined in applicable securities legislation) within one year, or issuable to insider at any time pursuant to the Plan Options granted, together with all other shares that may be issuable under any other security-based compensation plan (as defined in the rules of the TSX) of NexGen, shall not exceed 10% of the outstanding Shares.

7.3.6 Maximum Term of Plan Options.

Plan Options granted under the Stock Option Plan will be for a term not exceeding ten years from the date of grant. Plan Options, which may expire during a restricted trading period imposed by NexGen in accordance with applicable Canadian securities laws, will be extended for a period of 10 Canadian Business Days.

7.3.7 No Assignment.

The Plan Options may not be assigned or transferred.

7.3.8 Change of Control Event

Upon the occurrence of any one or more of the following events: (i) a merger, consolidation, plan of arrangement or reorganisation of NexGen that results in the beneficial, direct or indirect, transfer of more than 50% of the total voting power of NexGen's outstanding securities to a person, or group of persons acting jointly and in concert, who are different from the persons that have, beneficially, directly or indirectly, more than 50% of the total voting power prior to such transaction; (ii) the consummation of a sale of all or substantially all of the assets of NexGen, (iii) a resolution is adopted to windup, dissolve or liquidate NexGen; (iv) the acquisition, beneficially, directly or indirectly, by any person or group of persons acting jointly or in concert, within the meaning of *Multilateral Instrument 62-104 - Take-Over Bids and Issuer Bids* (or any successor instrument thereto), of Shares of NexGen which, when added to all other Shares of NexGen at the time held beneficially, directly or indirectly by such person or persons acting jointly or in concert, totals for the first time more than 50% of the outstanding Shares of NexGen; or (v) the removal of more than 51% of the then incumbent directors of NexGen, or the election of a majority of directors to the Board who were not members of the Board incumbent board immediately preceding such election, then all Options automatically vest.

7.3.9 Termination Prior to Expiry

Generally, Plan Options must expire and terminate on a date stipulated at the time of grant and, in any event, must terminate not later than 90 days following the date on which the Plan Option holder ceases to be an Eligible Person, or 30 days following the date on which the option holder ceases to be an Eligible Person if the Eligible Person is terminated for cause. If a Plan Option holder dies, the Plan Options of the deceased Plan Option holder will be exercisable by his or her estate for a period not exceeding 12 months or the balance of the term of the Plan Options, whichever is shorter.

7.3.10 Exercise Price

Plan Options granted under the terms of the Stock Option Plan are exercisable at a price set at the date of the grant which is not less than the closing price of the Shares on the TSX immediately preceding the date of grant.

7.3.11 Full Payment for Shares

NexGen will not issue Shares pursuant to Plan Options unless and until the Shares to be issued on exercise of the Plan Options have been fully paid for.

However, with the approval of the Board, an Eligible Person may elect to exercise a Plan Option by way of cashless exercise in accordance with the following formula (**Cashless Exercise**):

$$X = [Y(A-B)]/A$$

Where:

X is the number of Shares to be issued to the Eligible Person upon such Cashless Exercise.

Y is the number of Shares underlying the Plan Option being exercised.

A is the closing price of the Shares on TSX as of the date of receipt by NexGen of such Cashless Exercise notice, if greater than the Exercise Price.

B is the exercise price of the Plan Option being exercised

7.3.12 Termination of Plan

Subject to any regulatory approvals, NexGen may terminate or suspend the Stock Option Plan.

7.3.13 Vesting

Plan Options granted under the Stock Option Plan shall vest in accordance with any vesting schedule set by the Board at the time of the grant.

7.3.14 Amendments

Pursuant to the policies of the TSX, the Board may, at any time, without further approval by Shareholders, amend the Stock Option Plan or any option granted thereunder to: (i) amend typographical, clerical and grammatical errors; (ii) reflect changes to applicable securities laws; (iii) amendments to the vesting provisions of the Stock Option Plan or any Plan Option (iv) amendments to the early termination provision of the Stock Option Plan or any Plan Option, provided the amendment does not entail an extension beyond the expiry date of the Plan Option (v) and the addition of any form of financial assistance by NexGen for the acquisition of Shares under the Stock Option Plan, including by way of Cashless Exercise.

8. ADDITIONAL INFORMATION

8.1 Rights Attaching to Shares

The rights and liabilities attaching to the Shares are governed by NexGen's Articles (**Articles**) and the BCBCA. A summary of the key rights and liabilities attaching to the Shares as set forth in the Articles are set forth below. This summary is qualified by the full terms of the Articles (a full copy of the Articles is available from NexGen on request free of charge and is also available on NexGen's website at www.nexgenenergy.ca/corporate/corporate-governance/), the BCBCA, applicable Canadian and US Securities laws and, once NexGen is admitted to the Official List of ASX, certain limited ASX Listing Rules (refer to Section 6.8 for a summary of the ASX Listing Rules applicable to NexGen) and the ASX Settlement Rules. The below summary and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders.

These rights and liabilities can involve complex questions of law arising from an interaction of the Articles with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

8.1.1 Recognition of Trusts

Except as required by law or the Articles, no person will be recognised by NexGen as holding any Share upon any trust, and NexGen is not bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or fraction of a Share or any other rights in respect of any Share except an absolute right to the entirety thereof in the Shareholder.

8.1.2 Issue of Shares

NexGen may issue, allot, sell or otherwise dispose of unissued Shares, and issued Shares held by NexGen, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue price that the Directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share. The Shares are without par value.

NexGen may, at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase Shares of NexGen from NexGen or any other person or procuring or agreeing to procure purchasers for Shares of NexGen.

No Share may be issued until it is fully paid.

8.1.3 Share Transfers

A transfer of the Shares must not be registered unless:

- a duly signed instrument of transfer in respect of the Share has been received by NexGen;
- if a share certificate has been issued by NexGen in respect of the Share to be transferred, that share certificate has been surrendered to NexGen; and

- if a non-transferable written acknowledgement of the Shareholder's right to obtain a share certificate has been issued by NexGen in respect of the Share to be transferred, that acknowledgment has been surrendered by NexGen.

If a Shareholder signs an instrument of transfer in respect of Shares registered in the name of the Shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to NexGen and its directors, officers and agents to register the number of Shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the Shares represented by the share certificates or set out in the written acknowledgements deposited with the instrument of transfer:

- in the name of the person named as transferee in that instrument of transfer; or
- if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

There must be paid to NexGen, in relation to the registration of any transfer, the amount, if any, determined by the Directors.

8.1.4 Borrowing Powers

NexGen may, if authorised by Directors, borrow money, issue bonds, debentures and other debt obligations, guarantee the repayment of money and mortgage, charge or grant security interest in all or part of the assets of NexGen.

8.1.5 Meetings

An annual general meeting of Shareholders is required to be held by NexGen once in every calendar year and not more than 15 months after the last annual general meeting of Shareholders.

NexGen is required to give Shareholders at least 21 days' and not more than 2 months' notice of a meeting of Shareholders. Each Shareholder is entitled to receive notice of, attend and vote at any meeting of Shareholders and to receive all notices required to be sent to Shareholders under applicable law.

A general meeting of NexGen may be held anywhere in the world as determined by the directors. Meetings are generally held in Vancouver, Canada.

8.1.6 Meetings – Voting

Unless the BCBCA or Articles require a special resolution, any action that must or may be taken or authorised by the shareholders of NexGen may be taken or authorised by an ordinary resolution. Ordinary resolutions of NexGen are passed by a simple majority of votes cast on the resolution. The majority of votes required for NexGen shareholders to approve a special resolution at a meeting of Shareholders is two-thirds of the votes cast on the resolution.

The quorum for the transaction of business at a meeting of Shareholders is two persons who are, or represent by proxy, Shareholders which hold, in the aggregate, at least 5% of the issued Shares entitled to be voted at the meeting.

Every motion put to a vote at a meeting of Shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one Shareholder entitled to vote who is present in person or by proxy.

Subject to any special rights or restrictions attached to any Shares and to the restrictions imposed on joint Shareholders on a vote by show of hands, every person present who is a Shareholder or proxy holder and entitled to vote on the matter has one vote, and on a poll, every Shareholder entitled to vote on the matter has one vote in respect of each Share entitled to be voted on the matter and held by that Shareholder and may exercise that vote either in person or by proxy.

As detailed in Section 8.2, holders of CDIs can attend but cannot vote in person at a general meeting, and must instead direct CDN how to vote in advance of the meeting. Any notice of meeting issued to CDI Holders will include a form permitting the holder to direct CDN to cast proxy votes in accordance with the holder's written instructions.

8.1.7 Directors – Appointment, Rotation and Removal

8.1.7.1 Nomination

Under the Articles, nominations of persons for election to the Board may be made at any annual general meeting or at any special meeting of Shareholders (if one of the purposes for which the special meeting was called was the election of directors). In order to be eligible for election persons must be nominated in accordance with one of the following procedures: (A) by or at the direction of the Board, (B) by or at the direction or request of one or more Shareholders pursuant to a proposal made in accordance with the provisions of the BCBCA or a requisition of the Shareholders made in accordance with the provisions of the BCBCA, or (C) by any person who provides the requisite notice to NexGen pursuant to the Articles.

Nominations for election to the Board must be made to the company secretary:

- in the case of an annual general meeting, not less than 30 nor more than 65 days prior to the date of the meeting of Shareholders; provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the meeting is made (**Notice Date**), notice is made not later than the close of business on the 10th day following the Notice Date; and
- in the case of a special meeting called for the purpose of electing directors (whether or not called for other purposes), such notice is made not later than the close of business on the 15th day following the Notice Date.

8.1.7.2 Election, Rotation & Removal

Each of the Directors shall be elected at each annual general meeting of Shareholders and shall serve in office until the close of the next annual general meeting, unless they vacate their office earlier. Each Director retiring at an annual general meeting of Shareholders is eligible to be re-elected at that meeting.

Additional Directors may be elected at general meetings by an ordinary resolution passed by the Shareholders. The Board may also appoint additional Directors or Directors to fill a casual vacancy. Directors so elected or appointed must retire at the next annual general meeting, at which they may seek re-election.

A Director may be removed from office by an ordinary resolution passed by the Shareholders. The Board shall also be entitled to remove from office any Director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the Board may appoint a director to fill the resulting vacancy.

8.1.8 Directors – remuneration

Under the Articles, the Directors may fix the remuneration of the directors, officers and employees of NexGen. Additional remuneration may be paid above this fixed amount to directors providing professional or other services to NexGen outside the ordinary duties of a director. Under applicable Canadian securities law, a report on executive and director compensation is required to be included in NexGen's Management Information Circular distributed to Shareholders in connection with its annual meeting of Shareholders each year.

8.1.9 Directors – indemnification

Subject to the BCBCA, NexGen may indemnify a director, former director or officer or former officer of NexGen and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and NexGen must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and officer is deemed to have contracted with NexGen on these terms.

8.1.10 Dividends

Pursuant to the Articles and subject to applicable law, the Board may from time to time declare and authorise payment of such dividends on the Shares as they may deem advisable, and the Board may determine the time for payment of such dividends and the record date for determining the Shareholders entitled thereto.

8.1.11 Amendment to Articles

If the BCBCA does not specify the type of resolution and the Articles do not specify another type of resolution, NexGen may by ordinary resolution of shareholders alter the Articles (refer to Sections 8.6.2.5 and 8.6.4 for examples of the approval requirements for altering NexGen's Articles).

8.2 Rights of CDI Holders

8.2.1 Nature of CDIs

The Shares the subject of the Offer will trade on ASX in the form of CDIs.

A CDI is a unit of beneficial ownership in a share (or beneficial interest in a share) or option of a foreign company, where the underlying share, interest or option is registered in the name of a depositary nominee (in this case CDN), for the purpose of enabling the foreign share, interest or option to be traded on ASX.

For further information see Section 6.10.

8.2.2 Specific Features of CDIs

The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN on the Canadian register of Shareholders for the benefit of the CDI Holder.

Each CDI will represent one underlying Share.

CDI Holders have the same economic benefits of holding the underlying Shares. CDI Holders are able to transfer and settle transactions electronically on ASX.

With the exception of voting rights, the CDI Holders are entitled to equivalent rights and entitlements as if they were the legal owners of Shares. CDI Holders will receive notices of general meetings of Shareholders.

For further information see Section 6.10.

8.2.3 Identity and role of CDN

The Shares underlying the CDIs issued pursuant to this Prospectus will be registered on the Canadian register of Shareholders in the name of CDN, a wholly owned subsidiary of ASX.

Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder.

CDN receives no fees from investors for acting as the depositary nominee in respect of CDIs.

8.2.4 How to convert CDIs into Shares

For information on how to convert CDIs to Shares, refer to Section 8.5.

8.2.5 Voting Rights

CDI Holders cannot vote personally at Shareholder meetings. The CDI Holder must convert their CDIs into certificated Shares prior to the relevant meeting in order to vote in person at the meeting.

As CDI Holders are not the legal owners of underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at Shareholder meetings of NexGen on the instruction of the CDI Holders.

The ASX Settlement Rules require NexGen to give notices to CDI Holders of general meetings of Shareholders. The notice of meeting must include a form permitting the CDI Holder to direct CDN how to vote on a particular resolution, in accordance with the CDI Holder's written directions. CDN is then obliged under the ASX Settlement Rules to lodge proxy votes in accordance with the directions of CDI Holders.

CDI Holders are entitled to give instructions for one vote for every underlying Share held by CDN.

For further information see Section 6.10.

8.2.6 Dividends or Other Distributions

The ASX Settlement Rules require that all economic benefits, such as dividends, bonus issues, or other distributions flow through to CDI Holders as if they were the legal owners of the underlying securities.

As each CDI will represent one underlying Share, in the event NexGen pays a dividend or undertakes a distribution, CDI holders will receive the same benefit as if they were holding Shares.

8.2.7 Corporate Actions

The ASX Settlement Rules require that all economic benefits, such as dividends, bonus issues, rights issues or similar corporate actions flow through to CDI Holders as if they were the legal owners of the underlying securities.

However, in some cases, marginal difference may exist between the resulting entitlements of CDI Holders and the entitlements they would have accrued if they held Shares directly. This is because, for the purposes of certain corporate actions, CDN's holding of Shares is, for Canadian legal reasons, treated as a single holding, rather than as a number of smaller separate holdings corresponding to the individual interests of CDI Holders (thus, for example, CDI Holders will not benefit to the same extent from the rounding up of fractional entitlements as if they held Shares directly).

8.2.8 Takeovers

If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, the ASX Settlement Rules require that CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. In these circumstances, CDN must ensure that the offeror, pursuant to the takeover bid, processes the takeover acceptance.

8.3 Terms and Conditions of Options

As at the date of this Prospectus, NexGen has outstanding 39,846,495 Options all of which were issued under the Stock Option Plan (refer to Section 7.3 for a summary of the Stock Option Plan).

The key terms of the Options are set out below:

Class	Number of Options	Exercise Price (C\$)	Expiry Date	Number of Options Exercisable
A	2,450,000	2.24	15/12/2021	100%
B	2,925,000	3.39	14/12/2022	100%
C	75,000	2.39	13/04/2023	100%
D	3,450,000	2.85	08/06/2023	100%
E	100,000	2.66	20/06/2023	100%
F	720,482	2.49	21/08/2023	100%
G	2,475,000	2.41	31/12/2023	100%
H	500,000	2.27	21/03/2024	100%
I	250,000	2.22	27/03/2024	100%
J	3,400,000	1.92	12/06/2024	100%
K	188,679	1.59	16/08/2024	100%
L	3,867,334	1.59	24/12/2024	2,578,222
M	4,475,000	1.80	12/06/2025	2,983,326
N	4,880,000	3.24	11/12/2025	1,626,664
O	250,000	5.16	16/02/2026	83,333
P	650,000	4.53	31/03/2026	216,665
Q	9,190,000	5.84	10/06/2026	3,063,333

8.4 Terms of the 2020 Convertible Debentures

8.4.1 Background

On 27 May 2020, NexGen entered into a Trust Indenture with Computershare Trust Company of Canada (**CTDC**) (**Trust Indenture**) in relation to the issue of US\$15 million in aggregate principal amount of unsecured convertible debentures in favour of Queen's Road (**2020 Convertible Debentures**).

8.4.2 Key Terms

The 2020 Convertible Debentures have the following key terms:

Class	Conversion Price	Redemption Date	Maturity Date	No of NexGen Shares
2020 Convertible Debentures	C\$2.34 ⁽¹⁾	27 May 2023	27 May 2025	7,817,385 ⁽²⁾

Notes

1. The Conversion Price for the 2020 Convertible Debentures will be converted to USD at the exchange rate published immediately prior to the applicable date of conversion, where the exchange rate means the daily average rate of exchange between Canadian dollars and United States dollars as reported by the Bank of Canada at 16:30 (ET) on the date on which such calculation is to be performed.
2. The actual number of Shares to be issued on conversion of the 2020 Convertible Debentures will be calculated based on the Conversion Price converted to US\$ on the date of conversion, as described above.

8.4.2.1 Common Shares

The 2020 Convertible Debentures are convertible into a total of 7,817,385 Shares representing approximately 1.65% of NexGen's total issued Share capital (on an undiluted basis).

8.4.2.2 Interest

The 2020 Convertible Debentures bear interest at a rate of 7.5% per annum, payable semi-annually in arrears, with 5% of such interest payable in cash in USD, and the remaining 2.5% payable in Shares of NexGen, such shares to be issued at a price per share equal to the 20-day volume-weighted average trading price of NexGen's Shares on the Foreign Exchange which has the greatest volume of Shares traded (**Current Market Price**), and, if applicable, converted into USD using the average daily exchange rate reported by the Bank of Canada on those 20 Canadian Trading Days.

8.4.2.3 Priority

The 2020 Convertible Debentures are direct, unsecured obligations of NexGen and rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of NexGen.

8.4.2.4 Maturity

The 2020 Convertible Debentures mature on the Maturity Date.

8.4.2.5 Conversion

The 2020 Convertible Debentures are convertible at the holder's option any time prior to the Maturity Date, in whole or in part, into Shares in NexGen at the Conversion Price (subject to any adjustment).

The maximum aggregate number of Shares that the 2020 Convertible Debentures may convert into without the prior approval of any securities exchange is 24,000,000 Shares.

8.4.2.6 Redemption – Company Option

NexGen may redeem the 2020 Convertible Debentures in whole or in part:

- after the Redemption Date and prior to the Maturity Date; and
 - provided that the Current Market Price on the date that NexGen provides notice of its intention to redeem is greater than 130% of the Conversion Price,
- at a price equal to the outstanding principal amount plus accrued and unpaid interest.

8.4.2.7 Redemption – Change of Control

Upon completion of a Change of Control, NexGen has the right to redeem all (but not part) of the 2020 Convertible Debentures at a price equal to 130% of the principal amount plus accrued but unpaid interest, if any if the change of control occurs prior to the Redemption Date or 115% of the principal amount plus accrued but unpaid interest (if any) if the Change of Control occurs after the Redemption Date.

In addition, upon the public announcement of a Change of Control that is supported by the Board, NexGen may require the holders to convert their 2020 Convertible Debentures into Shares at the Conversion Price provided the consideration payable upon the Change of Control exceeds the Conversion Price and is either payable in cash or is payable in property or securities which the holders, in their sole discretion, wish to receive.

8.4.2.8 Put Right – Change of Control and Management

Upon completion of a Change of Control (which, for the purposes of this paragraph 8.4.2.8, includes only paragraphs (a), (b) and (d) of the definition of Change of Control as set out in Section 11) and a Change of Management, each holder of 2020 Convertible Debentures has the right to require NexGen to redeem all or any part of such holder's 2020 Convertible Debentures in cash at a price equal to:

- 130% of the principal amount plus accrued but unpaid interest, if any if the Change of Control occurs prior to the Redemption Date; or
- 115% of the principal amount plus accrued but unpaid interest (if any) if the Change of Control occurs after the Redemption Date.

8.4.2.9 Compulsory Acquisition

If an offer is made to acquire the 2020 Convertible Debentures, and that offer is accepted by holders representing 90% of the principal amount of the 2020 Convertible Debentures, the offeror is entitled to acquire the remaining 2020 Convertible Debentures in accordance with the terms of the applicable Trust Indentures.

8.4.2.10 Investor Rights Agreement

In connection with the issue of the 2020 Convertible Debentures, NexGen has entered into an investor rights agreement with Queen's Road. A summary of this agreement is set out in Section 7.2.

8.5 Converting Between Shares and CDIs

CDI Holders may at any time convert their holding of CDIs (tradeable on ASX) into Shares held on the Canadian register of Shareholders by:

- in the case of CDIs held through the issuer sponsored sub-register, contacting the Australian Share Registry directly to obtain the applicable 'CDI Cancellation Australian to Canadian Register' request form for completion and return it to NexGen's share registry; or
- in the case of CDIs held on the CHESS sub-register, contacting their controlling participant (generally a stockbroker), who will liaise with the Australian Share Registry to obtain and complete the request form.

Upon receipt of a request form, the relevant number of CDIs will be cancelled and Shares will be transferred from CDN into the name of the CDI Holder and a registered uncertificated book-entry position created or share certificate issued. This will cause your Shares to be registered on the Canadian register of Shareholders and trading will no longer be possible on ASX. The Canadian Share Registry will not charge an individual security holder or NexGen a fee for converting CDI holdings into Shares (although a fee will be payable by market participants). It is expected that this process will be completed within 24 hours, provided that the Australian Share registry has received a duly completed and valid form. No guarantee can be given regarding the actual timing for the conversion to take place.

A holder of Shares may also convert their Shares to CDIs by contacting their Canadian stockbroker (or applicable controlling participant) or the Canadian Share Registry where applicable. In this case, the Shares will be transferred from the Shareholder's name into the name of CDN and a CDI holding statement will be issued to the person who converted their Shares to CDIs in respect of the CDIs that have been issued. The Canadian Share Registry will not charge an individual security holder a fee for transferring seeking to convert the Shares (although a fee will be payable by market participants). The CDIs will be tradeable on ASX.

8.6 Summary of Applicable Canadian law

NexGen is incorporated under the BCBCA, and subject to the laws of the Province of British Columbia and the federal laws of Canada applicable therein. NexGen is also a reporting issuer under the securities laws in each province in Canada, except Québec. NexGen's Shares are listed and posted for trading on the TSX and NYSE American.

As NexGen is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the BCBCA, Canadian common law, applicable Canadian securities laws, applicable United States securities laws, the Articles, and the rules and policies of the TSX and NYSE American.

Upon completion of the Listing, NexGen must also comply with certain limited ASX Listing Rules, subject to any specific waivers granted by ASX (refer to Section 6.8 for a summary of the ASX Listing Rules applicable to NexGen).

This is a general summary of the laws and regulations concerning shares in a company incorporated in Canada. The summary is not an exhaustive summary of all relevant laws, rules and regulations and is intended as a general guide only. Further, the summary does not purport to be a comprehensive analysis of all the consequences resulting from acquiring, holding or disposing of such shares or interest in such shares. The laws, regulations, policies and procedures described are subject to change from time to time.

8.6.1 Directors

Pursuant to the BCBCA and the Articles, Directors shall manage or supervise the management of the business and affairs of NexGen.

8.6.2 General Meetings of Shareholders

8.6.2.1 Calling a meeting of Shareholders

The BCBCA and the Articles provide that NexGen may call a meeting of Shareholders at any time. The BCBCA also provides that holders of not less than 5% of the votes that may be cast at general meetings may requisition the Directors to call a general meeting of Shareholders for the purposes stated in the requisition. Subject to the requisition complying with the technical requirements in the BCBCA, Directors are required to call the requisitioned general meeting within 21 days of receiving the requisition and the meeting must be held within 4 months after the requisition date. If the Directors do not send a notice of general meeting within the specified timeframe outlined above, the requisitioning Shareholders, or any Shareholder holding more than 2.5% of the voting shares, may send the notice of general meeting for the purposes stated in the requisition.

Under Canadian law, a shareholder proposal is a document setting out a matter that the submitting shareholder proposes to have considered at the next general meeting of NexGen (**Shareholder Proposal**). Under the BCBCA, Shareholder Proposals may generally be submitted by both registered and beneficial shareholders who hold:

- at least 1% of the votes that may be cast at a general meeting (either alone or in aggregate with other shareholders); or
- shares with a fair market value of more than C\$2,000 if the applicable holder of such shares has been a registered owner or beneficial shareholder for a continuous period of at least 2 years before the execution of the Shareholder Proposal.

If a Shareholder Proposal has been submitted in accordance with the BCBCA, NexGen is required to set out the text of the Shareholder Proposal and the names and mailing addresses of the submitter and the supporters to all persons entitled to receive notice of the annual general meeting to which the Shareholder Proposal refers. Such information must be despatched either in the notice of annual general meeting or in NexGen's management proxy circular (or equivalent) in relation to the annual general meeting unless an exception in the BCBCA applies.

8.6.2.2 Right to appoint proxies

The BCBCA provides that, subject to certain exceptions, a Shareholder is entitled to vote at a meeting of NexGen in person or by proxy. According to the Articles, every Shareholder is entitled to vote at a meeting of NexGen and may appoint one but not more than five proxy holders to

attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

8.6.2.3 Notices of meetings

The BCBCA and the Articles require that notice of a meeting of shareholders must be provided to the shareholders entitled to vote not less than 21 days and not more than 2 months before the meeting.

Under applicable Canadian securities laws, any time that management of NexGen gives notice of a meeting to its registered holders of voting securities, it must also send or otherwise make available such as through notice-and-access procedures a form of proxy for voting at the meeting to such holders and a MIC in prescribed form together with the notice of meeting

8.6.2.4 Timing of annual shareholder meetings

The time frame within which NexGen annual meeting of securityholders must be held is prescribed by the BCBCA, which stipulates that a corporation must hold an annual meeting of securityholders not later than 15 months after the date of its previous annual meeting.

8.6.2.5 Transactions requiring shareholder approval

Under the BCBCA, the constituent documents of NexGen consist of the "notice of articles", which includes the name of the corporation and the amount and class of authorised capital, and "articles" which govern the operation of the corporation. The notice of articles is filed with the British Columbia Registrar of Companies and the articles are filed with the company's registered and records office.

The required authorisation to amend the notice of articles or articles of a corporation under the BCBCA will be specified in the BCBCA or the articles of the company based on the type of resolution, and if none is specified, by ordinary resolution of shareholders. In many instances, including a change of name or amendments to the articles, the BCBCA or the articles may provide for approval solely by a resolution of the directors.

The BCBCA provides that a special majority of votes is required for NexGen to pass a special resolution at a meeting of Shareholders in certain circumstances, including but not limited to certain amalgamations, reducing stated capital, continuance into another jurisdiction, a sale, lease or disposition of all or substantially all of the company's assets or undertaking, arrangements and voluntary liquidation. A special majority is a majority of votes, as specified by the Articles, that has at least two thirds of the votes cast in favour of the resolution. Unless the BCBCA or Articles require a special resolution, ordinary resolutions of NexGen Shareholders are passed by a simple majority of votes cast on the resolution. In addition, under the TSX Rules, the TSX may require NexGen securityholders to approve certain transactions, as further discussed below under Section 8.6.3.

The BCBCA provides that, unless the Articles provide otherwise, each Share entitles the holder to one vote at a meeting of Shareholders. Furthermore, the BCBCA and the Articles state that voting is to be conducted by a show of hands, unless a poll is demanded.

Under the BCBCA, on a show of hands, each holder of Shares present in person or by proxy and entitled to vote has one vote. If a poll is called, each holder of Shares present in person or by proxy will have one vote for each Share held.

8.6.3 Issuing Securities

The BCBCA permits shares with or without par value. Pursuant to the Articles, NexGen is authorised to issue an unlimited number of shares without par value. There is no minimum share capital prescribed by the BCBCA. New shares may be issued for such consideration as the Directors may determine. Shares are non-assessable and may only be issued if consideration for such shares is fully paid.

Under the TSX Rules, NexGen requires the approval of the TSX to issue securities other than unlisted non-voting, non-participating securities. The TSX may impose conditions on a transaction or grant exemptions from its own requirements.

The TSX will generally require Shareholder approval of any transaction that:

- materially affects control of NexGen, being generally the creation of a new 20% Shareholder(s); or
- provides consideration to "insiders" of NexGen, being generally NexGen's directors, chief executive officer, chief financial officer, chief operating officer and Shareholders holding 10% or more of the outstanding voting securities in NexGen (**NexGen Insiders**), that represents 10% or more of NexGen's market capitalisation (subject to certain conditions) during any six month period and has not been negotiated at arm's length.

In addition, for distributions of listed securities in reliance on an exemption from the prospectus requirement under applicable Canadian securities laws (known as private placements), the TSX will generally require Shareholder approval as a condition to approving a private placement if:

- the private placement, taken together with all private placements during any six month period, are to NexGen Insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of NexGen which are outstanding, on a non-diluted basis, prior to the date of closing of the first private placement to an NexGen Insider during the six month period;
- the price per listed security being issued in the private placement is below the maximum allowable discount to the "market price" (as defined in the TSX Rules) of the applicable listed securities (which is 15% where the market price per listed security is C\$2.00, 20% where the market price per listed security is between C\$0.51 and C\$2.00 each and 15% where the market price per listed security is C\$0.50 or less); or
- the number of securities of NexGen to be issued under the private placement represents more than 25% of the number of securities of that class outstanding (on a non-diluted basis).

As a TSX-listed issuer, NexGen must obtain shareholder approval when the number of securities issued in payment for an acquisition exceeds 25% of the number of issued and outstanding securities of NexGen on a non-diluted basis.

In private placements to NexGen Insiders and acquisitions involving issuances of listed securities to NexGen Insiders, the TSX will require Shareholder approval depending on the number of securities issued in relation to the number outstanding. Specifically, if NexGen Insiders will be issued, by way of private placements during any six month period, or if NexGen Insiders will receive, as consideration in an acquisition, securities or options, rights or other entitlements to listed securities representing more than 10% of the number of securities outstanding on a non-diluted basis, shareholder approval will be required and the NexGen Insiders may not vote their securities.

The TSX also requires shareholder approval of securities-based compensation arrangements, including any compensation or mechanism involving the issuance or potential issuance of securities from treasury. The TSX prescribes specific disclosure requirements for the materials provided to shareholders for the purposes of such approval, including all material information that shareholders may reasonably require to approve the arrangements. Certain substantive requirements are imposed that must be complied with: exercise prices for any stock options granted under a security based compensation arrangement may not be lower than market price of the securities at the time the stock options are granted; there must be a maximum number or percentage of securities issuable; and most amendments also require shareholder approval.

The NYSE American also imposes shareholder approval requirements with respect to certain transactions. However, foreign issuers such as NexGen are permitted to defer to their home jurisdiction shareholder approval requirements. Therefore, so long as NexGen complies with the shareholder approval requirements of the TSX, it may elect not to comply with the NYSE American's shareholder approval requirements.

8.6.4 Changes in Rights Attaching to Securities

The required authorisation to amend the notice of articles or articles of a corporation under the BCBCA will be specified in the BCBCA or the articles of the corporation based on the type of resolution. If the type of resolution is not specified in the BCBCA or the articles, most amendments will require a special resolution of the shareholders to be approved by not less than two-thirds of the votes cast by the shareholders voting on the resolution. Amendments to any special rights and restrictions attaching to any issued shares require, in addition to any resolution provided for by the articles, consent by a special resolution of the holders of the class or series of shares affected.

8.6.5 Share Buy-Backs

Under the BCBCA, a company may repurchase its shares, if it is so authorised by, and subject to any restrictions in, its articles unless there are reasonable grounds for believing that the company is, or would after the repurchase be, unable to pay its debts as they become due in the ordinary course of its business.

The TSX permits a listed issuer, subject to the filing of the required form of notice at least two clear Canadian Trading Days prior to any purchases under a bid, to conduct a "normal course issuer bid" for that listed issuer's own shares for a period of up to one year. There are a number of restrictions with respect to undertaking a normal course issuer bid, including on the number of shares and price at which those can be repurchased by the listed issuer. Any listed issuer that conducts a normal course issuer bid in this manner is required to issue a press release summarising the terms of the normal course issuer bid and the details of any similar purchases made in the past 12 months and is also required to report certain information concerning the normal course issuer bid to the TSX.

Applicable Canadian securities laws place additional requirements on buy-backs. Unless one of the limited exemptions is available (such as for the normal course buy-back in accordance with TSX Rules described above), an issuer bid must be extended to all securityholders located in Canada, at the same price per security as the offer to acquire. These provisions require, among other things, the production, filing and mailing of an issuer bid circular to shareholders of the issuer.

8.6.6 Takeovers

Under applicable Canadian securities laws, a "takeover bid" occurs when there is an "offer to acquire" outstanding voting or equity securities made to any person in any province or territory where the securities subject to the offer, together with the securities owned or controlled by the offeror and its affiliates and associates, constitute 20% or more of the outstanding securities.

Unless an exemption is available, a takeover bid must be extended to all securityholders located in Canada, at the same price per security as the offer to acquire. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company.

Takeover bids must treat all security holders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. A bid must remain open for at least 105 days from the date of mailing the circular, unless the issuer issues a news release announcing a shorter period when the bid is made (however this period must not be less than 35 days from the date of the relevant circular), after which time all securities deposited under the offer may be taken up.

For the protection of target security holders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and the withdrawal, amendment or suspension of offers. Securities regulators also retain a general "public interest jurisdiction" to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids.

There are extensive disclosure requirements associated with takeover bids, beginning with "early warning" disclosure required when an acquirer, together with any persons acting jointly or in concert with such acquirer, acquires beneficial ownership of, or control or direction over 10% or more of the outstanding voting securities of the issuer. Generally, further disclosure is required for additional purchases of 2% or more of the outstanding securities for which such early warning disclosure is required. Purchases of securities of the target company outside the bid, before, during, and after the bid, are also generally restricted.

The BCBCA contains compulsory acquisition provisions, which allow a person who acquired not less than 90% of a company's shares to acquire the remaining 10% of shares on issue, within 5 months after the date of a takeover bid, provided the bid was accepted by holders of not less than 90% of the company's shares.

Other than the compulsory acquisition provisions under the BCBCA, second step transactions following a bid, where the acquirer brings its percentage ownership to 100%, are governed by MI 61-101. No shareholder approval of the acquisition would be required if the acquirer obtained 90% of the outstanding securities owned by minority security holders during the bid. Otherwise, a meeting must be called and associated regulations complied with for an acquisition, including obtaining a two thirds majority approval. The acquirer is generally permitted to vote the shares acquired pursuant to the bid at such meeting. Appraisal (or dissent) rights are available for objecting shareholders who fulfil certain procedural requirements.

Canadian securities laws allow certain exemptions to the formal bid requirements, on specified conditions. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition. A *de minimis* exemption also exists in circumstances where less than 50 beneficial shareholders are

subject to the bid, and those shareholders collectively represent less than 2% of a class of securities.

The Canadian Securities Administrators (**CSA**) have recognised that takeover bids play an important role in the economy by acting as a discipline on corporate management and as a means of reallocating economic resources to their best uses. In considering the merits of a takeover bid, the CSA recognises that there is a possibility that the interests of management of the target company will differ from those of its shareholders. The CSA considers the primary objective of the takeover bid provisions of the Canadian securities legislation to be the protection of the bona fide interest of the shareholders of the target company. As certain defensive measures taken by management of a target company may have the effect of denying shareholders the ability to make a fully formed decision and frustrating an open takeover bid process (for example, these include granting an option on securities representing a significant percentage of the target company's outstanding securities, introducing a shareholders rights plan or entering into an agreement to sell or acquire material assets or other corporate actions other than in the normal course of business), the CSA will examine target company defensive tactics in specific cases to determine whether they are abusive of shareholder rights.

8.6.7 Substantial Shareholder Reporting

Canada

Under applicable Canadian securities law, a person who acquired ownership and control, directly or indirectly, of more than 10% of the outstanding Shares will be required to publicly disclose their holdings, and to file an early warning report with the applicable Canadian securities regulatory authorities. The early warning report discloses the person's name, address, and certain details of surrounding their ownership of Shares and securities of NexGen convertible into Shares. Once an early warning report has been filed by a person, they are required to file a news release and early warning report for every 2% (or more) change in the voting or equity securities that the person acquires, or, when the person ceases to hold at least 10% of the voting or equity shares in the company.

Certain NexGen Insiders who qualify as "reporting insiders" as defined under National Instrument 55-104 *Insider Reporting Requirements and Exemptions* of the CSA are required to file an insider report in the prescribed form which discloses the number and percentage of the securities that the NexGen Insiders holds or exercises direction or control over. The insider reports are publicly available on the System for Electronic Disclosure by Insiders (<http://www.sedi.ca>) and must be filed within 10 days of a person becoming a "reporting insider" of NexGen and within 5 days of any changes to that person's security holdings in NexGen.

United States

Under applicable United States federal securities law, a beneficial owner of at least 5% of the outstanding Shares is required to publicly disclose their holdings, and to file a beneficial ownership report with the Securities and Exchange Commission. The beneficial ownership report discloses the beneficial owner's name, address, and certain details of surrounding their ownership of Shares and securities of NexGen convertible into Shares. Amendment to such reports are required from time to time depending upon which form of beneficial ownership report the shareholder qualifies to file.

As a foreign issuer, NexGen's officers, directors and significant shareholders are not subject to the reporting and liability provisions of Section 16 of the Securities Exchange Act of 1934.

8.6.8 Related Party Transactions

NexGen is subject to *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* of the CSA (**MI 61-101**) which, among other things, imposes valuation, minority approval and disclosure requirements on entities involved in certain related party transactions.

A related party transaction includes a transaction between an issuer and a person that is a related party to the issuer at the time that the transaction is agreed to, whether or not there are also other parties to the transaction, as a consequence of which, either through the transaction itself or together with a connected transaction, the issuer directly or indirectly, among other things:

- purchases or acquires an asset from the related party for valuable consideration;
- sells, transfers or disposes of an asset to the related party;
- leases property to or from the related party;
- acquires the related party or combines with the related party through an amalgamation, arrangement or otherwise;
- issues a security to, or subscribes for a security of the related party;
- materially amends the terms of an outstanding debt or liability owed by or to the related party, or the terms of an outstanding credit facility with the related party;
- provides a guarantee or collateral security for a debt or liability of the related party, or materially amends the terms of the guarantee or security; or
- borrows money from, lends money to the related party, or enters into a credit facility with the related party.

Unless an exemption is available, MI 61-101 requires that in respect of a related party transaction:

- the issuer obtain a formal valuation in respect of the transaction; and
- the issuer obtain "majority of the minority" approval of the transaction (ie, approval by a majority of the affected security holders, excluding the votes attached to affected securities held by parties interested in the business combination, related parties of an interested party, and persons acting jointly with interested parties); and
- the issuer includes certain detailed disclosure regarding the related party transactions in a material change report, management information circular or other disclosure document that is required to be filed under applicable Canadian securities laws, if any.

8.6.9 Protection of Minority Shareholders – Oppression Remedy

In accordance with the BCBCA, a shareholder or other person whom the court considers appropriate may apply to a court for an order on the following grounds:

- the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant; or

- some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court may make such order as it sees fit, including an order to prohibit any act proposed by the company.

8.6.10 Dividends

Under the BCBCA, NexGen may pay a dividend by issuing fully paid shares, money or property if there are reasonable grounds for believing that NexGen is solvent, or the payment of the dividend would not render NexGen insolvent. Any dividends that NexGen declared and pays on its Shares may be subject to withholding taxes and you are encouraged to obtain your own tax advice to determine if payments to you would be subject to withholding. NexGen has not declared or paid any dividends since incorporation and does not expect to declare or pay dividends in the foreseeable future (refer to Section 2.10).

8.6.11 Right to Inspect the Register

Under the BCBCA, any person may, without charge, inspect all of the records that NexGen is required to keep under the BCBCA, other than the minutes of the meetings of directors, consent resolutions of directors or written dissents received, at NexGen's registered office or such other place where such records are kept during statutory business hours.

A person may apply to NexGen, or to the person who has custody or control of its central securities register, for a list of registered Shareholders of NexGen setting out the last known addresses of the Shareholders and the number of Shares held by each of those Shareholders. The application must include an affidavit of the person seeking the list and payment of a reasonable fee charged by NexGen.

Promptly after receipt of the application for the list, NexGen or the person who has custody or control of its central securities register must provide to the Applicant the requested list made up to and including a date, specified in the list that is not more than 14 days before the date on which the application was received.

8.6.12 Rights of Security Holders to Bring or Intervene in Legal Proceedings

Under the BCBCA, a shareholder or director of a company and any person who, in the discretion of the court, is a proper person to make an application to court to bring an action on behalf of a company (e.g. a derivative action) may, with judicial leave:

- bring an action in the name and on behalf of the company to enforce an obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such an obligation; or
- defend, in the name and on behalf of the company, a legal proceeding brought against the company.

Shareholder approval of the alleged breach of right, duty, or obligation owed to the company is not determinative but will be taken into account.

8.6.13 Financial Reports and Records

Under applicable Canadian securities law, NexGen is required to prepare and file with applicable Canadian securities regulatory authorities an audited annual financial statements and accompanying management discussions and analysis within 90 days of its most recently completed financial year end, and interim (three month) financial statements and accompanying management discussions and analysis within 45 days of the end of each interim period. These requirements are satisfied by NexGen filing the applicable financial statements and management's discussion and analysis under its profile on SEDAR.

NexGen is also generally required to send a paper copy of its audited financial statements and a copy of its interim financial statements and accompanying management discussion and analysis to each Shareholder who requests them from NexGen.

8.6.14 Winding up

The BCBCA provides that, subject to the notices and rights of remedy set out below, the Registrar of Companies may dissolve NexGen if it:

- has in two consecutive years failed to file with the Registrar of Companies its annual report or any other record as required by the BCBCA;
- fails to comply with an order of the Registrar of Companies, including an order to change its name or assumed name;
- fails, without reasonable excuse, to return an erroneous record to the Registrar of Companies within 21 days after a request; or
- tenders a cheque for fees which is dishonoured, or otherwise fails to pay a fee required under the BCBCA.

Under the BCBCA, NexGen may apply to be voluntarily dissolved if:

- it is authorised to do so by an ordinary resolution;
- it does not have any assets; and
- it does not have any liabilities or has made adequate provision for the payment of each of its liabilities.

Liquidation is the process by which a company with assets and liabilities is "wound up", as its debts and liabilities are satisfied (or adequate provision made for their satisfaction), and any remaining assets distributed to the shareholders.

The liquidation process can be voluntary or under a court order. A voluntary liquidation is initiated by the Shareholders and a court ordered liquidation can be ordered on an application by any one of a number of "appropriate" persons as set out in the BCBCA.

For the most part, the process of liquidation is the same regardless of whether the liquidation is voluntary or court ordered. The same powers and responsibilities are attached to the role of the liquidator, for instance.

8.6.15 "Two strikes" Rule on Remuneration Reports

Under Australian law, an ASX listed company is required to hold a "spill vote" if its remuneration report receives a 25% "No" vote at two successive annual general meetings. If the spill vote receives a simple majority, the company must hold a general meeting within 90 days to vote on

whether to keep the existing directors. There is no equivalent under applicable Canadian securities laws. However, in accordance with the TSX Rules, NexGen has adopted a Majority Voting Policy which requires that each Director nominee of NexGen must be elected by at least a majority of the votes cast with regard to his or her election (refer to Section 5.6.6).

8.7 Canadian Taxation Summary

The following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires as beneficial owner Shares (including by way of CDIs) and who, at all relevant times, for purposes of the *Income Tax Act (Canada)* and the *Income Tax Regulations* (together, the **Tax Act**):

- is not, and is not deemed to be, resident in Canada;
- deals at arm's length with NexGen;
- is not affiliated with NexGen;
- holds the Shares as capital property;
- does not use or hold, and is not deemed to use or hold, the Shares in a business carried on in Canada; and
- has not entered into, with respect to their Shares a "derivative forward agreement", "synthetic disposition arrangement" or a "dividend rental arrangement" each as defined in the Tax Act,

(a **Non-Canadian Holder**).

This summary does not apply to a purchaser that is an insurer carrying on an insurance business in Canada and elsewhere. This summary does not address or discuss the effect of the *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI)*. The MLI entered into force in Canada on 1 December 2019. When applicable the MLI provides that a benefit under a particular treaty (such as a reduced withholding rate) shall not be granted under certain circumstances. The MLI applies to Canada's tax treaties and conventions with countries which have deposited their instruments of ratification with the Depositary and which have mutually indicated that their treaties or conventions with Canada will be covered by the MLI.

This summary assumes that a purchaser of a CDI acquires a beneficial interest in, and is the beneficial owner of, the Share underlying the CDI.

This summary is based on the facts set out in this Prospectus, the current provisions of the Tax Act and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the **Proposed Tax Amendments**) and assumes that all Proposed Tax Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Tax Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, nor should it be construed as, legal or tax advice to any particular Non-Canadian Holder. This summary is not

exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers of Shares should consult their own tax advisors having regard to their own particular circumstances.

8.7.1 Currency Conversion

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Shares must be converted into Canadian dollars based on exchange rates as determined in accordance with the Tax Act. The amount of dividends required to be included in the income of, and capital gains or capital losses realised by, a Non-Canadian Holder may be affected by fluctuations in the Canadian / Australian dollar exchange rate.

8.7.2 Dividends

Dividends paid or credited, or deemed to be paid or credited, on the Shares to a Non-Canadian Holder will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Holder is entitled under any applicable income tax convention between Canada and the country in which the Holder is resident. NexGen will be required to withhold the tax and remit to the Receiver General of Canada for the account of the Non-Canadian Holder.

Non-Canadian Holders should consult their own advisors if they are eligible for a reduced rate under any applicable income tax convention.

8.7.3 Disposing Shares

A Non-Canadian Holder will not be subject to tax under the Tax Act on any capital gain realised on a disposition or deemed disposition of the Shares, unless the Shares are "taxable Canadian property" to the Non-Canadian Holder for purposes of the Tax Act and the Non-Canadian Holder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Canadian Holder is resident.

Generally, the Shares will not constitute taxable Canadian property to a Non-Canadian Holder at a particular time provided that the Shares are listed at that time on a designated stock exchange (which includes the TSX and ASX), unless at any particular time during the 60-month period that ends at that time:

- (a) one or any combination of:
 - (i) the Non-Canadian Holder;
 - (ii) persons with whom the Non-Canadian Holder does not deal with at arm's length; and
 - (iii) partnerships in which the Non-Canadian Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships, has owned 25% or more of the issued shares of any class or series of the capital stock of NexGen, and;
- (b) more than 50% of the fair market value of the Shares was derived directly or indirectly from one or any combination of:
 - (i) real or immovable properties situated in Canada;
 - (ii) "Canadian resource property" (as defined in the Tax Act);
 - (iii) "timber resource property" (as defined in the Tax Act); and
 - (iv) options in respect of, or interests in, or for civil law rights in, property in any of the

foregoing whether or not the property exists.

Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Shares could be deemed to be taxable Canadian property. Non-Canadian Holders whose Shares may constitute taxable Canadian property should consult their own tax advisors.

8.7.4 Conversion of Shares and CDIs

There are no Canadian tax consequences on conversion of Shares to CDIs, or vice versa.

8.8 ASIC Relief

Pursuant to ASIC Class Order CO14/827, ASIC has given class order relief for offers for the issue or sale of CDIs, where the underlying foreign securities are quoted on ASX and are held by CDN as the depositary nominee. The purpose of the relief is to remove any uncertainty about how offers of CDIs over underlying foreign securities are regulated under the Corporations Act, ensuring offers of CDIs are regulated as an offer of securities under the disclosure provisions of Chapter 6D of the Corporations Act.

Pursuant to the Class Order, the NexGen has provided the information contained in Section 8.2.

8.9 Interests of Advisers

NexGen has engaged the following professionals in relation to the Listing:

- Allens has acted as Australian legal adviser to NexGen in relation to the Listing. NexGen estimates that it has paid will pay Allens approximately A\$360,000 (exclusive of GST) for these services. During the two years preceding the date of the Prospectus, Allens has not received any fees from NexGen for any other services.
- Stikeman Elliott LLP has acted as Canadian legal adviser to NexGen in relation to the Listing. NexGen has paid or agreed to pay Stikeman Elliot LLP approximately C\$65,000 (exclusive of tax and disbursements) for these services. During the two years preceding the date of this Prospectus, Stikeman Elliott LLP has received fees of approximately C\$361,450 (exclusive of tax and disbursements) from NexGen.
- Argonaut Capital Limited has acted as the financial adviser to NexGen in relation to the Listing. NexGen estimates that it will pay Argonaut approximately A\$80,000 (exclusive of GST) for these services. Other than set out in the Section 8.9, during the two years preceding the date of the Prospectus, Argonaut has not received any fees from NexGen for any other services.
- Argonaut Securities Pty Ltd has acted as the Lead Manager to the Offer. NexGen estimates that it will pay Argonaut approximately A\$144,000 for these services. Other than set out in the Section 8.9, during the two years preceding the date of the Prospectus, Argonaut has not received any fees from NexGen for any other services.
- MLT Atkins LLP has prepared the Title Opinion which has been included in Section 10. NexGen estimates that it will pay MLT Aikins LLP approximately C\$9,000 for these services. During the two years preceding the date of this Prospectus, MLT Atkins LLP has received any fees of approximately C\$48,635 from NexGen.

- SLR Consulting (Canada) Ltd (**SLR**) and Wood Canada Limited (**Wood**) have acted as technical experts to NexGen in relation to the Listing and have jointly prepared the Technical Assessment Report which has been included in Section 9. NexGen estimates that has paid or will pay SLR approximately C\$40,000 and Wood approximately C\$11,000, for these services. During the two years preceding the date of this Prospectus, SLR has received fees of approximately C\$440,000 from NexGen and Wood has received fees of approximately C\$3.98 million from NexGen.
- KPMG LLP has audited or reviewed (as applicable) the financial statements of NexGen included in Annexures A, B and C. During the two years preceding the date of this Prospectus, KPMG LLP has incurred fees of approximately C\$535,917 with respect to work undertaken for NexGen.
- Computershare Investor Services Pty Limited has been appointed as NexGen's Australian Share Registry and will be paid for these services on standard industry terms and conditions. During the two years preceding the date of this Prospectus, Computershare Investor Services Pty Limited has not received any fees from NexGen for any other services.
- Dorsey & Whitney LLP (**Dorsey**) has acted as US legal adviser to NexGen in relation to the Listing. NexGen estimates that it will pay Dorsey approximately US\$5,000 for these services. During the two years preceding the date of this Prospectus, Dorsey has incurred fees of approximately US\$133,000 with respect to work undertaken for NexGen.

8.10 Litigation and claims

So far as the Directors are aware, other than as set out below, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which NexGen is directly or indirectly concerned or which is likely to have a material adverse effect on the business or financial position of NexGen.

2020 Action

On 9 September 2020, the Métis Nation-Saskatchewan (**MN-S**) filed a Statement of Claim against NexGen in the Saskatchewan Court of Queen's Bench (2020 Action) relating to the negotiation of an Impact Benefit Agreement (**IBA**). The Statement of Claim alleges that NexGen breached the Study Agreement between NexGen and MN-S by failing to negotiate an IBA in good faith by the target date of 30 June 2020. The Statement of Claim does not quantify any damages sought by MN-S.

On 14 October 2020, NexGen filed its Statement of Defence in the Action. The Statement of Defence states that NexGen has always acted in good faith with a view to furthering the objectives of the Study Agreement and formalizing an IBA with MN-S, and remains committed to doing so. The Statement of Defence denies that NexGen breached any contractual or common law duty and states that MN-S has not suffered any damages.

On 17 November 2020, MN-S filed a Notice of Application, seeking an injunction to prevent NexGen from filing its draft EIS for the Rook I Project pending resolution of the 2020 Action. NexGen has filed its response to the Notice of Application and supporting affidavit. The Notice of Application was heard on 5 April 2021, and NexGen is currently awaiting the outcome of that hearing.

If the injunction is granted, NexGen may be restricted from submitting its EIS until certain conditions have been satisfied. Whilst no directions have been set for a hearing of the 2020

Action, should MN-S be successful, the Court may declare that NexGen has not acted in good faith in negotiating an IBA and/ or award damages in favour of MN-S.

NexGen believes the 2020 Action is without merit and is being inappropriately pursued by MN-S to influence the negotiation process with NexGen for the IBA. Should MN-S be successful in the 2020 Action, NexGen does not consider the outcome would have a material impact on its financial position or operations. NexGen is committed to the principles that it has successfully implemented with respect to the Rook I Project for the benefit of all communities, and will defend the 2020 Action vigorously. NexGen also remains committed to concluding an IBA with MN-S and has encouraged MN-S to continue constructive negotiations. There is a risk that MN-S will continue to pursue the Action.

Refer to Section 4.2.23 for details of the risk to NexGen should the 2020 Action be successful.

8.11 Continuous and Periodic Disclosure Obligations

8.11.1 Continuous Disclosure Obligations

Under Canadian securities laws, if a material change occurs in the affairs of NexGen, NexGen must immediately issue and file a news release disclosing the nature and substance of the change and, as soon as practicable, but in any event within 10 days of the change, file a material change report with respect to such material change on SEDAR. The press release must be authorised by an executive officer of NexGen and disclose the nature and substance of the change. A material change is defined under applicable Canadian securities laws as a change in the business, operations, or capital of an issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the issuer, or a decision to implement such a change made by the board of directors or by senior management of the issuer who believe that confirmation of the decision by the board is probable.

The TSX Rules also require NexGen to make immediate disclosure of all "material information" via news release. The term "material information" is defined as any information relating to the business and affairs of an issuer that results in or would reasonably be expected to result in a significant change in the market price or value of any of the issuer's listed securities, and includes both material changes and material facts. A "material fact" is defined under applicable Canadian securities laws in relation to securities issued or proposed to be issued as a fact that would reasonably be expected to have a significant effect on the market price or value of the securities of issuer.

Under the ASX Listing Rules, NexGen is required to provide ASX all information it provides TSX (including via news release) that is, or is to be, made public.

8.11.2 Periodic Disclosure Obligations

Under applicable Canadian securities laws, NexGen is required to prepare and file, among other things:

- unaudited interim financial statements and an interim MD&A on a quarterly basis and within 45 days from the end of the first, second and third quarter;
- audited annual financial statements and an annual MD&A, within 90 days from the end of the financial year; and
- an AIF on an annual basis within 90 days from the end of the financial year.

A MD&A is management's balanced narrative explanation of NexGen's financial condition and future prospects.

The AIF is intended to provide material information about NexGen and its business operations and prospectus, risks and other external factors that impact NexGen specifically, in the context of its historical and possible future development. The AIF describes NexGen, its operations, prospectus, risks and other external factors that may affect NexGen specifically.

Under applicable United States securities laws, NexGen is currently required to prepare and file an annual report. Currently, NexGen is eligible to file an annual report on Form 40-F, which primarily includes the NexGen's Canadian AIF, annual MD&A and annual financial statements, and is required to be filed on the date that the AIF is due to be filed.

8.12 Related Party Transactions

At the Prospectus Date, no material transactions with related parties and Directors exist that the Directors are aware of, other than those disclosed in this Prospectus.

Flying W Consulting

NexGen has entered into a consultancy agreement with Flying W Consulting Inc, a company associated with Mr Bradley Wall, non-executive Director, pursuant to which Flying W has agreed to provide corporate consulting services to NexGen and NexGen has agreed to pay Flying W C\$10,833 per month. Either party may terminate the agreement upon three months' notice. In the last two years, NexGen has paid Flying W a total of C\$175,495 (2020: C\$129,996; 2019: C\$45,499) for the provision of corporate consulting services.

8.13 Expenses of the Offer

The total expenses of the Offer payable by NexGen are:

	(C\$)	(A\$)
Legal Fees	\$406,785	\$432,750
Lead Manager fee	\$135,360	\$144,000
Title Opinion	\$9,000	\$9,540
Technical Assessment Report	\$51,000	\$54,060
Financial Adviser Fees	\$75,200	\$80,000
ASX Listing Fee	\$36,117	\$38,422
TOTAL	\$713,462	\$758,772

8.14 Consents to be Named and Disclaimers of Responsibility

Each of the parties referred to below (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report is included in this Prospectus with its consent as specified below.

Written consents to the issue of the Prospectus have been given and, at the date of this Prospectus, had not been withdrawn by the following Consenting Parties:

- Allens has given its written consent to being named as the Australian legal adviser to NexGen in this Prospectus in the form and context in which the information is included.
- Stikeman Elliot LLP has given its written consent to being named as the Canadian solicitors to NexGen in this Prospectus in the form and context in which the information is included and to inclusion of the information contained in Sections 8.6 and 8.11 in relation to Canadian laws and regulations only.
- SLR has given its written consent to being named as a technical expert to NexGen and to the inclusion of the Technical Assessment Report in Section 9 in the form and context in which the report is included.
- Wood has given its written consent to being named as a technical expert to NexGen and to the inclusion of the Technical Assessment Report in Section 9 in the form and context in which the report is included.
- Stantec Consulting Ltd has given its written consent to the inclusion of the statements made by it or based on statements made by it in the Technical Assessment Report in Section 9 in the form and context in which they are included.
- UxC LLC has given its written consent to the inclusion of the statements made by it or based on statements made by it in the Technical Assessment Report in Section 9 in the form and context in which they are included.
- MLT Atkins LLP has given its written consent to being named as the Mining and Resources Legal Adviser to NexGen and to the inclusion of the Title Opinion on the mineral tenements in Section 10 in the form and context in which the report is included.
- Argonaut Capital Limited has given its written consent to being named as the financial adviser to NexGen in this Prospectus in the form and context in which the information is included.
- Argonaut Securities Pty Ltd has given its written consent to being named as the Lead Manager to the Offer in this Prospectus in the form and context in which the information is included.
- KPMG LLP has given its written consent to being named as the auditor to NexGen, the inclusion of its audit report on the Historical Financial Information contained in Annexures B and C, and the information contained in Section 3 in relation to KPMG's audit and review (as applicable) of the Historical Financial Information, in the form and context in which that information is included.
- Computershare Investor Services Pty Limited has given its written consent to being named as the Australian Share Registry to NexGen in this Prospectus in the form and context in which the information is included.
- Dorsey & Whitney LLP has given its written consent to being named as the United States solicitors to NexGen in this Prospectus in the form and context in which the information is included and to inclusion of the information contained in Sections 8.6 and 8.11 (in relation to United States laws and regulations only).

8.15 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email NexGen and NexGen will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

NexGen reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

8.16 Documents Available for Inspection

Copies of this Prospectus, the Articles and the consents referred to in Section 8.14 are available for inspection during normal business hours at the registered offices of NexGen in Australia.

8.17 Authorisation

The Prospectus is issued by NexGen and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of NexGen.

A handwritten signature in black ink, appearing to read 'LR Curyer', with a stylized flourish at the end.

Leigh Curyer
President and Chief Executive Officer
NexGen Energy (Canada) Ltd

Dated: 16 June 2021

9. TECHNICAL ASSESSMENT REPORT



Technical Assessment Report on the Rook I Project, Saskatchewan, Canada

NexGen Energy (Canada) Ltd.

SLR Project No: 233.03377.R0000

Issue Date: May 4, 2021

Effective Date: February 22, 2021



Technical Assessment Report on the Rook I Project, Saskatchewan, Canada

SLR Project No: 233.03377.R0000

Prepared by:

SLR Consulting (Canada) Ltd.
55 University Ave., Suite 501
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and

Wood Canada Limited
301-121 Research Drive
Saskatoon, SK S7N 1K2

for:

NexGen Energy (Canada) Ltd.
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Vancouver BC V6E 0C3
Canada

Effective Date: February 22, 2021

Prepared by:

Mark Mathisen, C.P.G.

David M. Robson, P.Eng., MBA

Paul O'Hara, P.Eng., Wood Canada Ltd.

Reviewed by:

Deborah McCombe, P.Geo.

Greg Gosson, P.Geo., Wood Canada Ltd.

FINAL

Distribution: 1 copy – NexGen Energy (Canada) Ltd.
 1 copy – SLR Consulting (Canada) Ltd.
 1 copy – Wood Canada Ltd.

This document has been prepared in accordance with the scope of SLR's appointment with its client and is subject to the terms of that appointment. SLR accepts no liability for any use of this document other than by its client and only for the purposes for which it was prepared and provided. No person other than the client may copy (in whole or in part) use or rely on the contents of this document, without the prior written permission of SLR. Any advice, opinions, or recommendations within this document should be read and relied upon only in the context of the document as a whole. The contents of this document do not provide legal or tax advice or opinion.

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1.0 INTRODUCTION

SLR Consulting (Canada) Ltd (SLR) and Wood Canada Limited (Wood) have been retained by NexGen Energy Ltd. (NexGen) to complete a Technical Assessment Report (TAR) for its 100% owned Rook I Project (the Project), located in Saskatchewan, Canada, host to the Arrow Deposit. The Rook I Project is categorized as a Pre-Development Project under the 2015 Edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the VALMIN Code). A Feasibility Study (FS) was completed on the Project in February of 2021. SLR and Wood understand that NexGen will consider making an investment decision in respect of the Project following completion of basic engineering. SLR and Wood further understand that the TAR is required in connection with the proposed admission of NexGen to the official list of the Australian Securities Exchange (ASX), and that the TAR will be included in a prospectus to be issued by NexGen under the *Australian Corporations Act 2001* (Cth). This TAR does not constitute a valuation report, and the TAR does not express SLR's or Wood's opinion as to the value of NexGen's Rook I Project.

This TAR summarizes the material information in relation to the Project and the opinions of SLR and Wood on the Project. The TAR is dated May 4, 2021, with an effective date of February 22, 2021.

1.1 Compliance

This TAR has been prepared in accordance with: (i) the VALMIN Code; (ii) the 2012 Edition of the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code); and (iii) the relevant rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and the ASX pertaining to TARs.

1.2 Principal Sources of Information

This TAR has been based upon information available up to and including February 22, 2021, including review of information provided by NexGen, site visits to the Project area (by SLR in 2016, 2017, and 2018, and Wood in 2018 and 2019), along with other relevant published and unpublished data. SLR and Wood have endeavoured, by making all necessary and reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which their respective section of this report is based.

SLR and Wood have also completed reviews of the technical aspects of the Project, the subject of the following reports:

- Cox, J.J., Robson, D.M., Mathisen, M.B., Ross, D.A., Coetzee, V., and Wittrup, M., 2017: Technical Report on the Preliminary Economic Assessment of the Arrow Deposit, Rook I Property, Province of Saskatchewan, Canada: technical report prepared by Roscoe Postle Associates Inc. for NexGen Energy Ltd., effective date 31 July 2017 (the PEA);
- O'Hara, P, Cox, J.J., Robson, D.M., and Mathisen, M.B., 2018: Technical Report on the Pre-feasibility Study of the Arrow Deposit, Rook I Property, Province of Saskatchewan, Canada: technical report prepared by Wood Canada Limited and Roscoe Postle Associates Inc. for NexGen Energy Ltd., effective date 05 November 2018 (the PFS); and
- O'Hara, P, Mathisen, M.B., and Hatton, M.H. 2021: Technical Report on the Feasibility Study of the Arrow Deposit, Rook I Property, Province of Saskatchewan, Canada: technical report prepared

by Stantec Consulting Ltd, Wood Canada Limited and Roscoe Postle Associates for NexGen Energy Ltd., effective date 22 February 2021 (the FS).

SLR and Wood's statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of February 22, 2021 and could alter over time depending on changes to exploration results, mineral prices, and other relevant market factors.

1.3 Independence

Neither SLR nor Wood has or has had previously, any material interest or shareholding in NexGen or the mineral properties in which NexGen has an interest. No member or employee of SLR or Wood is, or is intended to be, a director, officer, or other direct employee of NexGen.

SLR's and Wood's respective relationships with NexGen are solely of professional association between client and independent consultant. SLR and Wood are independent mining industry consultancies. Fees are being charged to NexGen at a commercial rate for the preparation of this TAR, the payment of which is not contingent upon the conclusions of the TAR. The fee for the preparation of this TAR is approximately C\$50,000.

As set out in Section 1.2, SLR and Wood have in the past completed work for NexGen on various jobs on the Project, most recently the February 2021 Technical Report on the FS. The work completed by SLR and Wood was not influenced by NexGen, and reflects their respective objective critical analysis and professional judgement. Any agreements related to either of Wood or SLR providing services to NexGen in the future are based on professional association between client and independent consultant and are not contingent on the outcome of this report.

1.4 List of Abbreviations

Units of measurement used in this report conform to the metric system, unless otherwise noted. All currency in this report are Canadian dollars (C\$) unless otherwise noted. The following is a list of abbreviations used in the report.

μ	micron	kVA	kilovolt-amperes
μg	microgram	kW	kilowatt
a	annum	kWh	kilowatt-hour
A	ampere	L	litre
bbl	barrels	lb	pound
Btu	British thermal units	L/s	litres per second
°C	degree Celsius	m	metre
C\$	Canadian dollars	M	mega (million); molar
cal	calorie	m ²	square metre
cfm	cubic feet per minute	m ³	cubic metre
cm	centimetre	MASL	metres above sea level
cm ²	square centimetre	m ³ /h	cubic metres per hour

d	day	mi	mile
dia	diameter	min	minute
dmt	dry metric tonne	µm	micrometre
dwt	dead-weight ton	mm	millimetre
°F	degree Fahrenheit	mph	miles per hour
ft	foot	MVA	megavolt-amperes
ft ²	square foot	MW	megawatt
ft ³	cubic foot	MWh	megawatt-hour
ft/s	foot per second	oz	Troy ounce (31.1035g)
g	gram	oz/st, opt	ounce per short ton
G	giga (billion)	ppb	part per billion
Gal	Imperial gallon	ppm	part per million
g/L	gram per litre	psia	pound per square inch absolute
Gpm	Imperial gallons per minute	psig	pound per square inch gauge
g/t	gram per tonne	RL	relative elevation
gr/ft ³	grain per cubic foot	s	second
gr/m ³	grain per cubic metre	st	short ton
ha	hectare	stpa	short ton per year
hp	horsepower	stpd	short ton per day
hr	hour	t	metric tonne
Hz	hertz	tpa	metric tonne per year
in.	inch	tpd	metric tonne per day
in ²	square inch	US\$	United States dollar
J	joule	USg	United States gallon
k	kilo (thousand)	USgpm	US gallon per minute
kcal	kilocalorie	V	volt
kg	kilogram	W	watt
km	kilometre	wmt	wet metric tonne
km ²	square kilometre	wt%	weight percent
km/h	kilometre per hour	yd ³	cubic yard
kPa	kilopascal	yr	year

2.0 DISCLAIMER

2.1 SLR

Sections of this TAR have been prepared by SLR at the request of NexGen. Any use of this report is subject to the agreed terms, conditions, and limitations (the “Terms of Business”) contained in the SLR proposal accepted by NexGen on March 31, 2021, which Terms of Business are incorporated into this Disclaimer by reference. The report may be included in the prospectus to be issued by NexGen (as referred to in Section 1.0 of this TAR) and shall not be used or relied upon for any other purpose or by any other party, without the written consent of SLR. SLR accepts no responsibility for damages, if any, suffered by any third party as a result of reliance on, decisions made or actions taken based on this report. If SLR specifically consents in writing to the use of and reliance on this report by any party other than NexGen, such use and reliance shall be in all respects subject to the Terms of Business, including the limitations of liability set forth therein. In no event will SLR have aggregate liability to NexGen or any third parties in excess of the limitations set forth in the Terms of Business.

The information, conclusions, opinions, and estimates contained herein are based on:

1. information available to SLR at the time of preparation of this report,
2. assumptions, conditions, and qualifications as set forth in this report, and
3. data, reports, and opinions supplied by NexGen and other third party sources.

For the purpose of this report, SLR has relied on ownership information provided by NexGen. SLR believes that this information is reliable for use in this report, without being able to independently verify its accuracy. SLR has not researched property title or mineral rights for the Project and expresses no opinion as to the ownership status of the property. SLR has not conducted land status, mineral rights, or property title evaluations, and has relied upon NexGen’s statements regarding property status, legal title, and environmental compliance for the Project, which SLR believes to be accurate.

In addition, SLR has relied on NexGen for guidance on applicable taxes, royalties, and other government levies or interests, applicable to revenue or income.

While it is believed that the information contained herein is reliable under the conditions and subject to the limitations set forth herein, this report is based in part on information not within the control of SLR and SLR does not guarantee the validity or accuracy of conclusions or recommendations based upon that information. While SLR has taken all reasonable care in producing this report, it may still contain inaccuracies, omissions, or typographical errors.

The report is intended to be read as a whole, including the Executive Summary and Appendices, and sections should not be read or relied upon out of context.

The information contained in this report may not be modified or reproduced in any form, electronic or otherwise except for NexGen’s own use unless NexGen has obtained SLR’s express permission.

2.2 Wood

Sections of this TAR were prepared for NexGen by Wood Canada Limited, formerly known as Amec Foster Wheeler Americas Limited. The quality of information, conclusions, and estimates contained herein is consistent with the level of effort involved in the services of Wood, based on i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and

qualifications set forth in this report. This report is intended for use by NexGen subject to terms and conditions of its contract with Wood. Except for the purposes legislated under Canadian provincial and territorial securities law, any other uses of this report by any third party is at that party's sole risk.

3.0 QUALIFICATIONS OF SLR AND WOOD

The SLR Mining Advisory group (formerly Roscoe Postle Associates Inc. (RPA)) is a world-leading mining advisory business with teams in Toronto, Denver, and London. Since integration of our teams, SLR's core Mining Advisory services include geological, mining, metallurgical, tailings, and environment consultants who have provided expertise and advice to clients around the world for more than 35 years. The team ensures our clients have access to a comprehensive suite of services.

This extends through the lifecycle of projects commencing with value creation in exploration programs, resource estimation, and preliminary environment/social assessments to value recognition through reserve development, including transactional support and decision making. A key aspect of our services is tailings, environmental and social risk/liability assessment and management, including ESG and climate change challenges.

Wood's Mining and Minerals deliver services across the entire life of mining projects from front-end geology, process, and environmental consulting, through to conceptual and detailed design, project management, construction, operations, and mine closure.

This TAR was authored by Mark B. Mathisen, C.P.G., Principal Geologist, David M. Robson, P.Eng., MBA, Consultant Mining Engineer, both of SLR, and Paul O'Hara, P.Eng., Manager, Process, of Wood. The Practitioners' Declarations are included in Section 17 of this TAR.

3.1 JORC Competent Persons Statement

The information in this report that relates to or supports Mineral Resources or Ore Reserves is based on information compiled by Mark B. Mathisen, C.P.G., Principal Geologist, David M. Robson, P.Eng., MBA, Consultant Mining Engineer, both of SLR, and Paul O'Hara, P.Eng., Manager, Process, of Wood. Mr. Mathisen is a Certified Professional Geologist with the American Institute of Professional Geologists (No. CPG-11648). Mr. Robson is a licensed Professional Engineer with the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS) (Reg. #13601). Mr. O'Hara is a licensed Professional Engineer with APEGS (Reg. #11687). Each of these professional organisations are a 'Recognised Professional Organisation' included in a list that is posted on the ASX website from time to time. Each of Messrs. Mathisen, Robson, and O'Hara has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and consents to the inclusion in this report of the matters based on their respective information in the form and context in which it appears.

4.0 PROPERTY LOCATION, ACCESS, AND INFRASTRUCTURE

The Project is located in the northern region of Saskatchewan, a province of Canada, approximately 40 km east of the Alberta-Saskatchewan border. The property lies approximately 150 km north of the town of La Loche, Saskatchewan and 640 km northwest of the city of Saskatoon, Saskatchewan. The property covers parts of National Topographic System (NTS) map sheets 74F/7, 74F/10, and 74F/11.

The property is best accessed via all-weather gravel Highway 955, which runs north-south approximately eight kilometres west of the Arrow Deposit. From Highway 955, a 13 km long, all-weather, single lane gravel road provides access to the western portion of the property including the Arrow Deposit area. In addition, there are several passable four-wheel drive roads and trails that allow for access to much of the property. Fixed wing aircraft on floats can land on lakes on and near the property. Remote areas of the property are accessible via helicopter.

There is no permanent infrastructure on the property other than core logging and storage buildings. The property has sufficient space for an underground mining operation including space for waste rock piles. Water is readily available.

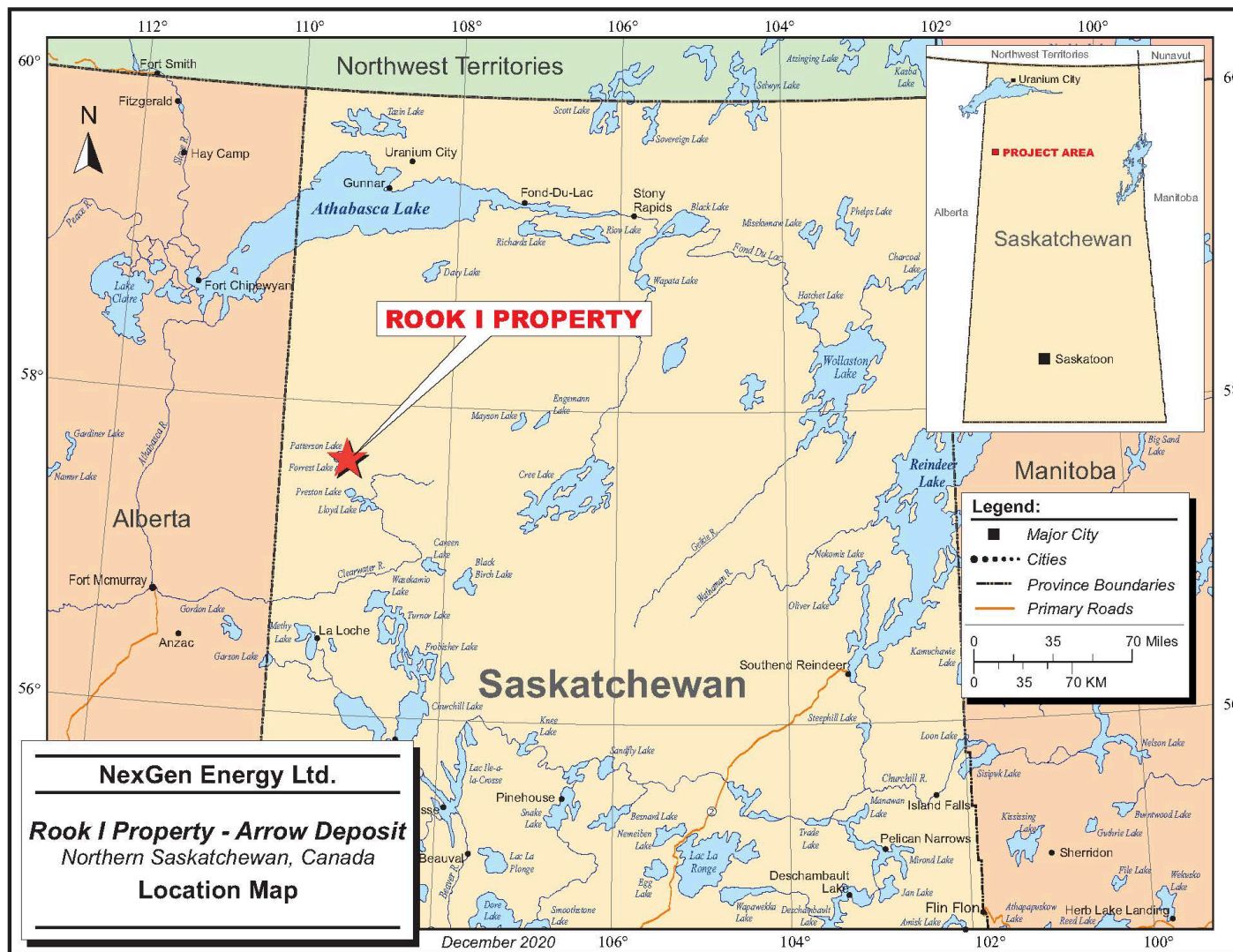


Figure 4-1: Property Location Map

5.0 TENURE STATUS

The property consists of 32 contiguous mineral dispositions (claims) totalling 35,065 ha (Table 6-1). NexGen acquired the property in December 2012 and has a 100% interest in the claims. Six of the claims, S-113928, S-113929, S-113930, S-113931, S-113932, and S-113933, are subject to: (i) a 2% net smelter return (NSR) royalty payable to Advance Royalty Corporation (ARC), and (ii) a 10% production carried interest with Terra Ventures Inc. (Terra), however, the Arrow Deposit is located outside of the six claims. The NSR may be reduced to 1% upon payment of C\$1 million to ARC.

All claims are currently in good standing until 2039 and the claim that hosts the Arrow Deposit, S-113927, is in good standing until 2042.

SLR has relied exclusively on the land tenure holdings assessment provided by NexGen and expresses no opinion as to the ownership status of the Rook I property. The documents that were provided to SLR are the following:

- Information on Mineral Tenure, Surface Rights, Royalties and Encumbrances, Boisjoli, 2018.
- Excel spreadsheet titled *NexGenProjectsWithRoyaltiesFebruary2021*.

The list of mineral claims comprising the Project and their status is shown in Table 5-1, and graphically in Figure 6-1.

Table 5-1: Rook I Claims
NexGen Energy Ltd. – Rook I Property

Disposition Number	Previous Disposition Number	NTS	Record Date	In Good Standing To	Area (ha)	Annual Expenditure (\$)
S-110932	S-110932	74F/11	17-Mar-08	13-Jun-40	2,558	63,950
S-113903	S-110575	74F/10	13-Feb-07	13-May-42	673	16,825
S-113904	S-110575	74F/10	13-Feb-07	13-May-42	900	22,500
S-113905	S-110575	74F/10, 74F/11	13-Feb-07	13-May-42	1,432	35,800
S-113906	S-110575	74F/10, 74F/11	13-Feb-07	13-May-42	1,092	27,300
S-113907	S-110574	74F/10	13-Feb-07	13-May-42	1,436	35,900
S-113908	S-110574	74F/10	13-Feb-07	13-May-40	462	11,550
S-113909	S-110574	74F/10	13-Feb-07	13-May-42	492	12,300
S-113910	S-110574	74F/10	13-Feb-07	13-May-42	1,029	25,725
S-113911	S-110574	74F/10	13-Feb-07	13-May-42	800	20,000
S-113912	S-110573	74F/10	13-Feb-07	13-May-40	2,539	63,475
S-113913	S-110573	74F/10	13-Feb-07	13-May-42	1,280	32,000
S-113914	S-110573	74F/10	13-Feb-07	13-May-40	560	14,000
S-113915	S-110572	74F/10, 74F/7	13-Feb-07	13-May-40	1,806	45,150
S-113916	S-110572	74F/10	13-Feb-07	13-May-42	1,187	29,675

Disposition Number	Previous Disposition Number	NTS	Record Date	In Good Standing To	Area (ha)	Annual Expenditure (\$)
S-113917	S-110934	74F/10	17-Mar-08	13-Jun-39	1,385	34,625
S-113918	S-110934	74F/10, 74F/7	17-Mar-08	13-Jun-39	2,481	62,025
S-113919	S-110933	74F/10, 74F/11	17-Mar-08	13-Jun-40	1,328	33,200
S-113920	S-110933	74F/10, 74F/11	17-Mar-08	13-Jun-40	2,098	52,450
S-113921	S-110931	74F/11	17-Mar-08	13-Jun-42	392	9,800
S-113922	S-110931	74F/11	17-Mar-08	13-Jun-42	498	12,450
S-113923	S-110931	74F/11	17-Mar-08	13-Jun-42	378	9,450
S-113924	S-110931	74F/11	17-Mar-08	13-Jun-42	475	11,875
S-113925	S-110931	74F/11	17-Mar-08	13-Jun-42	360	9,000
S-113926	S-110931	74F/11	17-Mar-08	13-Jun-42	429	10,725
S-113927	S-110931	74F/11	17-Mar-08	13-Jun-42	1,514	37,850
S-113928	S-108095	74F/11	17-Mar-05	13-Jun-42	920	23,000
S-113929	S-108095	74F/11	17-Mar-05	13-Jun-42	811	20,275
S-113930	S-108095	74F/11	17-Mar-05	13-Jun-42	303	7,575
S-113931	S-108095	74F/11	17-Mar-05	13-Jun-42	1,395	34,875
S-113932	S-108095	74F/11	17-Mar-05	13-Jun-42	627	15,675
S-113933	S-108095	74F/11	17-Mar-05	13-Jun-42	1,425	35,625
Total					35,065	876,625

As of the effective date of this TAR, all 32 mineral claims comprising the property are in good standing and are registered in the name of NexGen. NexGen has legal access to all the property mineral claims for exploration programs. Other than as set forth above, the property is not subject to any royalties, back-in rights, payments, or other agreements and encumbrances. SLR is not aware of any environmental liabilities or any other significant factors and risks that may affect access, title, or NexGen's ability to perform the proposed work on the property, other than what is described in this report.

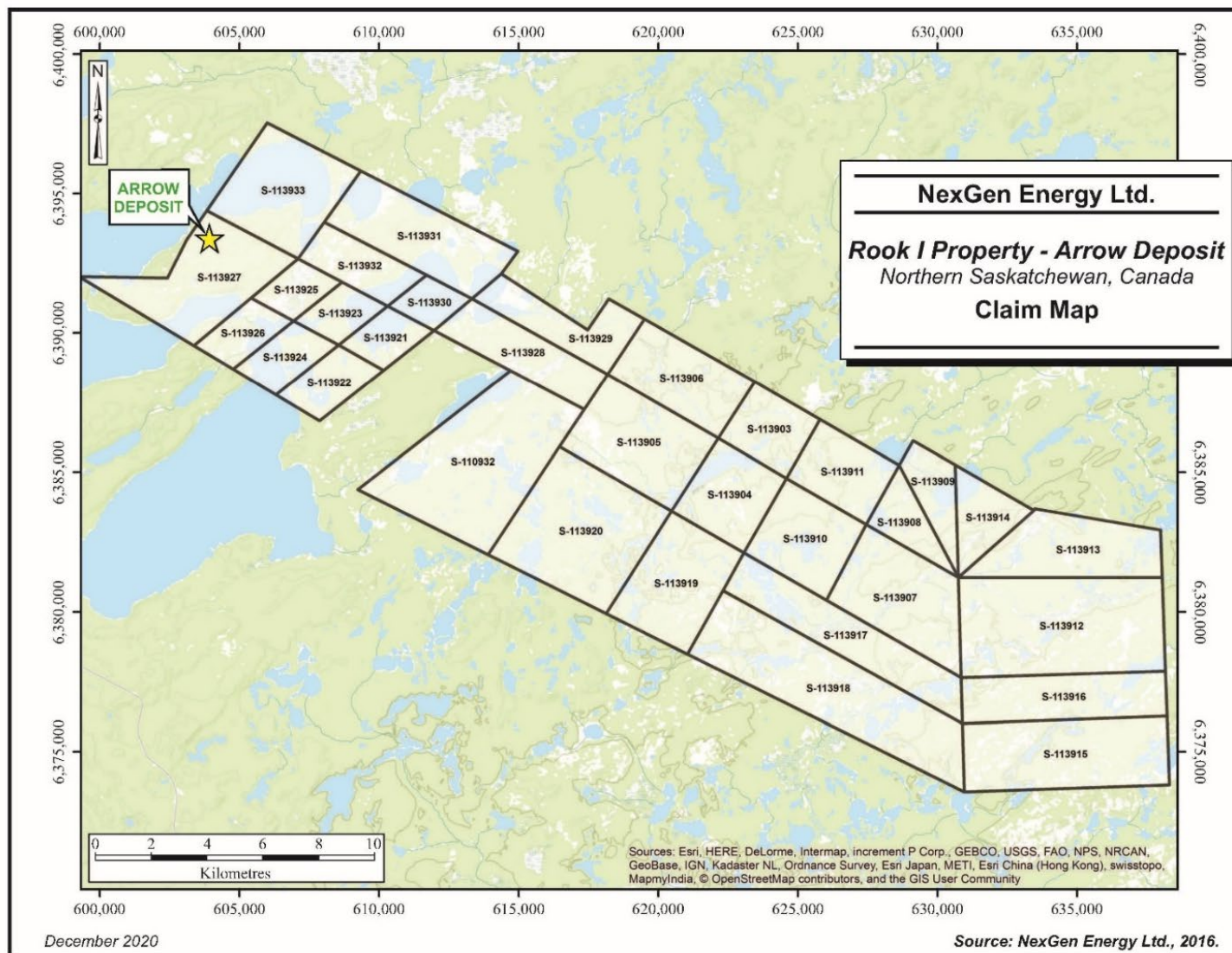


Figure 5-1: Claim Map

6.0 GEOLOGY AND MINERALIZATION

The Property is located along the southwestern rim of the Athabasca Basin, a large Paleoproterozoic aged, flat lying, intracontinental, fluvial, redbed sedimentary basin which covers much of northern Saskatchewan and part of northern Alberta (Figure 6-1). The Athabasca Basin is oval shaped at surface with approximate dimensions of 450 km by 200 km and reaches a maximum thickness of approximately 1,500 m near the centre. The southwest portion of the Athabasca Basin is overlain by flat lying Phanerozoic stratigraphy of the Western Canada Sedimentary Basin, including carbonate rich rocks of the Lower to Middle Devonian Elk Point Group, Lower Cretaceous Manville Group sandstones and mudstones, moderately lithified diamictites, and Quaternary unconsolidated sediments. South of the Athabasca Basin where Athabasca sandstone cover becomes thin, paleo-valley fill and debris flow sandstones of the Devonian La Loche/Contact Rapids formation (Alberta) or Meadow Lake (Saskatchewan) formation unconformably overlie the basement rocks.

The Paleoproterozoic basement rocks of the Taltson Domain unconformably underlie the Athabasca Basin and the Phanerozoic stratigraphy within the extents of the Property. The crystalline basement rocks comprise a spectrum of variably altered mafic to ultramafic, intermediate, and local alkaline rock types. The most abundant basement lithologies consist of gneissic, metasomatized feldspar rich granitoid rocks and dioritic to quartz dioritic and quartz monzodioritic gneiss, with lesser granodioritic and tonalitic gneiss.

Mineralization is known to occur at seven locations on the Property, and is exclusively hosted in basement lithologies below the unconformity that is overlain by the Athabasca Group (Figures 6-2 and 6-3):

- Arrow Deposit
- South Arrow Discovery
- Harpoon occurrence
- Bow occurrence
- Cannon occurrence
- Camp East occurrence
- Area A occurrence

The Arrow Deposit is currently interpreted as being hosted predominantly in porphyroblastic quartz-flooded, quartz-feldspar-garnet-biotite (+/- graphite) gneiss, in which the garnet porphyroblast pseudomorphs are now almost exclusively altered to chlorite, hematite, illite, or sudoite. Other minor mineral phases present include plagioclase, potassium feldspar, biotite, muscovite, and amphibole, in varying concentrations. Mineralization at the Arrow Deposit is defined by an area comprised of several steeply dipping shears named A0 through A5, which locally host high grade uranium mineralization. High grade uranium zones are observed immediately adjacent to heavily sheared and strongly graphitic zones. The mineralized area is 315 m wide with an overall strike of 980 m. Mineralization is noted to occur 100 m below surface and extends to a depth of 950 m. The individual shear zones vary in thickness from two metres to 60 m. The Arrow Deposit is considered to be an example of a basement hosted, vein type uranium deposit (Figure 6-4). The Arrow Deposit is open along strike and at depth.

At Harpoon, mineralization occurs as semi-massive to massive uraninite veining and as worm-rock styles, chemical solution fronts, replacement bodies, and as fracture coatings. At Bow, anomalous uranium values ($>0.05\%$ U_3O_8) occur at or just below the unconformity in fractured, slickensided, and sometimes brecciated sandstone and basement quartz-feldspar-biotite (+/- graphite) gneiss. A strongly silicified quartz-rich unit was also noted in several drill holes. Basement rocks are described as strongly bleached

and clay altered. While the continuity of mineralization is not yet established, the alteration and host rocks described are similar to what is seen in unconformity associated uranium deposits elsewhere in the Athabasca Basin. Basement lithologies present at the Cannon occurrence largely consist of quartz-feldspar-garnet-biotite (+/- graphite) gneiss and intermediate orthogneisses, with relatively narrow intervals of chloritic and graphitic mylonite, the latter of which host the low grade uranium mineralization discovered to date. The type of mineralization and relationships between geological structures and anomalous radioactivity at Camp East has not yet been determined. Area A mineralization occurs within a 29 m wide shear zone marked by faults, fractures, a variety of veins, and breccias. The host rocks are garnetiferous quartz-plagioclase-biotite gneiss with minor graphite. Follow-up drilling failed to intersect mineralization.

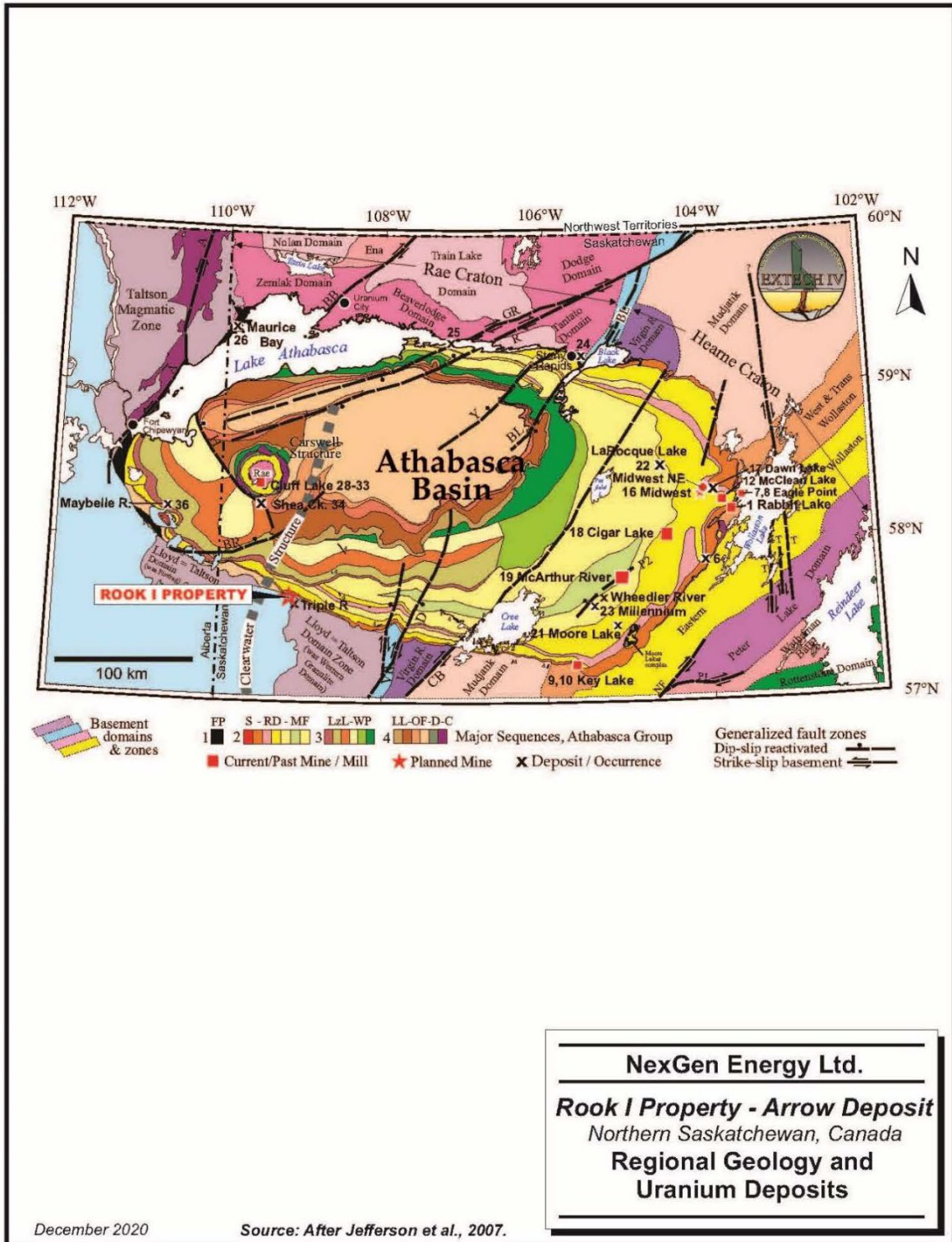


Figure 6-1: Regional Geology

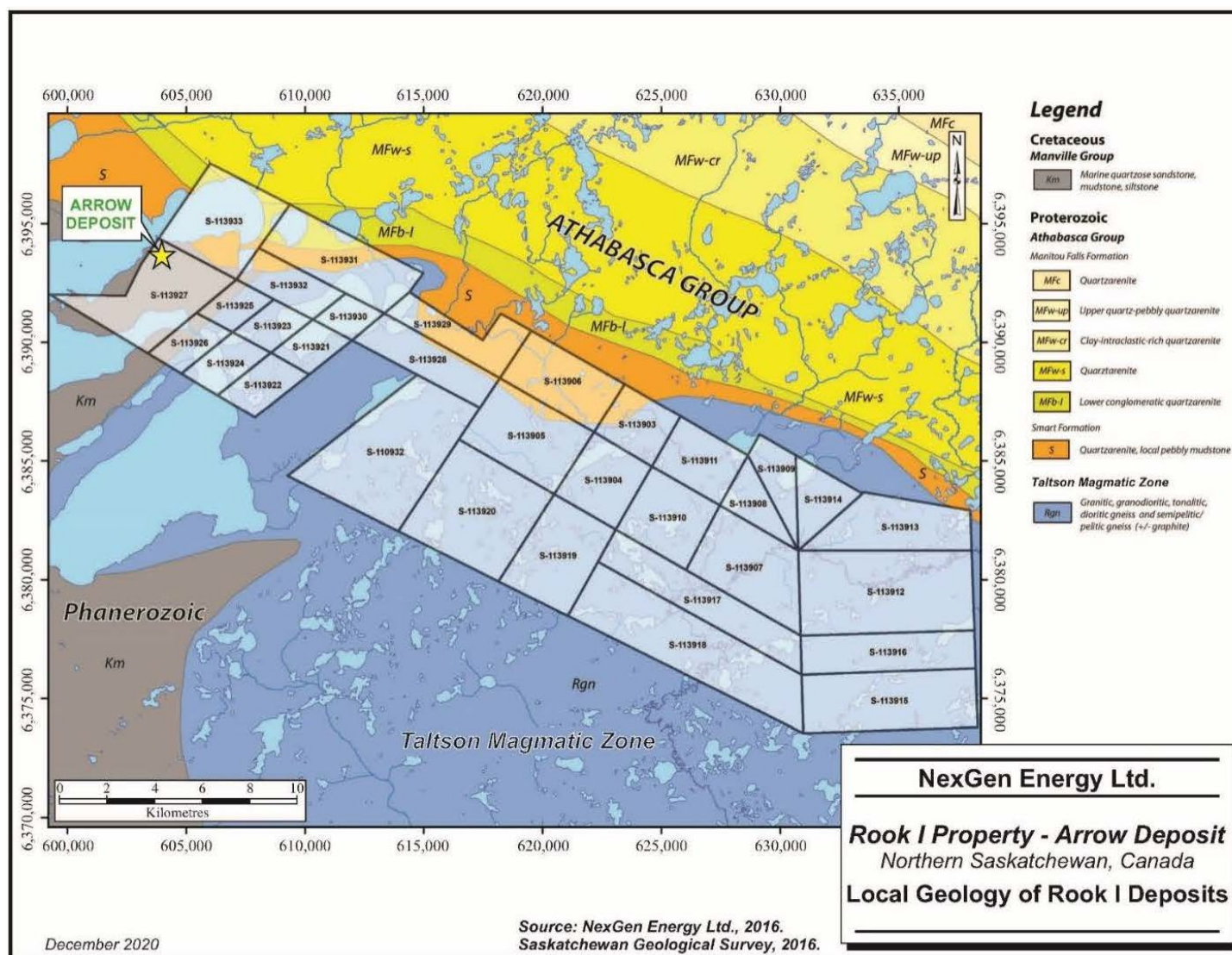


Figure 6-2: Rook I Property Geology

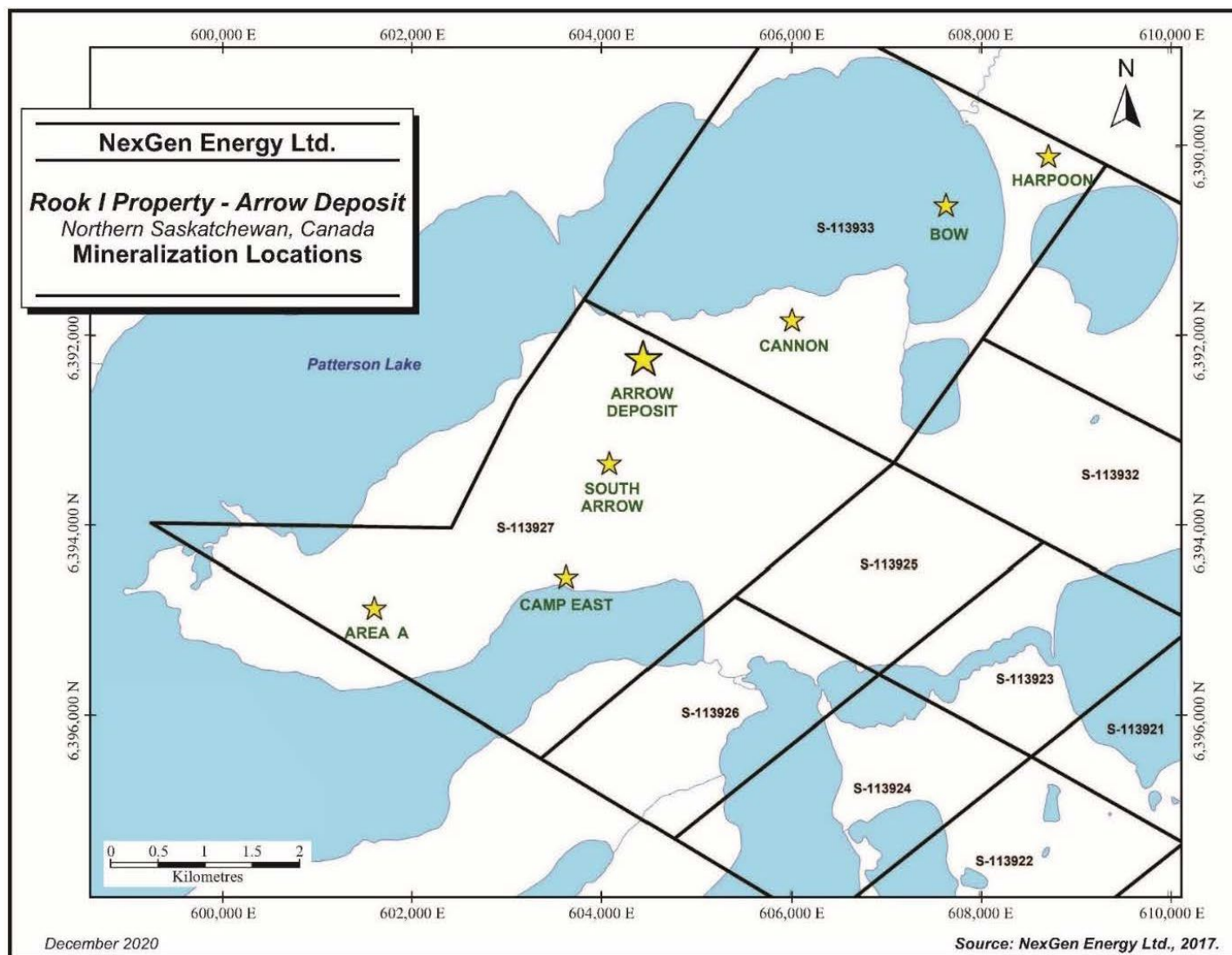


Figure 6-3: Mineralization Locations

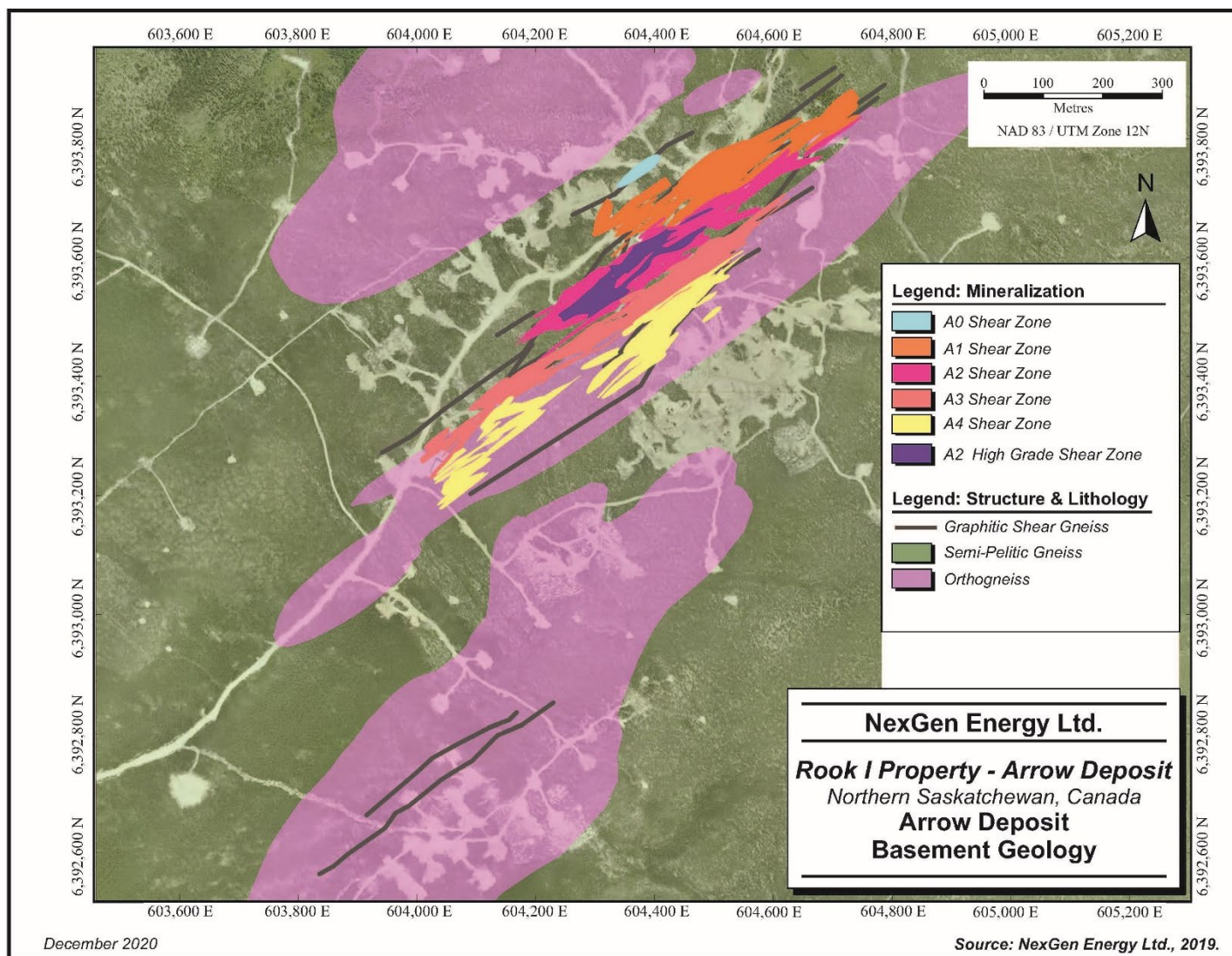


Figure 6-4: Arrow Deposit Basement Geology

7.0 EXPLORATION HISTORY AND EXPLORATION POTENTIAL

7.1 Exploration History

The property was geologically mapped as part of a larger regional mapping program by the Geological Survey of Canada in 1961.

From 1968 to 1970, Wainoco Oil and Chemicals Ltd. completed airborne magnetic and radiometric surveys and geochemical sampling programs. No structures or anomalies of interest were detected.

In 1974, Uranerz Exploration and Mining Ltd. completed geological mapping, prospecting, and lake sediment sampling on the Property.

From 1976 to 1982, Canadian Occidental Petroleum Ltd. and other companies including Saskatchewan Mining and Development Corp. (SMDC, now Cameco Corp.) completed airborne INPUT electromagnetic (EM) surveys which detected numerous conductors, many of which were subject to ground EM surveys prior to drilling. Airborne magnetic-radiometric surveys were also completed and followed up by prospecting, geological mapping, lake sediment surveys, and some soil and rock geochemical sampling. Few anomalies were found other than those located by the airborne and ground EM surveys.

From 2005 to 2008 Titan Uranium Inc. (Titan) carried out airborne time-domain EM surveys, MegaTEM and VTEM, which detected numerous strong EM anomalies. A ground MaxMin II survey in 2008 confirmed the airborne anomalies.

In 2012, pursuant to a mineral property acquisition agreement between Mega Uranium Ltd. (Mega) and Titan dated February 1, 2012, Mega acquired all nine dispositions comprising the Project. A gravity survey was completed over 60% of S-113921 through S-113933 which defined several regional structural features and some additional local smaller scale features. Simultaneously Mega undertook sampling of organic rich soils and prospecting in the same area as the gravity survey. No soil geochemical anomalies or radioactive boulders were found.

Since acquiring the property in December 2012, NexGen has carried out exploration consisting of ground gravity surveys, ground direct current (DC) resistivity and induced polarization surveys, an airborne magnetic-radiometric-very low frequency (VLF) survey, an airborne VTEM survey, an airborne Z-axis tipper electromagnetic (ZTEM) survey, an airborne gravity survey, a radon-in-water geochemical survey, and a ground radiometric and boulder prospecting program. Diamond drilling programs have also tested several geochemical and/or geophysical targets on the property which resulted in the discovery of the Arrow Deposit in drill hole AR-14-001 (formerly known as RK-14-21) in February 2014.

Regional drilling completed by NexGen from 2015 through 2019 along a broad corridor of low resistivity identified with ZTEM survey also identified new uranium discoveries at Harpoon, Bow, Cannon, Camp East, Area A, and South Arrow.

As of the effective date of this TAR, NexGen and its predecessors have completed 754 holes totalling 380,051 m.

Several uranium-anomalous occurrences have been identified within the Project area. In addition, geophysical surveys indicate several geophysical anomalies that may warrant further exploration.

At the Arrow Deposit, the A4 and A5 mineral resource delineation has mostly been achieved through secondary drill targeting which has left the shear zones completely untested along the down-dip extension of several deep mineralized intersections, such as AR-15-048c3 (10 m at 0.20% U₃O₈ from 981.5 to 991.5

m), AR-16-081c2 (1 m at 11.04% U_3O_8 from 901.5 to 902.5 m, and 1.5 m at 2.24% U_3O_8 from 905.5 to 907.0 m), and AR-16-092c2 (12.5 m at 0.53% U_3O_8 from 997.5 to 1010.0 m). These intersections occur along an apparent cross-cutting north to northeast trend of extended mineralization across the deposit which contains the widest intercepts at the Arrow Deposit, the high grade domains, and some of the deepest intersections. This area consists of the northeast-southwest and north-northeast to south-southwest oblique shear bends and flexures that connect the major shear zones, as detailed in the structural analysis of the Arrow Deposit.

8.0 DRILLING, SAMPLING, ASSAYING, AND DATA VERIFICATION

8.1 Drilling, Sampling, and Assaying

As of the effective date of this TAR, NexGen and its predecessors have completed 754 diamond drill holes totalling 380,051 m. From 2013 to the effective date of this TAR, NexGen has completed 716 holes totalling 374,917 m of drilling. One of the holes drilled by NexGen during the Summer 2018 program was a designated training hole located 2.34 km southwest of the Arrow Deposit. The purpose of this hole was to train onsite personnel in the safety and protocols required for working on and around drill rigs. The hole is not used in the Mineral Resource estimate. No additional drilling has been completed on the Property since the effective date of the current Mineral Resource estimate of July 19, 2019.

Three types of drill core samples are collected at site for geochemical analysis and uranium assay.

- One metre and 0.5 m samples taken over intervals of elevated radioactivity, and one metre or two metres beyond radioactivity.
- Point samples taken at nominal spacings of five metres or 50 m for infill holes, which is meant to be representative of the interval or of a particular rock unit.
- Composite samples in the Devonian and Athabasca sandstone units where one-centimetre-long pieces are taken from one metre to 10 m long.

All samples are analyzed at Saskatchewan Research Council (SRC) Geoanalytical Laboratories, an independent laboratory which holds Standard ISO/IEC 17025:2017 accreditation, by inductively coupled plasma optical emission spectroscopy (ICP-OES) or inductively coupled plasma mass spectroscopy (ICP-MS) for 64 elements, including uranium. Samples with low radioactivity are analyzed using ICP-MS. Samples with anomalous radioactivity are analyzed using ICP-OES.

NexGen personnel perform full core bulk density measurements using standard laboratory techniques. In mineralized zones, average bulk density is measured from samples at 2.5 m intervals, where possible (i.e., approximately 20% of all mineralized samples). In order for density to be correlated with uranium grades across the data set, each density sample directly correlates with a sample sent to SRC for assay.

Samples are also collected for clay mineral identification using infrared spectroscopy in areas of clay alteration. Samples are typically collected at five metre intervals and consist of one-centimetre-long pieces of core selected by a geologist.

Based on the data validation and the results of the standard, blank, and duplicate analyses, SLR believes that the assay and bulk density databases are of sufficient quality for Mineral Resource estimation at the Arrow Deposit.

SLR is not aware of any drilling, sampling, or recovery factors that could materially impact the accuracy and reliability of the results.

In SLR's opinion, the drilling, core handling, logging, and sampling procedures meet or exceed industry standards, and are adequate for the purpose of Mineral Resource estimation.

8.2 Data Verification

SLR reviewed core handling, logging, sample preparation and analytical protocols, density measurement system, and storage procedures during multiple site visits. SLR has also reviewed the Leapfrog model parameters and geological interpretation, reviewed how drill hole collar locations were defined, inspected the use of directional drilling methods, observed the data management system, obtained a copy of the master database, and obtained SRC laboratory certificates for all drilling assays.

A review of the database indicated no significant issues. A separate review of the assay table determined minimal errors, all of which were most likely due to rounding. Limitations were not placed on SLR's data verification process. SLR did not take any independent samples.

SLR considers the resource database reliable and appropriate to support a Mineral Resource estimate.

9.0 MINERAL RESOURCES AND ORE RESERVES

9.1 Mineral Resources

The Arrow Deposit Mineral Resource estimate is based on results of surface diamond drilling campaigns from 2014 to 2019. The effective date of the Mineral Resource estimate is July 19, 2019. From 19 July 2019 to the effective date of this report, no additional exploration drilling has occurred at the Arrow Deposit. Subsequent feasibility study work, using the same commodity price and similar costs, which SLR considers to be reasonable confirms a reasonable prospect of eventual economic extraction. In SLR's opinion, the Mineral Resource estimate remains current as of the effective date of this TAR. The Mineral Resources of the Arrow Deposit are classified as Measured, Indicated, and Inferred based on drill hole spacing and apparent continuity of mineralization, and is presented in Table 9-1. The Mineral Resources are estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves dated May 10, 2014 (CIM (2014) definitions). The estimate also conforms to the JORC Code.

SLR has reviewed the geology, structure, and mineralization of the Arrow Deposit from 566 diamond drill holes and audited three-dimensional (3D) wireframe models developed by NexGen which represent 0.05% U₃O₈ grade envelopes with a minimum thickness of one metre. Of the 566 holes completed, 45 drill holes were drilled on the South Arrow Discovery and were not used in the Mineral Resource estimate. The wireframe models representing the Arrow Deposit mineralized zones are intersected in 418 of 566 drill holes.

Table 9-1: Mineral Resource Estimate – July 19, 2019
NexGen Energy Ltd. – Rook I Property

Classification	Zone	Tonnage (t)	Grade (% U ₃ O ₈)	Contained Metal (lb U ₃ O ₈)
Measured	A2-LG	920,000	0.79	16,000,000
	A2-HG	441,000	16.65	161,900,000
	A3-LG	821,000	1.75	31,700,000
Measured Total		2,183,000	4.35	209,600,000
Indicated	A2-LG	700,000	0.79	12,200,000
	A2-HG	56,000	9.92	12,300,000
	A3-LG	815,000	1.26	22,700,000
Indicated Total		1,572,000	1.36	47,100,000
Measured + Indicated	A2-LG	1,620,000	0.79	28,100,000
	A2-HG	497,000	15.90	174,200,000
	A3-LG	1,637,000	1.51	54,400,000
Measured + Indicated Total		3,754,000	3.10	256,700,000

Classification	Zone	Tonnage (t)	Grade (% U ₃ O ₈)	Contained Metal (lb U ₃ O ₈)
Inferred	A1	1,557,000	0.69	23,700,000
	A2-LG	863,000	0.61	11,500,000
	A2-HG	3,000	10.95	600,000
	A3-LG	1,207,000	1.12	29,800,000
	A4	769,000	0.89	15,000,000
Inferred Total		4,399,000	0.83	80,700,000

Notes:

1. CIM (2014) definitions were followed for Mineral Resources. The estimate also conforms to the JORC Code (2012).
2. Mineral Resources are reported at a cut-off grade of 0.25% U₃O₈.
3. Mineral Resources are estimated using a long-term uranium price of US\$50/lb U₃O₈ and estimated mining costs.
4. A minimum thickness of one metre was used.
5. Tonnes are based on bulk density weighting.
6. Mineral Resources are inclusive of Mineral Reserves.
7. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
8. Numbers may not add due to rounding.
9. High grade (HG) domain and low grade (LG) domain.

Based on 5,850 dry bulk density determinations for the Arrow Deposit, NexGen developed a formula relating bulk density to grade which was used to assign a density value to each assay. Bulk density values were then used to weight the grade estimation and convert volume to tonnage.

High grade values were capped and their influence further restricted during the block estimation process. High grade outliers were capped at 1%, 2%, 3%, 4%, 5%, 6%, 8%, 10%, 15%, 25%, and 30% U₃O₈ depending on the domain, resulting in 428 capped assay values. No outlier assay values were identified in the high grade domains; therefore, no capping was applied to the assays as each high grade domain dataset was determined to be stationary and appropriate for interpolation, with the exclusion of the A2-HG8 which was capped at 30% U₃O₈.

Variable density and grade multiplied by density (GxD) were interpolated using OK in the A2-HG domains (excluding A2-HG6 and A2-HG8), A2-LG domain that envelopes a high grade domain, and two large A3-LG domains, 301 and 312. Inverse distance squared (ID²) was used on all remaining mineralized domains. Estimates used a minimum of one to three composites per block estimate to a maximum of 50 composites per block estimate with the majority of the domains using a maximum of two composites per drill hole. The sample selection criteria were based on sensitivity testing, by comparing the estimated block means of each domain to the composited mean. Unsourced intervals and samples below the detection limit within the domains were assigned a grade of zero and considered to be internal dilution. Hard boundaries were used to limit the use of composites between domains. Block grade was derived by dividing the interpolated GxD value by the interpolated density value for each block.

The block model was validated by swath plots, volumetric comparison, visual inspection, and statistical comparison. As well, the average block grade at zero cut-off was compared to the average of the composited assay data to ensure that there was no global bias.

SLR is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate other than what is described in this report.

9.2 Ore Reserves

9.2.1 Introduction

The Ore Reserve estimate in the FS was completed by Stantec Consulting Ltd. (Stantec), which has consented to having some of the text of the FS being reproduced for this TAR. In SLR's opinion, the approach taken by Stantec for Ore Reserve estimation is reasonable.

The Ore Reserves are estimated by considering the Measured and Indicated Mineral Resources of the geological block model. Inferred Resources were assigned a zero grade.

The Ore Reserves are limited to the A2 and A3 veins within the Arrow Deposit. Based on the cut-off grade assessment, an incremental cut-off grade of 0.30% U_3O_8 was applied as the input parameter for designing stopes. This cut-off grade was applied at the level of stoping solids, after inclusion of waste and fill dilution. The resulting vertical extent of the Ore Reserves is from approximately 320 m below surface to 680 m below surface.

Factors that may affect the Ore Reserve estimate include the following.

- Commodity price assumptions.
- Changes in local interpretations of mineralization geometry and continuity of mineralization zones.
- Changes to geotechnical, hydrogeological, and metallurgical recovery assumptions.
- Input factors used to assess stope dilution.
- Assumptions that facilities such as the Underground Tailings Management Facility (UGTMF) can be permitted.
- Assumptions regarding social, permitting, and environmental conditions.
- Additional infill or step out drilling.

9.2.2 Ore Reserve Statement

The estimate was prepared in accordance with CIM (2014) definitions, where the definition of "Mineral Reserves" is equivalent to the JORC Code definition of "Ore Reserves". SLR notes, however, that the CIM (2014) terminology has been used in Table 9-2 that summarizes the Mineral Reserve estimate from Stantec et al. (2021).

**Table 9-2: Probable Mineral Reserve Estimate – January 21, 2021
NexGen Energy Ltd. – Rook I Property**

Tonnes (kt)	Grade (% U_3O_8)	Contained Metal (Mlb U_3O_8)
4,575	2.37%	239.6

Notes:

1. CIM (2014) definitions were followed for Mineral Reserves. The estimate also conforms to the JORC Code (2012).
2. Mineral Reserves are reported with an effective date of January 21, 2021.
3. Mineral Reserves include transverse and longitudinal stopes, ore development, marginal ore, special waste, and a nominal amount of waste required for mill ramp-up and grade control.
4. Stopes were estimated at a cutoff grade of 0.30% U_3O_8 .

5. Marginal ore is material between 0.26% U_3O_8 and 0.30% U_3O_8 that must be extracted to access mining areas.
6. Special waste in material between 0.03% and 0.26% U_3O_8 that must be extracted to access mining areas. 0.03% U_3O_8 is the limit for what is considered benign waste and material that must be treated and stockpiled in an engineered facility.
7. Mineral Reserves are estimated using a long-term metal price of US\$50/lb U_3O_8 , and a 0.75 US\$/C\$ exchange rate (C\$1.00 = US\$0.75). The cost to ship the yellowcake product to a refinery is considered to be included in the metal price.
8. A minimum mining width of 3.0 m was applied for all longhole stopes.
9. Mineral Reserves are estimated using a combined mining recovery of 95.5% and total dilution (planned and unplanned) of 33.8%.
10. The density varies according to the U_3O_8 grade in the block model. Waste density is 2.464 t/m³.
11. Numbers may not add due to rounding.

9.2.3 Estimation of Cut-Off Grade

The estimation of the cut-off grade was based on previous studies completed on the Project and is summarized in Table 9-3.

Table 9-3: Cut-Off Grade Calculation
NexGen Energy Ltd. – Rook I Property

Item	Unit	Value
Operating Cost Area		
Mine —Variable Portion Only	\$/t proc	\$54.72
Processing	\$/t proc	\$181.50
Tailing Storage (UGTMF)	\$/t proc	\$97.20
General and Administration	\$/t proc	\$67.11
Operating Cost—Incremental	\$/t proc	\$400.53
Uranium Price	\$/lb U_3O_8	\$66.67
Transportation Cost	\$/lb U_3O_8	\$0.34
Royalties	%	7.25%
Mill Recovery	%	97.6%
Uranium Revenue	\$/lb U_3O_8	\$60.05
Incremental Cut-Off (Var. Mining, G&A, Proc. and UGTMF)	%	0.30%

In SLR's opinion, the calculation of the cut-off grade, and the application of the incremental cut-off grade for the purposes of initial stope designs, is appropriate.

9.2.4 Initial Stope Shape Design

The stope shapes were based on using a program called Deswik Stope Optimizer (DSO), which creates mining shapes around clusters of individual cells within a geological block model, based on a set of input

parameters, including stope height, width, length, dip, and cut-off grade. A summary of the key input parameters is shown in Table 9-4.

**Table 9-4: Deswik Stope Optimizer Parameters
NexGen Energy Ltd. – Rook I Property**

Parameter	Value
Orientation of DSO	-33°
Stope Width (Transverse) along Strike	12 m
Stope Length (Longitudinal) along Strike	12 m
Stope Height	30 m
Minimum Stope Width Horizontal	3 m
Minimum Stope Dip Angle	50°
Cut-off Grade	0.30% U ₃ O ₈
Dilution	Variable

Sub-heights (15 m instead of full 30 m) were also considered in a secondary pass. There was a generally good conversion of Measured and Indicated Mineral Resources into stope shapes.

9.2.5 Dilution and Extraction

The Project assumes that both transverse stope and longitudinal retreat stope mining methods would be used. The assumed mining rate is nominally 1,300 tpd. A total planned dilution of approximately 24% is projected for the longhole stopes. The unplanned or overbreak dilution is estimated at 12%, and total dilution (planned and unplanned) equates to 34%. Fill dilution will occur when mining next to fill walls and mucking on fill floors; a 4% fill dilution was applied to secondary transverse stopes only, and a 1% fill dilution was applied to secondary longitudinal stopes.

The dilution included in the stope shape creation process ranged from 0.25 m on each of the hanging wall and footwall (0.5 m combined) up to 0.75 m each (1.5 m combined), depending on the geotechnical domains and stope sizes.

Extraction (mining recovery) is estimated to be 100% for development ore, 95% for longitudinal stopes, 95.5% for transverse stopes, and 93% for sill recoveries at 530L and 650L mining levels, for a combined 95.5% overall.

10.0 METALLURGICAL TEST WORK

The Saskatchewan Research Council (SRC) was contracted to complete a metallurgical test program using samples from the Arrow Deposit. The metallurgical testing program included a bench test program (March 2018), a pilot plant program (July 2018), and paste backfill testing (July 2018). All test programs were developed and performed under Wood's supervision. During 2019, a series of tests were carried out to refine the process design. These tests were carried out at the SRC facilities and included the following:

- Bench scale testing to recover uranium from gypsum (June 2019) – the gypsum testing was developed and performed under Wood's supervision.
- Trade-off study/test work of dewatering and washing technologies using belt filters (July 2019) – the belt filter testing was developed and performed under the supervision of a qualified third-party service provider.
- Trade-off study/test work of dewatering and washing technologies using centrifuges (August 2019) – the centrifuge dewatering testing was developed and performed under Wood's supervision.

An advanced phase of paste backfill testing (2019) was also commenced using project samples, which was developed and managed under the supervision of a qualified third-party service provider and was conducted at the SRC facilities.

10.1 2018 Metallurgical Test Program

10.1.1 Bench Testing

The bench tests were undertaken on three composite samples.

- High grade (HG): 3.00% U_3O_8
- Medium grade (MG): 2.03% U_3O_8
- Low grade (LG): 0.87% U_3O_8

In addition to these three samples, ten samples of localized deposit areas were also tested.

- Five individual zones, A1 to A5
- One very high grade (VHG) zone
- One HG molybdenum/uranium (Mo/U) zone
- One gangue sample
- One HG rare earth element (REE) sample
- One LG REE sample

A total of thirteen composite samples were prepared and used for Quantitative Evaluation of Materials by Scanning Electron Microscopy (QEMSCAN), leaching, potentially acid generating (PAG), and tailings preparation for paste backfill tests.

QEMSCAN was used to characterize uranium mineralization and to identify gangue and deleterious minerals such as molybdenum, as well as gold (Au)/silver (Ag) deportment. QEMSCAN modal mineralogy analysis was performed on the MG composite and each of the A1 to A5 shear zone samples.

Five composite samples were subject to SAGDesign™ and Bond ball mill index test work.

One large batch leach test was completed on an MG composite sample (50 kg), at baseline conditions (pH 1.1 for eight hours, 100% -300 µm). This test was to generate adequate quantity of baseline residue and pregnant leach solution (PLS) for the downstream tests.

A total of 21 optimization leaching tests were performed on the HG, MG, and LG composite samples. A total of three confirmation tests and eight variability tests were performed using the same parameters as the optimization leaching tests.

Settling tests included flocculant screening and dosage optimization, tests on the discharge from the HG, MG, and LG optimization leaching tests, and tests on the discharge from ore variability tests at optimized leaching conditions. Beaker settling tests on the large batch leach discharge of the MG composite at baseline conditions were performed to select the most applicable flocculant.

A total of eight settling tests were performed on the five individual zones and on the two extra-HG and one high Mo/U ratio composites' leach discharges using optimized leaching conditions.

Solvent extraction (SX) tests included SX variable optimization tests, tests on the settling filtrate from optimization leaching tests, and tests on the settling filtrate from variability leaching tests.

Seven separating funnel shakeout tests were performed on the large batch settling filtrate of the MG composite at baseline conditions to assess four different organic/aqueous ratios, one test of fresh organic without pre-protonation of the organic, and two tests on pre-protonated organic with modified amine/isodecanol levels. Separating funnel shakeout tests using standard conditions were performed on the 21 settling filtrates of the HG, MG, and LG samples. Separating funnel shakeout tests using standard conditions were performed on the eight settling filtrates of zones A1 to A5, the VHG, and high Mo/U samples.

Using bench optimization test results, a flowchart for treating large batch PLS was developed and relevant large bench scale experiments were carried out, including the following.

- Organic protonation
- Extraction
- Acid scrubbing
- Strong acid stripping
- Gypsum precipitation
- Yellowcake (YC) precipitation
- Effluent treatment

Organic protonation (SX8-1) was conducted prior to the extraction tests. Four pails of the bulk PLS, collected from the previous tests from leaching 50 kg of ore, were remixed and concentrated to 11.57 g/L U_3O_8 . Twenty-five litres of the concentrated solution, denoted as "fresh bulk PLS", was used in the first stage of the extraction test (SX8-2). In the second-stage test (SX9), 11.25 L of fresh bulk PLS was used to contact the loaded organic generated from the first stage extraction. The organic/aqueous ratio in both stage extraction was 1:1 and 2:1, respectively. The rise in the organic/aqueous ratio in the second stage extraction resulted from the lack of the fresh bulk PLS. The U_3O_8 concentration in the loaded organic for both stages was estimated based on uranium assay in each stage's raffinate.

A total of 22.25 L of loaded organic was mixed with 7.42 L of diluted acidic solution (20 g/L H₂SO₄) at the organic to aqueous phase (O/A) ratio of 3:1 in ambient temperature (SX10) for removing arsenic from the organic phase to the aqueous phase.

Three sets of stripping tests were completed.

- Five separating funnel shakeout tests were performed to determine uranium loading to strong acid solution in five different organic/aqueous ratios (10:1, 15:1, 18:1, 20:1, and 25:1). All tests followed a standard SX shakeout extraction test procedure.
- Eight separating funnel shakeout tests (SX18) were performed to determine the lowest U₃O₈ concentration achievable in the barren organic at organic/aqueous ratios of 20:1. All tests followed a standard SX shakeout extraction test procedure.
- Five sets of three-stage of stripping tests (SX19) were carried out to generate adequate bulk loaded strip solution use in downstream gypsum and YC precipitation tests.

One gypsum precipitation test (SX20) was carried out with a diluted loaded strip solution, which was obtained by combining the first, second, and third loaded strip solutions from SX19 and was used for gypsum precipitation and filtration tests.

Two YC precipitation tests were performed (SX21) at a small bench scale and large bench scale. The reagent addition sequence for hydrogen peroxide (H₂O₂) and magnesia (MgO) was slightly different in each test.

Two tailings neutralization tests (L1-NT) were performed on the bulk leach residue after two more-time washes with pH2 deionized water (47.5% solids and 50 ppm U in wash). Test-1 was a small bench scale test, and aimed to verify how much lime might be consumed for generating minimum tailings. Test-2 was a larger bench scale test to confirm the results from Test-1.

One preliminary sulphide flotation test was performed on the bulk leaching residue to investigate the efficiency to recover molybdenum and copper (Cu).

Approximately 1.6 kg wet residue was neutralized and screened into different size fractions (+212-300, +106-212, and +45-106 µm) for diagnostic gravity separation (heavy media separation [HMS]). Each size fraction was tested with five specific gravities (3.18, 3.1, 2.8, 2.6, and 2.4).

One effluent treatment test (BNT-Raff&YC BS) was performed at ambient temperature.

10.1.2 Pilot Plant Testing

Two pilot leaching tests were performed using two different feed samples.

The feed of the first pilot leaching test (MG pilot) was the MG composite sample. The MG composite sample represented mineralization studied in the 2017 PEA (scoping level study). The sample contained 2.03% U₃O₈, 315 ppm Mo, and 37 ppm As. The total weight was 409.3 kg. The feed was ground to 100% passing 300 µm using a 1 ft by 3 ft pilot size ball mill. Particle sizing was P85 = 170 µm.

The feed of the second pilot test (2C pilot) was the combined composite sample other than the MG sample. The calculated grade of the combined sample was 4.89% U₃O₈, based on the assays of the individual composite samples. This composite sample represents a wide range in the deposit mineralization and reflects an overall higher uranium grade. The combined sample of 466.6 kg was ground to 100% passing 300 µm using the 1 ft by 3 ft pilot size ball mill. The 2C sample was only used in the pilot

leach and tailings neutralization tests to generate enough sample for paste testing. Only the MG sample was used for all the milling processing circuits.

The pilot test program was set up as a series of pilot-sized tests to represent the following unit operations.

- Leaching and solid/liquid separation
- Tailings neutralization
- SX
- Gypsum precipitation, settling, and leaching
- YC precipitation and settling
- Effluent treatment and settling

10.1.3 Test Work Results

Mineralogy

Uranium is present as fresh and altered uraninite. Samples are dominated by clay minerals: muscovite/illite and chlorite. All other mineralization is strongly associated with these clay minerals. There are few free uraninite particles, however, the uraninite is exposed to leaching. No primary molybdenum-bearing minerals were identified in any samples. Only two gold grains were identified in one of the MG composite samples. There were no other gold grains in any other samples.

Grinding

Grinding test results indicate a medium hardness deposit. Average semi-autogenous grinding (SAG) mill pinion energy was 9.94 kWh/t (57th percentile in Starkey's database). The ball mill index ranked in the database 47th percentile at 14.69 kWh/t.

Leaching

Tests indicated that good uranium extraction was generally achieved within an eight hour residence time. In bench tests, a few samples benefited from longer residence times between eight and 12 hours.

Settling Testing – Leach Precipitates

Settling tests of leached solids indicated that the solids separated relatively quickly to give a high-density slurry. Average density achieved in the pilot test was very good at 59.3% solids with the MG sample. In the bench tests, only samples with relatively high clay mineralogy required more time and resulted in reduced densities (still over 48% solids).

Solvent Extraction

Bench SX tests yielded good uranium extraction from the leach pregnant aqueous solution. Extractions ranged from 98.0% to 99.9%. One of the seven HG samples had an extraction of 93.5% (the other six tests all had extractions of over 99.5%) and one of the seven MG samples had an extraction of 96.5% (the other six tests all had extractions over 98.4%).

Arsenic Scrubbing

Arsenic wash efficiency was low (27.8%), however, the arsenic concentration in the organic is very low at only 9.0 ppm compared to 12.7 g U/L, indicating that washing is not an issue.

Gypsum Precipitation and Washing

The gypsum precipitation and washing testing produced gypsum solids that contained 296 ppm U. This represents a 0.2% recovery loss.

Yellowcake Precipitation

Bench testing of YC precipitation/washing and drying methods yielded two samples that met product specifications without being rejected, however, both samples had some level of impurities above the penalty limits (calcium [Ca], magnesium [Mg], and phosphorus [P]). Most of the contamination in the YC was likely from reagent additions in the precipitation process. With better control in a mill circuit, calcium, magnesium, and phosphorus parameters will not likely be an issue.

Froth Flotation to Recover Molybdenum and Copper

Recovery of molybdenum was 45% and recovery of copper was 89%. No further work was done on these elements.

Gravity Separation to Recover Gold

The heavy media separation (HMS) was hard to perform on the fine-grained material. No significant gold can be recovered by gravity and no further test work was conducted.

Effluent Treatment

Final effluent quality from the bench test achieved results that were measured below the Canadian Metal and Diamond Mining Effluent Regulations (MDMER) – Schedule 4 limits.

Pilot Testing

Pilot leaching of the MG sample resulted in uranium leaching rates at eight-hour retention that ranged from 98.8% to 99.4% with an average of 99.2%. Pilot leaching of the 2C sample resulted in uranium leaching rates at eight-hour retention that ranged from 98.2% to 99.7% with an average of 99.5%.

In the SX pilot testing, the uranium was almost completely extracted with more than 99.999% transferred to the organic phase. The SX was very selective for uranium. Most of the impurity metals (e.g., iron [Fe], aluminum [Al], calcium, magnesium, sodium [Na], potassium [K], manganese [Mn], vanadium [V], copper, zinc [Zn], cobalt, nickel, and arsenic) were left in the raffinate. Most molybdenum was extracted along with the extraction of uranium. Other impurities are typical for uranium raffinate. The strip solution contained 133.1 g/L U_3O_8 .

Methods of adding lime slurry to precipitate gypsum from the loaded strip were tested. Tests were also carried out to determine the concentration of uranium in the gypsum particles as the gypsum is precipitated out of the loaded strip solution. It was found that the gypsum could be washed with acid rinses to bring the level of uranium in the precipitated gypsum to between 200 ppm U and 300 ppm U. This represents a loss of approximately 0.23% U that is locked in the gypsum precipitate. Washing of the concentrated uranium strip solution from the gypsum must be done thoroughly to ensure uranium losses to the surface of the gypsum particles are low. Gypsum washing performance in the pilot testing represents an additional 0.25% U loss.

Settled gypsum was only 10% to 22% solids in settling tests. When centrifuging, the gypsum cake was dewatered to an average of 60% solids.

In the pilot testing, when comparing to American Society of Testing and Materials (ASTM) C967-13 and client specification requirements, YC assays indicated that iron, magnesium, and silica content per uranium exceeded the penalty limit but were substantially lower than the reject limits. Parameters, other than mentioned as follows, were below penalty concentration limits.

- Iron was 0.23%:U to 0.37%:U, penalty level 0.15%:U, reject level 1.0%:U (ASTM) and 0.5%:U (client).
- Magnesium was 0.08%:U to 0.11%:U, penalty level 0.02%:U and reject level 0.50%:U.
- SiO₂ was 0.71%:U to 0.85%:U, penalty level 0.50%:U, reject level 2.5%:U (ASTM) and 2.0%:U (client).
- Fluorine (F) was 0.11%:U (not calcined) to <0.01%:U, penalty level 0.01%:U, reject level 0.10%:U. Note that as calcine temperature increased, concentration of fluorine decreased. The YC sample calcined at 800°C was acceptable without penalty (<0.01%). Non-calcined YC would have been rejected by this ASTM and client standard (0.11%:U assay compared to 0.10%:U reject).

Peroxide precipitation of uranyl sulphate is known to be a selective process and it is expected that the process design will be able to produce YC within the accepted product specifications.

Calcliner tests were conducted on uranyl peroxided YC produced in the pilot test. Different calcining temperatures were used. X-ray diffraction (XRD) analysis indicated that most of the uranyl peroxide is U₃O₈ by 600°C. The initial uranyl peroxide sample was off specification with respect to fluorine. The fluorine assay for YC calcined at 800°C was below penalty concentration limit.

Similar to the bench testing, final effluent quality achieved in the pilot effluent treatment testing was below the Canadian MDMER – Schedule 4 limits.

10.1.4 Paste Backfill Testing (July 2018)

The sieve analysis results for the tailings indicate that approximately 65% of the particles are below 75 µm and approximately 35% are finer than 20 µm. A minimum of 15%–20% by weight of minus 20 µm (625 mesh) material is required for homogeneous non-settling pipeline transport. Both the results of the sieve analysis and laser particle size distribution (LPSD) show that the tailings contain high amounts of fine particles (below 20 µm). The fineness of the tailings affects the water demand of the paste mix; water demand increases with the fineness of the tailings. Therefore, the presence of clays in the tailings leads to increased water demand for the mix, which is related to strength development.

Acid-base accounting (ABA) testing indicated that all the tailings samples contain sulphide minerals. They are net acid generating materials with the potential to produce sulphuric acid, which can affect cement hydration.

Index tests were conducted for paste without binder with total tailings contents ranging from 77.50% to 64.00%. Trial batches were conducted for paste mixes with no binder (0%), 4%, and 7% Portland cement in the mix to develop mix designs to meet the target slump, while maximizing the tailings content for a given binder and binder dosage rate. A minimum of 4% Portland cement/slag binder is required to meet the 28-day Uniaxial Compressive Strength (UCS) target for low strength backfill and a minimum of 5% Portland cement/slag is required to meet the 28-day UCS target for regular strength and high strength backfill.

10.2 2019 Metallurgical Test Program

10.2.1 Bench Scale Testing to Recover Uranium from Gypsum (June 2019)

The bench scale testing to recover uranium from gypsum was performed to recover uranium from the gypsum in order to achieve a concentration of less than 250 ppm. The test program was designed to

minimize uranium “occlusion” as gypsum is precipitated, wash dissolved uranium from the gypsum solids very thoroughly, and possibly leach some uranium from gypsum solids. Washing was done initially with pH 3 acid solution. Washing was performed six times to ensure a thorough wash. Another four water washes were done after the acid washes. Assays were conducted on the gypsum after the washing stages and on the filtrates that were removed from the dewatered (centrifuged) gypsum.

Acid solutions of pH 1.0, 1.5, and 2.0 were used to leach the clean gypsum from the above procedure. Leaching was performed three times for each wash pH. Gypsum uranium assays were completed for each step for the gypsum solids as well as the centrates. Moisture assays were completed on the gypsum cakes and are an indication of the minimum moisture that could be expected in a centrifuge in the washing/dewatering mill process.

Acid washing of the gypsum is required to achieve a uranium concentration of less than 250 ppm. During the FS, the decision was made to store all gypsum underground which means that target of less than 250 ppm U is no longer required.

10.2.2 Trade-Off Study and Test Work of Dewatering and Washing Technologies using Belt Filters (July 2019)

Filtration and washing tests were performed on un-neutralized leach residue (UNLR), gypsum precipitates, and YC solids. Filtration testing was performed on neutralized leach residue (NLR), a mixture of tailings materials (NLR and blend of effluent treatment precipitates), and a more diverse mixture of tailings materials (NLR, gypsum, and a blend of effluent treatment precipitates).

Un-Neutralized Leach Residue Testing

The test for dewatering and washing of UNLR involves dewatering the leach residue and washing the uranium rich solution from the barren gangue solids. This test investigates the replacement of counter-current decantation (CCD) thickeners with a belt filter.

Acceptable washing efficiency and water use was achieved for the UNLR material; however, the filtration rate achieved would lead to a series of three large filters. The solids particle size distribution was lower than generally seen elsewhere for leach residues, however, due to the mineralogy of the Arrow Deposit the fine particle size of the UNLR is necessary.

The conclusion for this testing was to not use belt filters for the UNLR.

Gypsum Testing

The test for dewatering and washing of gypsum precipitates involves dewatering the gypsum precipitates and washing the uranium-rich solution from the precipitates. This test investigates the replacement of centrifuges with a belt filter.

Acceptable dewatering was achieved with approximately 30% free moisture in cake. Acceptable washing ratio and cake thickness were achieved. The target washing efficiency of 99.75% was exceeded. The filtration rate achieved gave a reasonably sized belt filter of 10.5 m². Another positive factor to this test was that no flocculant was required.

The conclusion from this testing was that a belt filter is acceptable for dewatering and washing of gypsum precipitates.

Yellowcake Testing

The test for dewatering and washing of YC involves dewatering the YC and washing it to reduce the dissolved solids in the cake. This test investigates the replacement of a centrifuge and a thickener with a belt filter.

The YC sample produced from the pilot testing was very fine resulting in high viscosity and poor filtering performance. Belt filters are used to dewater and wash YC at uranium operations around the world. It is believed that the YC produced in the pilot testing is not representative of the YC produced in operating plants. The procedure to produce YC will be updated to attempt to more closely replicate plant performance, and the belt filter testing will be repeated during basic engineering.

Neutralized Leach Residue Dewatering

Filtration testing was performed on a sample of NLR to dewater the NLR to a level to provide a suitable moisture content for the paste backfill plant.

Filtration rates and cake moisture contents achieved make a belt filter suitable for this application.

Tailings Mixture Dewatering

Filtration testing was performed on a sample of NLR and effluent precipitates and on a sample of NLR, effluent precipitates, and gypsum to dewater the slurries to a level to provide a suitable moisture content for the paste backfill plant.

Filtration rates and cake moisture contents achieved on the sample of NLR and effluent precipitates make a belt filter suitable for this application.

Filtration rates and cake moisture contents achieved for the sample of NLR, effluent precipitates, and gypsum result in a very large belt filter suitable for this application. The filtered gypsum cake from the gypsum dewatering and washing should be combined with the cake of the NLR and effluent precipitates and should not be blended with the NLR and effluent precipitates in the filter feed tank.

10.2.3 Trade-Off Study and Test Work of Dewatering and Washing Technologies using Centrifuges (August 2019)

Centrifuge dewatering and washing tests were conducted on samples of UNLR, gypsum precipitates, and YC samples. Centrifuge dewatering tests were conducted on a sample of NLR, a combined sample of NLR and effluent precipitates and a combined sample of NLR, effluent precipitates, and gypsum.

The test results for the YC sample dewatered poorer than expected due to the fineness of the YC. All other samples produced results that were acceptable for those samples.

10.2.4 Paste Backfill Testing (2019)

Paste Backfill Testing Summary

A full range of paste backfill related tests were conducted to aid obtaining parameters to adequately design backfill recipes.

The following tests (including methods used) were conducted to establish the material properties of the various waste streams.

- Particle size distribution (PSD) using sieving and hydrometer method.

- Whole rock analysis using a lithium metaborate fusion with induced coupled plasma (ICP) analysis.
- The mineralogy using an XRD methodology.
- Static yield stress using a rotational viscometer with a vane attachment.
- Transportable moisture limit using a standard floating table equipment.
- UCS tests using 2-inch by 4-inch (51 mm by 102 mm) cylinder moulds cured in chambers with an ambient temperature of 23°C (±2°C) and greater than 95% relative humidity.
- Process water analysis.
- Humidity cell and leaching EA framework tailings kinetic tests.

Table 10-1 shows a summary of the tests conducted for paste (both cemented paste backfill [CPB] and cemented paste tailings [CPT]) design purposes.

Table 10-1: Paste Backfill Test Summary
NexGen Energy Ltd. – Rook I Property

Test Material	Skeletal Solids Density	Particle Size Distribution	Mineralogy	Water Analysis	Rheology	Transportable Moisture Limit
High Grade NLR	✓	✓	✓		✓	✓
Medium Grade NLR	✓	✓	✓		✓	
Clean Gypsum (U <300 ppm)	✓	✓	✓		✓	
Reject Gypsum (U >300 ppm)	✓	✓	✓		✓	✓
Effluent Precipitates (High & Low pH Stream Mixed in Process Ratio)	✓	✓	✓		✓	✓
Process Water from High Grade Leach Residue				✓		
Process Water from Medium Grade Leach Residue				✓		
Cemented Paste Tailings 1 High Grade Leach Residue and Precipitates with Low Cement Content					✓	
Cemented Paste Tailings 1 High Grade Leach Residue and Precipitates with High Cement Content					✓	
Cemented Paste Tailings 2 High Grade Leach Residue, Reject Gypsum and					✓	

Test Material	Skeletal Solids Density	Particle Size Distribution	Mineralogy	Water Analysis	Rheology	Transportable Moisture Limit
Precipitates with Low Cement Content						
Cemented Paste Tailings 2 High Grade Leach Residue, Reject Gypsum and Precipitates with High Cement Content					✓	
Cemented Paste Backfill High Grade Leach Residue with Low Cement Content					✓	
Cemented Paste Backfill High Grade Leach Residue with High Cement Content					✓	

Table 10-2 outlines the UCS tests conducted for this Project.

**Table 10-2: UCS Test Summary
NexGen Energy Ltd. – Rook I Property**

Mix	Tailings Content	Binder Type	Binder Content	Concentration on a Weight Basis of Mix	Water:Binder Ratio
1	NLR	100% Ordinary Portland Cement (OPC)	4.5%	64% _m	12.5
2	NLR	100% OPC	5.5%	64% _m	10.2
3	NLR	100% OPC	7.5%	64% _m	7.5
4	NLR	100% OPC	11%	64% _m	5.1
5	NLR	100% OPC	22.5%	64% _m	2.5
6	NLR	50% Slag / 50% OPC	4.5%	64% _m	12.5
7	NLR	50% Slag / 50% OPC	5.5%	64 % _m	10.2
8	NLR	50% Slag / 50% OPC	7.5%	64 % _m	7.5
9	NLR	50% Slag / 50% OPC	11.0%	64 % _m	5.1
10	NLR	50% Slag / 50% OPC	22.5%	64 % _m	2.5
11	NLR + Precipitate	100% OPC	8.0%	55.5 % _m	10.0
12	NLR + Precipitate	100% OPC	11.0%	55.5 % _m	7.3
13	NLR + Precipitate	100% OPC	14.0%	55.5 % _m	5.7
14	NLR + Precipitate	100% OPC	20.0%	55.5 % _m	4.0

Mix	Tailings Content	Binder Type	Binder Content	Concentration on a Weight Basis of Mix	Water:Binder Ratio
15	NLR + Precipitate + Gypsum	100% OPC	8.0%	55.5 %m	10.0
16	NLR + Precipitate + Gypsum	100% OPC	11.0%	55.5 %m	7.3
17	NLR + Precipitate + Gypsum	100% OPC	14.0%	55.5 %m	5.7
18	NLR + Precipitate + Gypsum	100% OPC	20.0%	55.5 %m	4.0

Paste Backfill Testing Results

All materials tested are fine with the NLR having approximately 35% passing 20 µm and the gypsum and effluent precipitates having approximately 58% and 54% passing 20 µm respectively. This is within the typical range for paste production and transportation within a pipeline. The gypsum and effluent precipitates both have approximately 35% materials passing 10 µm which increases the rheology measurement of the planned paste mixtures. A paste yield stress in excess of 200 kPa is targeted to ensure a homogeneous paste mixture. This equates to solids mass concentrations of approximately 55%_m for the CPT and approximately 63%_m for the CPB.

The silicate mineral quartz is present in the NLR (approximately 30%). This mineral is inert and does not participate in the hydration dynamics of the cementitious reactions for backfill purposes. As such, it is considered a good filler material for backfill. There is a portion of the mica mineral muscovite in the NLR (approximately 50%). The micas have weak bonds between the internal sheet structure of the minerals allowing for failure planes and crack propagation paths that could lead to lower strengths of the backfill. However, the magnitude to which this happens is dependent on the weathering, and the size fraction that the mica reports to. The chlorite minerals clinocllore and chamosite are present in the NLR (approximately 10% each). The chlorites are dependent on the formation of the minerals. Generally, the internal sheet structures in chlorites are held together more firmly than that of the micas and do not usually pose an issue for backfill.

The sulphate mineral gypsum is present in all the materials tested. Gypsum does not participate in the main hydration dynamics that produce the final strength of the backfill, but does participate in the early cementitious reactions by promoting early ettringite formation. This is beneficial for long term strength and limits sulphate attack.

Backfill strength tests were conducted using the UCS test matrix presented in Table 10-2. A cement dosage of between 7.5% and 9.5% will be required for high strength CPB over a 28-day curing time. A minimum of 4.5% binder will be required for the low strength CPB to meet the 28-day UCS strength targets. The required cement dosage for low strength CPT will be a minimum of 4.2%. (Note the definition of binder percentage being [mass dry binder/(mass total dry solids)].)

10.3 Recovery Estimates

The average recovery estimate used in the FS was determined from the pilot plant program (July 2018). Pilot leach testing had uranium extractions of 99.3%. The washing efficiency in the CCD was greater than 99.6%. All other unit operations in the pilot testing had uranium recoveries of greater than 99.6%.

Metallurgical recovery of uranium was estimated by evaluating the recovery of the individual circuits and combining these into an overall recovery. Total net uranium metallurgical recovery is forecast to be 97.6%.

10.4 Metallurgical Variability

Eleven leaching tests were performed to test variability of the deposit. The grade of the 11 samples ranged from 0.51% U_3O_8 to 8.53% U_3O_8 . The LG, MG, and HG samples resulted in leaching rates of 97.2% to 98.8%. The remaining eight tests had leaching rates ranging from 89.8% to 97.5%. Of the four samples that had low leaching rates, only one sample was in the zone (A3) included in the FS mine plan and this sample had a leaching rate similar to the LG sample (96.5% versus 97.2%).

10.5 Deleterious Elements

QEMSCAN analysis identified that there were no primary molybdenum-bearing minerals present; however, molybdenum may occur in chalcopyrite and galena solid solutions. Similarly, there were no arsenic-bearing minerals identified.

10.6 Comments on Metallurgical Test Work

In Wood's opinion, metallurgical test work conducted is appropriate to the mineralization type. Total net uranium metallurgical recovery is forecast to be 97.6%. There are no known deleterious elements in sufficient concentrations to affect marketing of the final YC product.

In Wood's opinion, the level of metallurgical testing is appropriate for an FS.

11.0 MINERAL EXTRACTION

11.1 Mining

Stantec completed the Mining and Infrastructure portion of the 2021 FS. SLR considers the approach taken by Stantec to be reasonable.

11.1.1 Mine Access

Access to the underground (UG) Arrow Deposit will be via two shafts, both located in the footwall (FW) of the deposit. The first shaft will be used as a Production Shaft, and for transportation of personnel and materials into the mine. This shaft will be sunk to a depth of 650 m below surface and will have a finished diameter of 8.0 m. The Production Shaft will have divided compartments for ventilation purposes. The Production Shaft will have a permanent headframe and hoisting house and have stations on 500 Level (corresponding to the approximate distance below surface) and 590 Level and loading pocket at 620L. The second shaft will be used as an exhaust ventilation shaft. The Exhaust Shaft will be sunk to a depth of 533 m below surface, have a finished diameter of 5.5 m and be equipped with a secondary emergency escapeway system, and be used for temporary hoisting and access during mine construction from a shaft station at 500L.

11.1.2 Shaft Sinking

Shaft sinking will occur through a variety of stable and unstable strata, including water saturated overburden, Devonian Sandstone, Cretaceous Shales and Athabasca Sandstones, and finally into the basement rocks. These domains consist of poor to very poor quality rock masses; however, once these have been temporarily artificially frozen for shaft construction, these are not anticipated to be problematic. The minimum distance between the shallowest mine excavation and the unconformity (the area where the overburden meets the competent basement rock) is approximately 250 m. This reduces the risk associated with crown pillar stability. Consequently, crown pillar stability has not been investigated in detail.

11.1.3 Geotechnical Assessment

A geotechnical assessment completed by a qualified third-party service provider included an assessment of the geotechnical conditions, geotechnical design, ground support design, backfill strength, an assessment of the UGTMF, and geotechnical aspects of shaft sinking.

The Arrow Deposit is exclusively hosted in crystalline basement lithologies below an unconformity that is overlain by sedimentary units, glacial till, and overburden. In descending order, the overlying units are overburden, lower glacial till unit, the Cretaceous Manneville Group, the Devonian La Loche Formation, and the Athabasca Sandstone. An understanding of basement rock mass conditions is required to reliably predict rock mass responses due to mining at the Arrow Deposit. The property has been the subject of substantial geotechnical investigation starting in 2014. Since 2016, NexGen has been collecting four rock mass classification parameters (i.e., intact rock strength, rock quality designation, joint spacing, and joint condition data) per drill interval for every drill hole, in addition to 43 specifically targeted bedrock geotechnical drill holes.

The primary basement lithological units include the following.

- Semi-pelitic gneiss (SPGN)/quartz-feldspar-garnet-biotite (principal host/country rock).
- Granitic intrusive bodies (intrusive) located in the FW and the hanging wall (HW) and southwest of the Arrow Deposit.
- Quartz veins (and breccias) concordant and approximately 45° to mineralization.

Several interpreted basement shears and faults are concordant and acute to mineralization. Shear zones are closely related to controls on rock mass quality. There are eight primary shear zones between the HW and FW intrusives that are approximately concordant with mineralization. There are five interpreted tertiary shear zones that are approximately 45° to the primary shears.

Laboratory-measured UCS at the Arrow Deposit range from 10 MPa to nearly 250 MPa. Approximately 100 tests have been completed in basement rock.

The planned mining method for the Arrow Deposit is longitudinal and transverse longhole stoping with CPB. The stope sequence is a bottom-up and inward-out pyramid sequence, with an upward advance of two mining areas in the A2 and A3 veins.

Four primary areas of mine production are termed “mining blocks”: lower A2 block, upper A2 block, lower A3 block, and upper A3 block, divided on the 500 Level, and a fifth block located below 620 Level.

The mining blocks and mining fronts start on the 620 Level in the lower A2 and A3 blocks, respectively, and on the 500 Level for the upper A2 and A3 blocks, with undercut levels on the 620 and 500 Levels. There will be a small mining front below the 620 Level down to the 680 Level, which will only be used to augment tonnes from the lower blocks as required. This will require engineered sill pillars in the A2 and A3 veins to maximize recovery, just below the 500 Level and 620 Level.

Transverse stopes are 12 m wide by 12 m long. Longitudinal stopes are typically 7 m wide, and up to 24 m long. The typical sublevel height is 30 m. The stopes primarily dip discordant to foliation to the south-southeast. The A2 stope HW dips between 75° and 90°. The A3 shear is steeper, dipping greater than 80°.

As part of the mine and stope design, and dimensioning geotechnical evaluation, the following tasks have been completed:

- Mining geotechnical site inspections.
- Analysis of the structural data set to define dominant discontinuity orientations for kinematic analysis (wedge analysis) and stope stability assessments.
- Empirical stability assessments of all excavations using the widely accepted stability graph method (Hutchinson and Diederichs, 1996, and Nickson et al., 1992, after Potvin, 1988).
- Development of ground support recommendations in development and production excavations.
- Determination of stable transverse and longitudinal longhole stope dimensions.

Stope dilution was calculated and provided to Stantec for use in mine design.

Ground Support Design

The ground support design varies slightly between different lithological domains. Generally, backs and walls of development require bolting and screening, with shotcrete also applied in localized areas. Ore development requires full coverage of shotcrete, as this acts as a radiation shield to protect personnel from gamma exposure. Cable bolting in some intersections and stope areas is also required.

Backfill

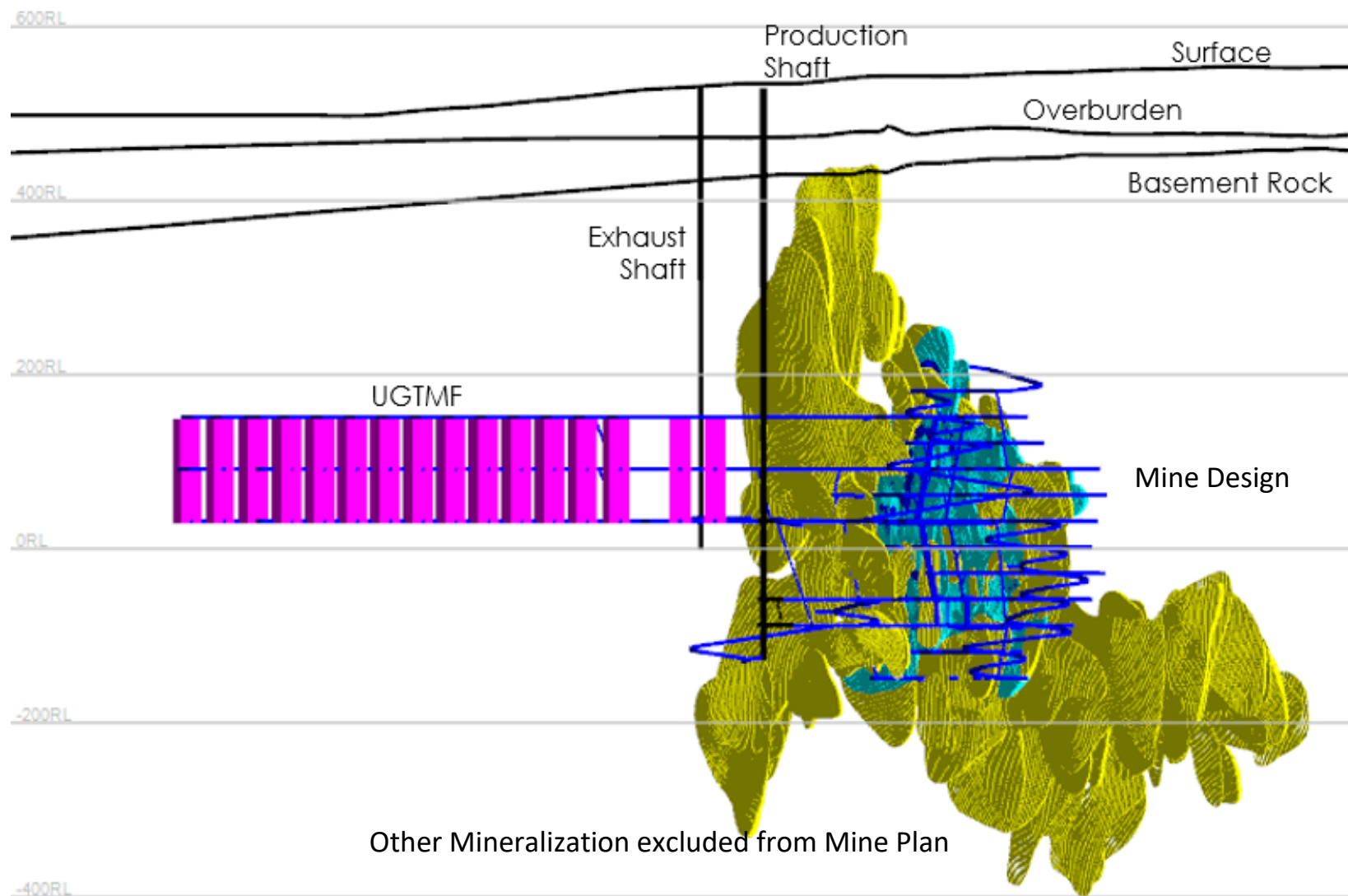
Backfilling at the Project is relatively unique, in that specifically designed excavations are created to store 100% of the waste streams (tailings) generated from the process plant. The material types deposited as backfill include NLR, effluent precipitate, and gypsum precipitate. Two separate modules will create the backfill on surface, to be deposited in either mined-out stopes, or purpose-built underground chambers. Strength requirements of the backfill have been assessed and included in the design and scheduling of the Project.

Underground Tailings Management Facility

The opening sizes of the chambers that will store all waste materials from surface were estimated. The chambers would have dimensions of 25 m wide by 25 m in length and 60 m in height (corresponding to two mining levels). Pillars will be left between each of the chambers.

11.1.4 Mine Design

The mine is designed as a conventional longhole stope mining operation, with stopes oriented in both the transverse and longitudinal direction. The mine method and overall design as developed by Stantec were chosen to optimize safety performance, reduce worker exposure to physical hazards and radiation, maximize Mineral Resource extraction, and increase operational flexibility and productivity by achieving simultaneous production from multiple mining fronts. Thirteen levels, spaced at 30 m intervals sill to sill, are planned for the Arrow Deposit. Lateral development will be concentrated in the first four years to establish the production areas, the UGTMF areas, UG infrastructure, and the permanent ventilation system. In addition to the lateral development, there will be an internal ramp system that will connect all mining levels. The mining method will make use of mechanized equipment and conventional processes widely employed in the global mining industry. An overview of the proposed mine design is shown in Figure 11-1.



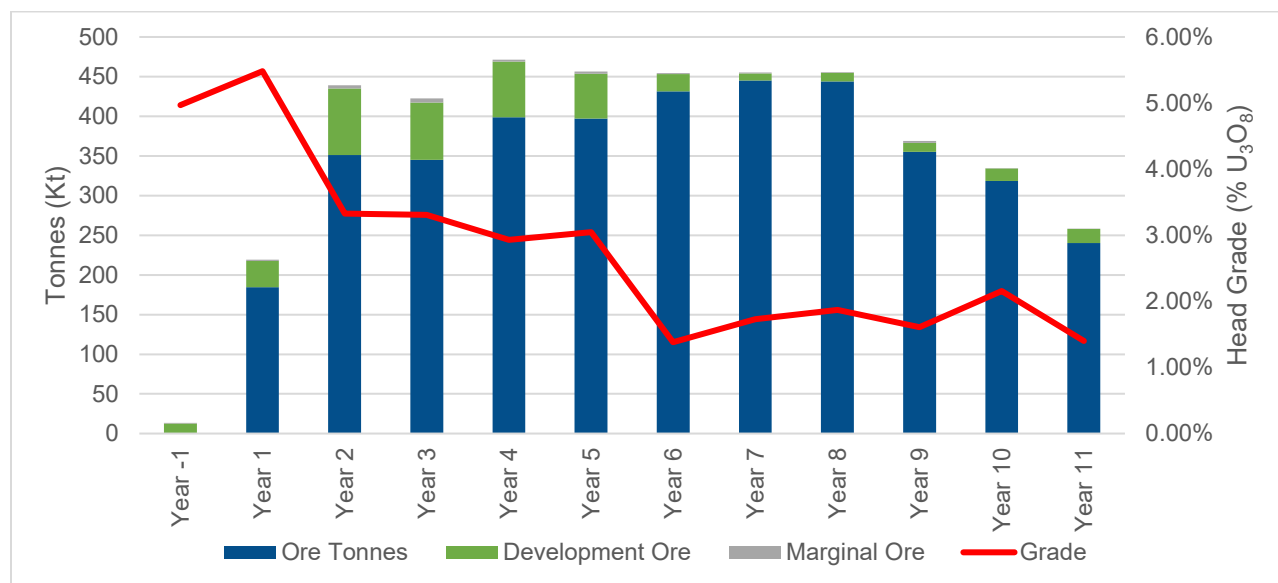
Modified from Stantec et al., 2021

Figure 11-1: Section of Mine Looking North

11.1.5 Mine Production

Two separate vertical mining blocks (the Upper Block and Lower Block) will be established, and within each vertical block, the A2 and A3 veins can be mined independently. Mining activities will commence from both the Upper Block and Lower Block, and in the A2 and A3 veins, for a total of four separate production areas. A fifth production block will be created below the 620 Level. Transverse stope mining will be used in areas of wider stopes (generally greater than 12 m), while longitudinal retreat stope mining will be used in areas of thinner stope widths. Transverse longhole mining will be completed using primary and secondary stoping sequences to avoid leaving pillars. The order in which stopes are extracted will be largely driven by the head grade, with the overarching goal of processing 30 Mlb of U_3O_8 annually. Primary stopes will be recovered first, followed by primary stopes on two vertical levels above and then secondary stopes on the original level.

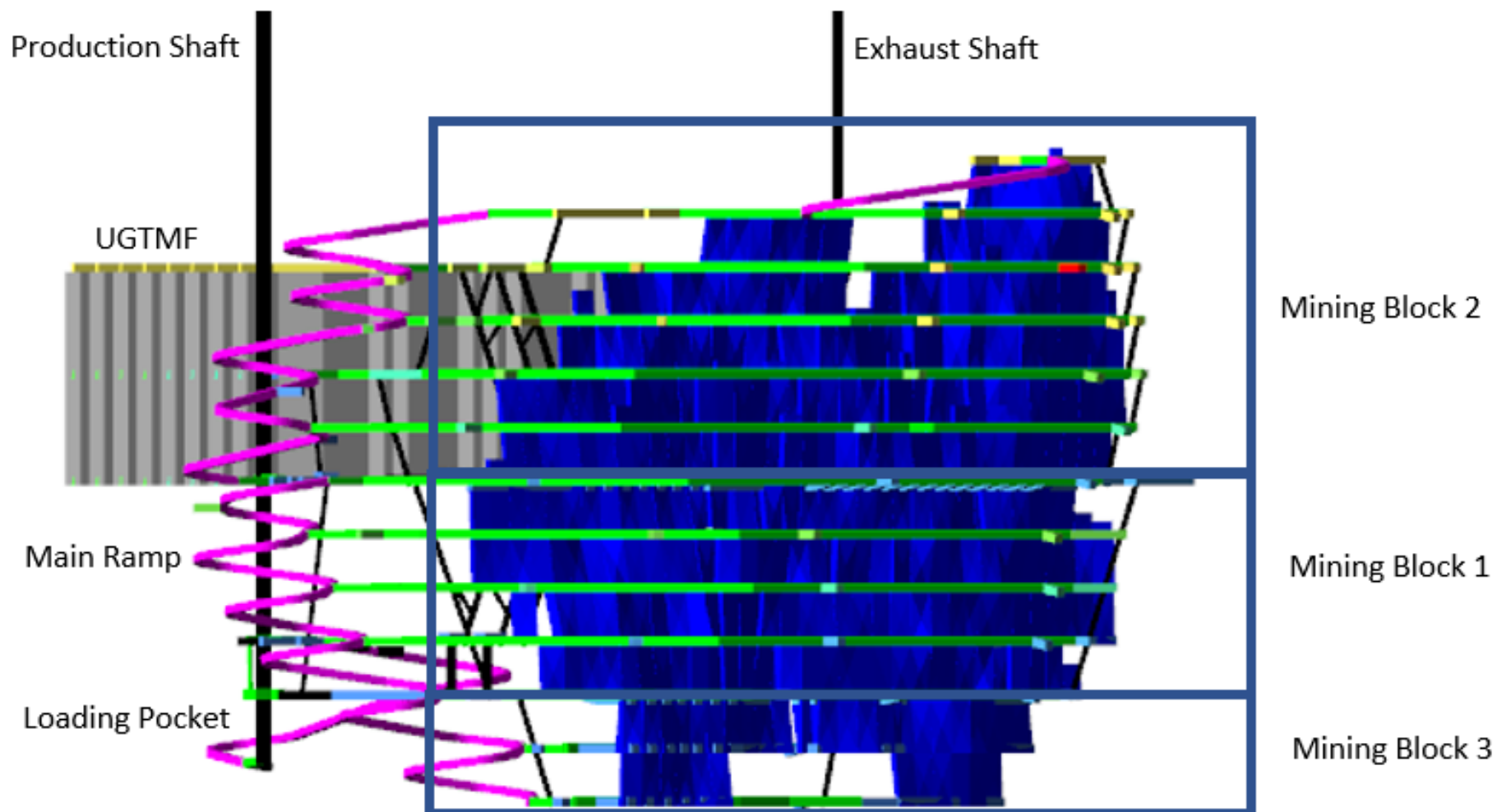
The estimated mill capacity is targeted at 1,300 tpd of ore. To realize this target, the mine plan will include longhole production from five separate mining blocks, with multiple stopes available per block. The production profile and head grade are shown in Figure 11-2.



Source: Stantec et al., 2021

Figure 11-2: Underground Production Profile

A long section of the mine looking north is shown in Figure 11-3.



Source: Stantec et al., 2021

Figure 11-3: Underground Mine Long Section Looking North

11.1.6 Tailings and the UGTMF

The tailings and other waste produced by the mill will be returned underground as cemented paste backfill to the production stopes, or as cemented paste tailings into stopes specifically excavated to create space to store tailings, referred to as the UGTMF. The UGTMF will be located on the north side of the deposit and will consist of approximately 97 waste stopes and related development. Each UGTMF is approximately 25 m wide by 25 m long by 60 m high. The excavations will be arranged in a regular pattern with a minimum of 15 m pillars between openings.

Backfill of mined stopes is planned to use a combination of process waste, cement, potential fillers (such as fly ash), and water. Based on a steady-state production rate, the total fill produced will be nominally 373,100 m³ per year for paste tailings, and 145,600 m³ per year for combined precipitates. Tailings not used for paste backfill will be stored in the UGTMF.

11.1.7 Material Handling

The separate ore and waste handling systems will begin with load-haul-dump (LHD) units moving material to centrally located ore and waste passes. The ore and waste passes deliver material to 620 Level, where it is loaded onto a conveyor and transported to the loading pocket, to be skipped to surface through the Production Shaft. The Production Shaft Headframe and Hoist House Arrangement is shown in Figure 11-4.

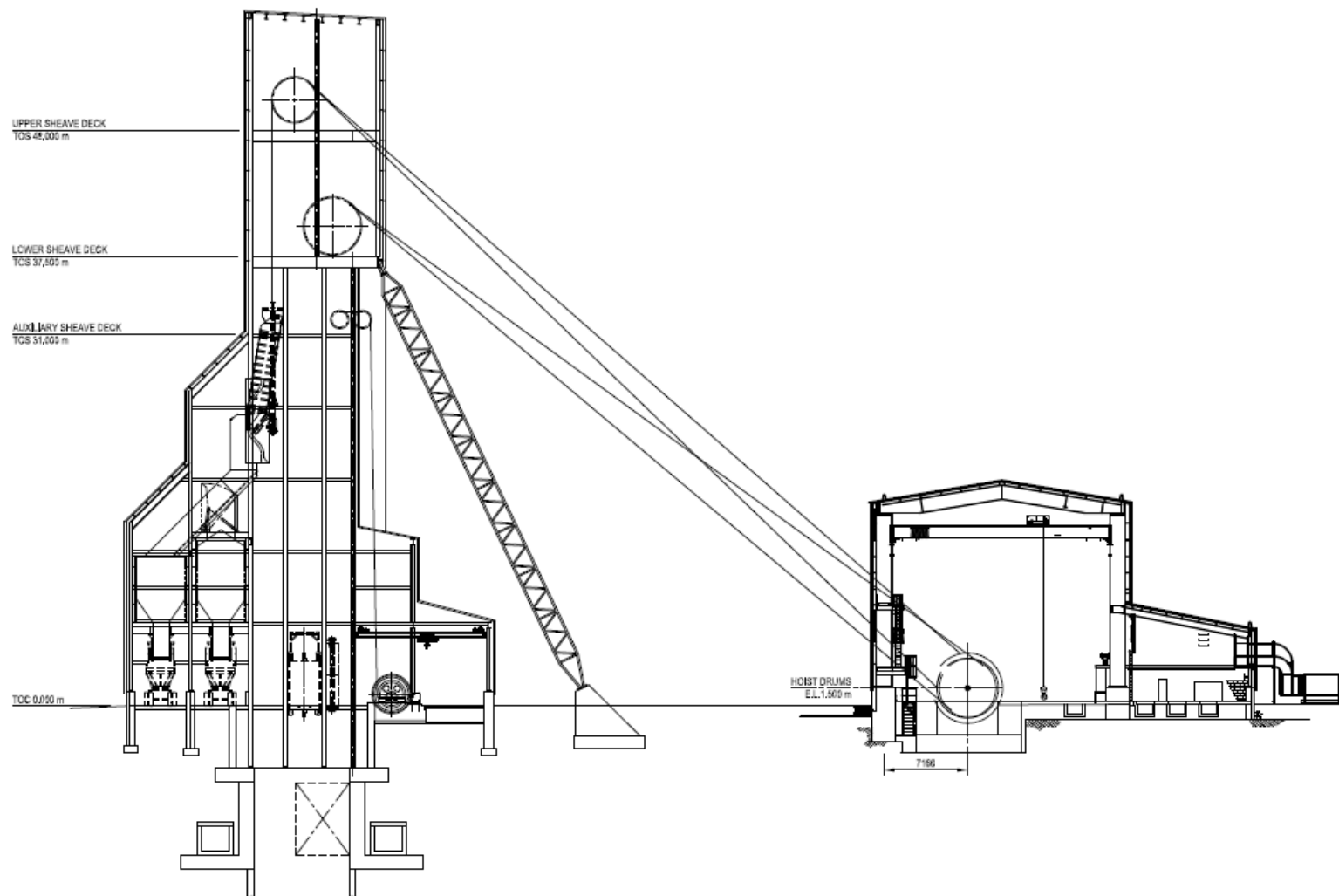
11.1.8 Mine Infrastructure and Services

The 500 Level will serve as the main mine infrastructure area, complete with underground maintenance shop, dewatering station, electrical station, warehouse, and minor offices. Mine dewatering will be completed using a clean water system on the 500 Level. The 500 Level sumps will be capable of collecting and removing all strata and operational process water from the mine infrastructure, ongoing development, operational stopes, shaft inflow, and pastefill seepage. Run-of-mine water will decant through membranes; the clean water will be pumped to surface while the residual solids and water will be collected and placed into the ore handling system.

The ventilation system is designed as a predominately negative or “pull” system. Fresh air will be distributed throughout the mine from the 500 and 590 Level shaft stations from the Production Shaft and internal ramp. The auxiliary ventilation system will utilize both flow-through and extraction ventilation to exhaust contaminated air from localized areas to return air drifts and raises.

11.1.9 Mobile Equipment

The Rook I mine will be developed using a high degree of equipment mechanization. Each of the main pieces of equipment will have remote operating capability, and in some cases will be autonomous to reduce radiation exposure. The mobile equipment will be captive in the mine. The maintenance facility will be equipped to repair and service all captive equipment for the life of the operation. Major mobile equipment includes development drills, rock bolters, LHD vehicles, scissor lifts, production drills, explosives transportation and loading, cable bolting rigs, maintenance vehicles, and personnel transportation.



Source: Stantec et al., 2021

Figure 11-4: Production Shaft Headframe and Hoist House General Arrangement

11.1.10 Comments on Mining

SLR is of the opinion that the mine design proposed by Stantec is appropriate for the deposit and is based on reasonable assessments of geotechnical conditions. The mine method of longitudinal and transverse stoping is suitable for the deposit.

SLR is of the opinion that the development and extraction rates proposed by Stantec in the scheduling of the mine are reasonable and achievable.

11.2 Processing

11.2.1 Process Flow Sheet

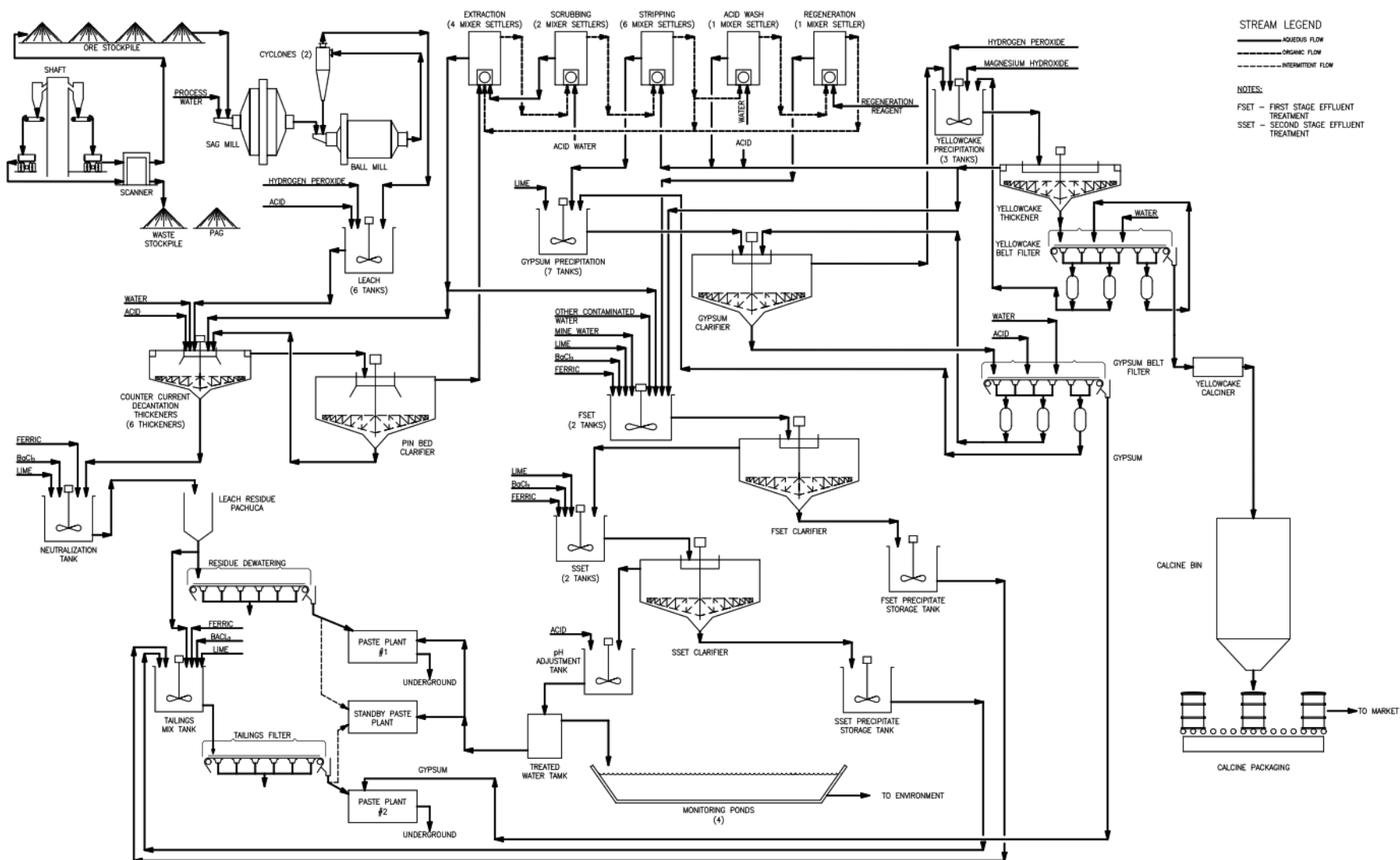
A zero-based design approach was used for the mill process design. The design aims to achieve the required throughput while minimizing redundancy. Health, safety, and environmental aspects will not be compromised.

There are only two instances where circuit design capacity is planned to be greater than nominal. Grinding capacity has been increased by 20% compared to nominal to allow for higher maintenance requirements. The effluent treatment plant has also been designed for a greater-than nominal flow rate, due to the possibility of having mine inflow and weather related surges in effluent treatment requirements that must be considered.

Process design has been directed by the metallurgical test program results, knowledge from literature, and Wood's experience with existing successful process methods. Key design requirements are summarized in Table 11-1. The process flow diagram is shown in Figure 11-5.

**Table 11-1: Production Design Requirements
NexGen Energy Ltd. – Rook I Property**

Production Criteria	Units	Quantity
Ore feed rate	tpa	456,300
	t/op day	1,300
Design ore feed grade	%U ₃ O ₈	3.05
Nominal ore feed grade	%U ₃ O ₈	2.37
Maximum feed grade to mill	%U ₃ O ₈	5.0
Plant uranium recovery	%	97.6
Production rate – design ore grade	lb U ₃ O ₈ /a	30,000,000
Production rate – nominal ore grade	lb U ₃ O ₈ /a	23,300,000
	hr/a	8,000
Operating time	d/y	351
Availability	%	95



Source: Wood, 2020

Figure 11-5: Process Flow Diagram

11.2.2 Plant Design

Ore Sorting and Storage

Ore will be sized UG using grizzlies and rock breakers. The hoisted ore will be loaded into an ore truck at the headframe. The truck will drive through a radiometric scanner to confirm the ore grade and the delivery location of the ore to the ore pad. Different ore grades and types can be stored in different piles.

Grinding

A loader operator will deliver ore to the ore feed hopper. Traffic in the ore storage and reclaim area will be restricted, to minimize ore contamination in the site area. A variable-speed feeder belt will feed ore from the hopper into the SAG mill at a prescribed rate similar to the ground ore feed rate to be fed to mill leaching. The ore will be weighed on the belt and will pass through a gamma radiation scanner to check its uranium content.

Water will be added into the SAG mill feed and ore to provide the target percent solid content in the mill. SAG mill discharge will be transferred via gravity to feed the ball mill. The ball mill will also be fed recycled oversize particles from a classification cyclone situated above the ball mill. Water can be added to the ball mill feed and/or discharge, to maintain the target percent solid composition of slurries in the circuit. Ball mill discharge will be transferred to a pump box that will pump the ore slurry to the classification cyclone/cyclones.

The overflow stream of the cyclone is designed to have the target particle size of 100% passing 300 μm and the target 50% solid composition. The overflow stream of the cyclone will be transferred via gravity to a ground ore storage tank.

The ore storage tank will be mechanically agitated. It will provide surge capacity between the grinding circuit and leaching circuit and some degree of ore blending.

The grinding circuit will have tonnage capacity greater than required for leach feed. This will allow the grinding circuit to fill the ore storage tank. When full, the grinding circuit may be shut down to provide short periods (i.e., up to three hours) of grinding circuit maintenance, without disruption of feed rate to leaching.

Leaching

The first leach tank will be fed by a variable-speed centrifugal pump that will feed the rate of prescribed solids to the leaching circuit. The leaching circuit will consist of six mechanically agitated tanks, connected in a series. Flow between each tank will occur by gravity. The discharge of each tank will be from a baffled upcomer, to mitigate short circuiting of solids in the tanks. In total, the tanks will provide the target 10-hour residence time to oxidize and dissolve the uranium.

The tanks will be heated with steam spargers to maintain the 50°C leach temperature. Most of the sulphuric acid required will be fed into the first two to three tanks. This will also be the case with the hydrogen peroxide oxidant that will be fed to the leaching tanks. Sulphuric acid will be added to maintain the target minimum of 25 g/L to 35 g/L acid content in the leaching tank discharge, while the peroxide will be added to maintain the target greater than 450 meV oxidation reduction potential (ORP).

If low iron ore is being leached, ferric sulphate will be available to provide supplemental ferric iron, which is required for faster oxidation of U^{+4} (non-soluble in the acidic solution) to U^{+6} (soluble in the acidic solution).

It is expected that 99.3% of uranium in ore will dissolve in the leaching circuit.

Counter-Current Decantation

A variable-speed pump will be used to pump slurry from Leach Tank 6 (the last tank of the leaching train) into a mix tank. Overflow solution from the thickener CCD 2 will also be transferred into this mix tank via gravity. The mixed slurry will be pumped to the centre well feed of CCD 1, along with a flocculant flow to enhance settling. The overflow of CCD 1 (i.e., pregnant aqueous solution) will be transferred to a pumpbox and pumped to feed a pin bed clarifier. Underflow from CCD 1 will be removed by a variable-speed pump. The variable-speed pump will be controlled by the density of the underflow stream and by the load level of solids in the thickener. Underflow will be pumped to a small mix tank, where it will be mixed with the gravity overflow from CCD 3. This mixed solution will be pumped to the feed well of CCD 2, where it will be treated with flocculant. Similarly, the CCD underflows will be pumped to feed the next CCD (i.e., CCD 3 to feed CCD 4 until underflow of CCD 6 [the final CCD in the train]). CCD 6 underflow will be pumped to the residue neutralization tank.

In the residue neutralization tank, lime will be added to adjust the acidity of the slurry to pH 9, to neutralize the leach residue. Barium chloride and ferric sulphate will also be added to reduce the concentrations of dissolved elements such as radium, molybdenum, and arsenic. Neutralized residue will then be pumped to the residue storage pachuca tank.

Wash water will be fed into the feed mix tank of CCD 6. The wash water will be made up of the following.

- Priority 1: a percentage of SX raffinate flow (recycle as much acid as possible).
- Priority 2: acidized settling pond water.
- Priority 3: acidized fresh water.

The acid content of the total slurry solution must be maintained, to ensure that uranium is not reprecipitated in the CCD circuit. Enough wash water will be fed to the feed mix tank of CCD 6 to meet the target uranium content of the pregnant aqueous solution that will be overflowing from CCD 1.

The overflow of CCD 6 will transfer via gravity to the mix tank feeding CCD 5. The solutions will pass from one thickener to the next, in the opposite direction as the slurry of solids (i.e., from CCD 6 to feed CCD 5).

Circuit performance will be based on a combination of the following.

- The amount of uranium in the feed solution.
- The amount of wash water to be added to CCD 6 feed.
- The settled densities in the CCD thickeners.

Greater than 45% solids are expected in the CCD underflow. It is estimated that 99.5% of dissolved uranium will be washed out of the leached residue solids when using the train of six CCD thickeners.

Pregnant Solution Clarification

The overflow from CCD 1 will feed a pin-bed clarifier that will remove turbidity from the pregnant aqueous solution. The feed to the clarifier will be treated with a small quantity of flocculant to aid settling/clarification. The overflow of the clarifier will flow to the SX feed tank via gravity. The feed tank will have capacity to feed the SX circuit for approximately two hours. The small amount of underflow solids will be pumped back, to feed the CCD 1 thickener.

Solvent Extraction

The organic in the SX circuit will be made up of the following three components.

- A tertiary amine that selectively forms a bond with uranyl sulphate. Sufficient amine will be added into the solution to maintain the design g/L U_3O_8 . This is typically approximately 6% to 12% amine reagent by volume.
- Isodecanol that will be introduced into the solution to enhance the separation of the pregnant aqueous from the organic after mixing ceases. Isodecanol is typically added to approximately half the volumetric concentration of the amine.
- A kerosene-type organic as the main carrier solvent.

In laboratory testing the proportions were 12% amine, 6% isodecanol, and 82% kerosene.

There will be four extraction mixer-settler units. Clarified pregnant aqueous solution will be pumped from the SX feed tank and into the extraction mixer 1, where it will be mixed with organic solution from extraction settler 2. As the organic and pregnant aqueous solutions are thoroughly mixed, the tertiary amine in the organic will bind to the uranyl sulphate and remove it from the pregnant aqueous.

After mixing, the mixer will discharge the solutions into a settler unit, where the solution will separate (i.e., the lighter organic will float on top of the heavier pregnant aqueous). Some of the organic in an extraction settler will be returned to its mixer; therefore, the ratios between organic and pregnant aqueous can be controlled in the mixer by recirculating the organic.

The pregnant aqueous that has settled out from extraction settler 1 will be fed to extraction mixer 2, where it will be met by the organic flowing counter-current from extraction settler 3. In this counter-current flow, pregnant aqueous will be fed into extraction mixer 1 and will discharge as barren raffinate from extraction settler 4. Conversely, barren organic will be fed into extraction mixer 4 and will discharge from extraction settler 1 as loaded organic (i.e., high uranium content organic). Barren raffinate from extraction settler 4 will be pumped to the raffinate tank. Periodically, the organic that accumulates on the raffinate tank surface will be skimmed off and returned to the extraction circuit.

Much of the raffinate will report to the CCD 6 feed tank, where it will be recycled. As much raffinate as possible will be recycled, to capture the acid that it contains, however, recycling of raffinate will increase the circulating load of contaminant elements. This elevation of contaminant levels will require some of the raffinate to be bled to the effluent treatment circuit. The raffinate tank will be able to hold approximately two hours of raffinate generation.

At this point, the loaded organic is expected to contain 99.9% of the uranium that has been fed in the pregnant aqueous. The organic will be washed in two mixer settlers, with a small amount of acidic water flowing counter-current to the organic. The acid solution will wash some elements (e.g., arsenic) from the loaded organic, as well as any small “bubbles” of pregnant aqueous that may have escaped extraction mixer settler 1 with the loaded organic. In both acid wash mixer settlers, pregnant aqueous will be recirculated to obtain the target organic-to-pregnant aqueous ratio in the mixers. The scrubbed loaded organic will have a high concentration of uranium and much lower concentrations of contaminating elements, however, some elements (e.g., molybdenum) can go with the uranium into the organic flow, to an extent.

There will be six strip mixer-settlers. In stripping, barren aqueous strip solution will be used to strip uranium off the organic. The stripping solution will be a strong acid solution that contains 400 g/L sulphuric acid. Scrubbed loaded organic will feed the strip 1 mixer, where it will be mixed with aqueous

stripping solution from the strip 2 settler. The mixed solution separates in the strip settler. Much of the aqueous in the strip settler will be recirculated back to the strip 1 mixer, to maintain the target organic to aqueous ratio in the mixer. The remainder of the loaded strip solution will be pumped to the loaded strip tank. The loaded strip tank will be able to hold approximately four hours of loaded strip as it is generated. The loaded strip will be concentrated in uranium at 150 g U_3O_8 /L.

Organic from strip 1 settler will feed the strip 2 mixer, where it will be mixed with the aqueous from strip settler 3. This will be a counter-current arrangement, with the uranium reporting to strip 1 aqueous discharge as loaded strip, and the barren stripped organic discharging from strip 6 settler. The barren strip reagent solution will be fed into the strip 6 mixer and will move counter-current to settler 1.

The barren organic exiting stripping can contain droplets of aqueous that contain strong acid. The wash mixer settler will wash the organic with water and recover the acid that might be lost. The wash aqueous will be pumped to the strong-acid, strip solution make-up tank, where more acid will be added to the aqueous before it is used to strip the loaded organic.

Most of the washed organic will report to the barren organic tank; however, a portion will report to the mixer of the regeneration unit. A dilute solution of sodium carbonate will be used to keep the aqueous in the regeneration unit at an approximate pH of 9. This will strip the barren organic of elements (e.g., molybdenum) that otherwise could recirculate with the organic and build up in concentration to reduce the organic loading capacity for uranium. The proportion of organic reporting to regeneration will be as low as possible, to obtain low contamination concentration levels in the circulating organic. If there is uranium in the barren organic sent to the regeneration unit (i.e., from incomplete strip performance), much of it will be lost to the spent regeneration solution. The spent regeneration solution will be transferred to the effluent treatment circuit. It is expected that the stripping of the loaded organic into the loaded strip will be 99.6% efficient (i.e., uranium lost to the regeneration stream will be approximately 0.4%).

Gypsum Precipitation and Washing

Lime will be added to increase the pH of the loaded strip solution, so as to remove the acid in the strip solution in preparation for precipitating uranium. Loaded strip solution will be pumped from the loaded strip tank into the first reactor tank of a train of seven tanks. Flow from one tank to the other will occur via gravity. Lime slurry will be added to each tank to gradually (i.e., in small steps) increase the pH to a target value of 3.0. As lime is added, it will react with the strong acid solution to precipitate gypsum. Gradual addition into high agitation will ensure that precipitation happens as slowly as possible, so as not to trap uranium in the gypsum particles as they are being precipitated. Precipitation will remove sulphate to the low levels that are required in the next uranium precipitation step. The total residence time in the gypsum precipitation circuit will be four hours.

Gypsum solids will be present at a relatively low percentage, as it is pumped from the last reactor tank (i.e., tank 7) to the gypsum clarifier. The concentrated underflow stream will be fed onto the gypsum belt filter. Gypsum will be dewatered on the gypsum filter.

When the gypsum is dewatered to a high degree, acidized fresh water will be added to the top of the cake, to wash the solution from the cake. Once the cake has been dewatered, another quantity of acidized fresh water will be added for a second wash. Following the acidized freshwater washes, there will be two more freshwater washes. The gypsum cake will then be fed to the paste backfill feed conveyor.

Yellowcake Precipitation and Washing

Purified loaded strip from the gypsum clarifier overflow will report to YC precipitation tank 1. In this tank, hydrogen peroxide will be added to precipitate uranyl sulphate as uranyl peroxide. The peroxide will be dispersed into a well-agitated slurry to minimize very fast localized precipitation. As the reaction progresses, the pH will begin to drop. A slurry of magnesia will be added to maintain a pH between 2.8 and 3.5. Tank 1 will flow by gravity to YC precipitation tank 2. In tank 2, the reaction will complete, and time will be given for the precipitate particles to grow. Total residence time in the YC precipitation tanks will be four hours.

YC precipitation tank 2 will overflow into YC wash tank 1, where the YC slurry will be mixed with barren strip filter backwash and excess YC belt filter filtrate. Wash tank 1 discharge will be fed to the YC wash thickener 1.

The thickened underflow of YC wash thickener 1 will be pumped to the YC belt filter. Flocculant will be added to the line to the pumpbox, so as to assist dewatering on the YC belt filter. The dewatered cake on the belt filter will have two fresh water washes. Good washing of the dissolved solids from the YC on the belt filter will increase the YC product quality.

Belt filter filtrate will be recycled to precipitation tank 1 to dilute the slurry. This will reduce the viscosity of the slurry and assist in mixing in the peroxide reagent. Some of the YC solids from the thickener underflow will be recycled back to precipitation tank 1, to ensure that solid particles will be available to precipitate on as reagents induce further precipitation. This will assist crystal growth and make dewatering and washing more efficient.

The cake will discharge the belt filter at 70% solids and will report to a conveyor that will feed the calciner.

Barren strip will be removed from the circuit as overflow from YC wash thickener 1 and will report to the barren strip tank. Good solid-settling performance will be required in YC wash thickener 1, to ensure that YC solids do not escape with the barren strip to feed the effluent treatment system and cause uranium recovery loss. The barren strip tank can contain approximately four hours of barren strip generation.

Yellowcake Drying/Calcining and Packaging

YC from the YC belt filter will be fed to the YC pre-dryer by the YC conveyor. The pre-dryer will heat the YC to reduce the contained moisture feeding the calciner to minimize corrosion in the calciner. The pre-dryer will circulate hot oil flow to indirectly heat the YC and dry it to a temperature of approximately 120°C. The water vapour discharged from the dryer will be scrubbed to remove particulates before the vapour is discharged to the environment. Dried cake from the pre-dryer will report to the YC calciner.

The calciner will be an indirectly heated, rotary type. The calciner will be heated by natural gas. The combustion gas flow that heats the dryer drum will be kept uranium-free and will discharge through a stack. A small ventilating air stream will pass through the calciner to ensure that no gasses are concentrated in the calciner. Upon exiting, the gas will pass through a scrubber to remove any particulates. The liquid discharge of the scrubber will report to YC wash tank 2. The gasses will discharge via a stack to the environment.

In the calciner, the damp uranyl peroxide will be dried, molecular water driven off, and uranium peroxide oxidized to produce a U_3O_8 product. The design temperature will be 840°C with a solids residence time of one hour. As well as oxidizing the YC, a small amount of volatile contaminants will also be driven out of the calcine (e.g., F).

The calciner discharge screw conveyor will be designed to cool the calcine to approximately 200°C before discharging it to a calcine storage bin. The discharge bin will be able to hold approximately one day of maximum production.

The calcine bin will feed a packaging system that will load the calcine into 200 L steel drums. The drums will be sampled manually before lids are fitted and seal rings applied. The drums will then be washed thoroughly and dried. After the drum has been weighed, an identification label will be attached that includes the drum tare and total weight as well as the net weight of the product contained. The normal net weight of a drum will be approximately 400 kg. Typically, there will be approximately 100 drums packaged per mill operating day. Some empty drums will be stored in the packaging area. There will also be room in the packaging area for at least two days of production or approximately 200 drums. Lots will be loaded into truck vans and will be transported to the designated delivery point.

Neutralized Leach Residue Storage and Dewatering

The slurry from the leach residue will be pumped to the leach residue storage pachuca tank. The pachuca tank will be air agitated and store up to three hours of slurry. The discharge from the pachuca tank will be pumped to either the residue dewatering belt filter or the tailings mix tank.

Approximately two-thirds of the NLR solids will be fed to the residue dewatering belt filter. Flocculant will be added to the slurry feeding the belt filter. The filter will dewater the residue to an estimated 70% solids. The dewatered cake will be fed to the paste plant to produce CPB.

The remaining third of the neutralized leach residue solids will be pumped to the tailings mix tank.

Tailings Storage, Mixing, Neutralization and Dewatering

First stage effluent treatment (FSET) clarifier underflow will be pumped to the FSET precipitate storage tank. This tank will be agitated to keep the slurry homogenous. The tank will provide storage for approximately four hours of precipitate generation. Similarly, second stage effluent treatment (SSET) precipitate slurry will be pumped and stored in the SSET precipitate storage tank with a similar four hour holding capacity. These tanks will decouple the effluent treatment circuit from paste backfill requirements of the UG mining and waste handling systems.

In the proportion that they are accumulated, streams of neutralized leach residue, FSET, and SSET precipitate slurries will be fed into the tailings mix tank. A small quantity of lime will be added to ensure that the pH is maintained at 9. Barium chloride and ferric sulphate reagents will also be added to the mix tank to precipitate some solids that are present as dissolved solids in the slurry solution. A ratio of ferric iron to As + Mo will be maintained at greater than an excess ratio of at least 4:1. These reagents can also stabilize the pastes made in the subsequent process. Flocculant will also be added to the tank. The mix tank will have a 1.5-hour retention time. Slurry will then be pumped to the tailings belt filter.

The tailings belt filter will dewater the slurry to produce a cake and which will be fed to the paste plant to produce CPT. Some of the combined belt filtrate will be pumped to the paste plant to dilute the paste mix as required in the paste recipes. The remaining combined filtrate will be pumped to the effluent treatment plant.

Paste Backfill Plant

The cake from the residue dewatering belt filter will be mixed with water and binder (50% OPC / 50% Slag) to create the CPB. The CPB forms a structural backfill that will be used for all mine backfill purposes as well as UGTMF plugs and caps. The cake from the tailings belt filter will be blended with water and binder (100% OPC) to create the CPT. The CPT will be stored in the UGTMF permanently.

The paste plant is a continuous backfill plant that will consist of three replicate modules. One each will service the CPB and CPT requirements and the third will blend either CPB or CPT and will act as a standby to the two operational modules. Each backfill module will consist of a paste mixer, paste hopper, and 100 bar hydraulic piston type paste pump. The three modules will be fed by a series of conveyor belts.

Filtered cake will be discharged into the continuous mixer(s) where rheology control water and binder will be added. The binder and water will be dosed into the continuous mixer(s) by a programmable logic controller (PLC) to ensure that a consistent paste recipe is maintained. The paste recipe target yield stress will vary depending on the region of the UG mine or UGTMF receiving the material.

A binder system consisting of silos, weigh belts, and screw conveyors will be used to feed binder to the continuous mixer(s). Binder will be delivered by bulk truck to two silos located next to the paste plant. Each silo will have a 500 t capacity complete with dust collectors. Binder will be weighed and fed continuously from the silos into the mixer feed chute(s).

The paste in each continuous mixer will discharge by overflowing into a dedicated paste hopper. Each hopper will provide for a continuous flow of paste to the underground mine. Paste will discharge out of each paste hopper to a 100 bar rated hydraulic piston type paste pump which will pump the paste to the underground discharge station.

The CPB and CPT will be pumped down one of two surface boreholes, ranging from 65° to 70° in inclination from horizontal. A third borehole will be drilled and cased in Year 1 of operations and will serve as a standby. The surface boreholes will be drilled down to the 440 Level to be used in the initial years of mine production. Later in the mine life, when upper levels of the mine are developed, the rock around the surface boreholes will be blasted on the 380 Level and the casing pipe will be cut and routed so CPB and CPT can be delivered on the 380 Level, as well as lower levels.

The surface boreholes will be cased with ceramic-in-epoxy lined steel pipe to provide enhanced wear protection. The surface boreholes will breakthrough into individual cut-outs for geotechnical stability reasons. Diverter valves will be used as dump valves, one on each borehole, which will divert backfill to a sump area near the cut-outs in case of process upsets or emergency. The initial rerouting of piping for CPB to be diverted to the UGTMF will happen manually by means of a removable piping elbow.

By year two of UG operations, a total of three boreholes and seven automated diverter valves will be required at the breakthrough location to fully automate the backfill flow from the three boreholes to the stopes and UGTMF respectively. One under each borehole as an emergency dump valve and four diverter valves are required to route the three boreholes to the two distinct areas of the mine. One borehole will be fully dedicated for the UGTMF, while the other two boreholes can go to either the mine stopes or the UGTMF.

Two side-by-side diameter normal (DN) 100 pipeline systems will be run to all major areas of the UGTMF. A twinned system is specified to prevent a potential operational issue that would occur if two boreholes were used at the same time and their flows merged UG at the change over station. One DN 100 pipeline system will be run to all areas of the mine stopes.

Effluent Treatment

Feed water will report to the first of two first-stage water treatment reactor tanks. Much of the mill effluent will be acidic and even when combined with slightly basic mine effluents, the pH will normally be lower than the target operating pH of 4.5. Lime slurry will be added to the reactor tanks to maintain the pH at 4.5. The free acid will react with the lime and a resulting gypsum precipitate will be formed. The metals in the effluent will begin to precipitate with the hydroxide that will be added by the lime to form

metal hydroxides. Iron, arsenic, and molybdenum are the main metals of interest that precipitate; however, all existing metals will begin precipitating.

The raffinate added will normally have significant levels of ferric iron. If raffinate is not present or in low supply, ferric sulphate can be added to ensure an adequate ratio of ferric iron to arsenic and molybdenum (approximately 4:1). Much of the arsenic, molybdenum, and selenium (Se) will be precipitated in first-stage water treatment conditions. These elements can co-precipitate with precipitates or be adsorbed onto surfaces of precipitate of iron compounds such as ferrihydrite and ferric and manganese hydroxides.

Generally, there will be a sufficiently high oxidation reduction potential in the first-stage water treatment to keep arsenic in an arsenate form. This will make arsenic precipitation more efficient. It is also beneficial to inject air into the reactors to provide oxygen (O) to the system provide a relatively oxic environment. Air will be injected into the agitator blade area, will help to fluidize any radon from the effluents and ensure that all generated CO₂ is stripped and removed before the pH is increased in the second-stage water treatment. If present, CO₂ can make uranium more soluble in a higher pH solution.

Some barium chloride will be added in the first-stage water treatment reactors. Barium (Ba) will react with the sulphate that is plentiful in the first-stage water treatment to form barium sulphate. The radium in the effluents will act similarly to barium and much will be co-precipitated in first-stage water treatment.

The two reactor tanks will have a total residence time of one hour at design flow and one and a half hours at nominal flow. All the reagents can be added into either the first or second reactors as prescribed.

Elements precipitated in the first-stage water treatment reactor tanks will feed with the water into the first-stage water treatment clarifier. The clarifier will settle the precipitates and will provide a clarified stream that will flow to the second-stage water treatment reactors.

The solids in the underflow stream will be removed from the first-stage water treatment clarifier and will report to the first stage effluent treatment precipitate storage tank. The underflow slurry from this tank is pumped to the tailings mix tank where it is mixed with the tailings streams and neutralized.

In the two second-stage water treatment reactor tanks, more lime will be added to increase the pH to 10.5. As the pH is increased, iron, arsenic, and molybdenum, as well as other metals present, will be precipitated. More ferric sulphate as well as barium chloride will be added to precipitate more of the oxyanions as well as radium. Sulphuric acid will be available for pH control or if additional sulphate is required. All reagents can be added in either of the two second-stage water treatment reactor tanks. As with the first-stage water treatment, the residence time in the reactors will be a minimum of one hour. At the nominal flow rate, residence time will be approximately two hours. Precipitated solids will be removed from the second stage effluent treatment precipitate storage tank. As with the first stage precipitate, the underflow slurry from this tank is pumped to the tailings mix tank where it is mixed with the tailings streams and neutralized. The second-stage water treatment clarifier will overflow into the pH adjustment tank. Dilute sulphuric acid will be added to adjust the effluent pH to 6.5 (for release requirement) before it is pumped to the treated water tank.

The treated water tank will be a source for the treated water distribution pump that supplies recycled treated water to mine, mill process, and paste plant uses. Use of this water will reduce the amount of fresh water that will need to be used and therefore the amount of effluent discharged into the environment. The treated water tank will overflow into one of the four monitoring ponds. The overflow system of this tank will ensure that there is constant source of treated water for recycling.

Feed and Effluent Monitoring Ponds

The mine sump pumps will discharge to a surface feed settling pond. The pond can contain four to five days of nominal mine water discharge. As water is retained in the pond, suspended solids will settle.

Water that runs off from potentially contaminating uses such as mine and mill dry facilities and maintenance shops will discharge to the feed settling pond.

Potentially contaminated runoff will be collected in two site runoff ponds.

A contingency pond will be available to accommodate pond cleaning and maintenance activities, as well as providing additional capacity for handling or storing contaminated water.

Water will be pumped from the feed settling pond to feed either the grinding circuit, CCD wash circuit, or the first-stage water treatment circuit. The flow of water to the first-stage water treatment circuit will be maintained at a prescribed flow rate. Using settling pond water in the mill circuits reduces fresh water use and the volume of treated effluent discharged to the environment.

Effluent monitoring ponds will allow storage of treated effluent until water parameters are assayed and confirmed to meet discharge criteria. As a pond receives water from the treated water tank, the flow will be sampled. Once a monitoring pond is full, the composite sample that represents the full pond will be taken to the on-site laboratory and assayed. If all the assays are within the acceptable ranges, approval will be given for the pond to be discharged to the environment. As the pond is discharged to the environment, another composite sample will be taken that will be representative of the discharge to the environment. The assays of this composite sample will be reported as required to the control agencies. If assays are outside the acceptable ranges for the pond fill composite, the pond contents will be pumped back to the feed settling pond for reprocessing in the effluent treatment plant. At nominal fill rates a monitoring pond will hold approximately 18 hours of treated effluent.

11.2.3 Uranium Recovery

Uranium recovery was estimated by evaluating the recovery of the individual circuits and combining these into an overall recovery. Total net uranium metallurgical recovery is forecast to be 97.6% as shown in Table 11-2.

**Table 11-2: Uranium Metallurgical Recovery by Unit Operation
NexGen Energy Ltd. – Rook I Property**

Circuit	Recovery (%)
Leach extraction	99.3
CCD washing efficiency	99.5
SX efficiency	99.9
Stripping/regeneration efficiency	99.6
Gypsum circuit total efficiency (including washing)	99.9
YC precipitation efficiency	99.9
Barren strip, calciner, packaging	99.9
Unaccounted losses	0.4

Circuit	Recovery (%)
Net Overall Mill % U Recovery	97.6

11.2.4 Energy, Water, and Process Materials Requirements

Water

Fresh water consumption was estimated for the different mill processes and totals approximately 123 m³/h. Fresh water reduction opportunities include using mine water from the settling pond in grinding and CCD residue washing circuits. Internal use of process waters includes using filtrates and treated water in the paste plants. Treated water will also be available for further use for washing and flushing applications in the mill and mine. Opportunities to reduce fresh water consumption identified to date total approximately 147 m³/h (this has already been accounted for in the water balance and has resulted in the fresh water consumption of 123 m³/h).

Reagents

Reagents will include the following.

- Sulphur
- Sulphuric acid (94% H₂SO₄)
- Unslaked lime (CaO)
- Hydrogen peroxide (H₂O₂)
- Flocculant
- Kerosene
- Tertiary amine (N-R₃)
- Isodecanol (C₁₀H₂₁OH)
- Sodium carbonate (Na₂CO₃)
- Magnesia (MgO)
- Barium chloride (BaCl₂)
- Ferric sulphate (Fe₂(SO₄)₃)
- Ordinary Portland cement (OPC)
- Slag

Energy

The process plant is estimated to require 7.4 MW. The paste plant is estimated to require 0.9 MW.

11.2.5 Comments on Processing

In Wood's opinion, the proposed process flowsheet is reasonable, and the level of design is appropriate for an FS.

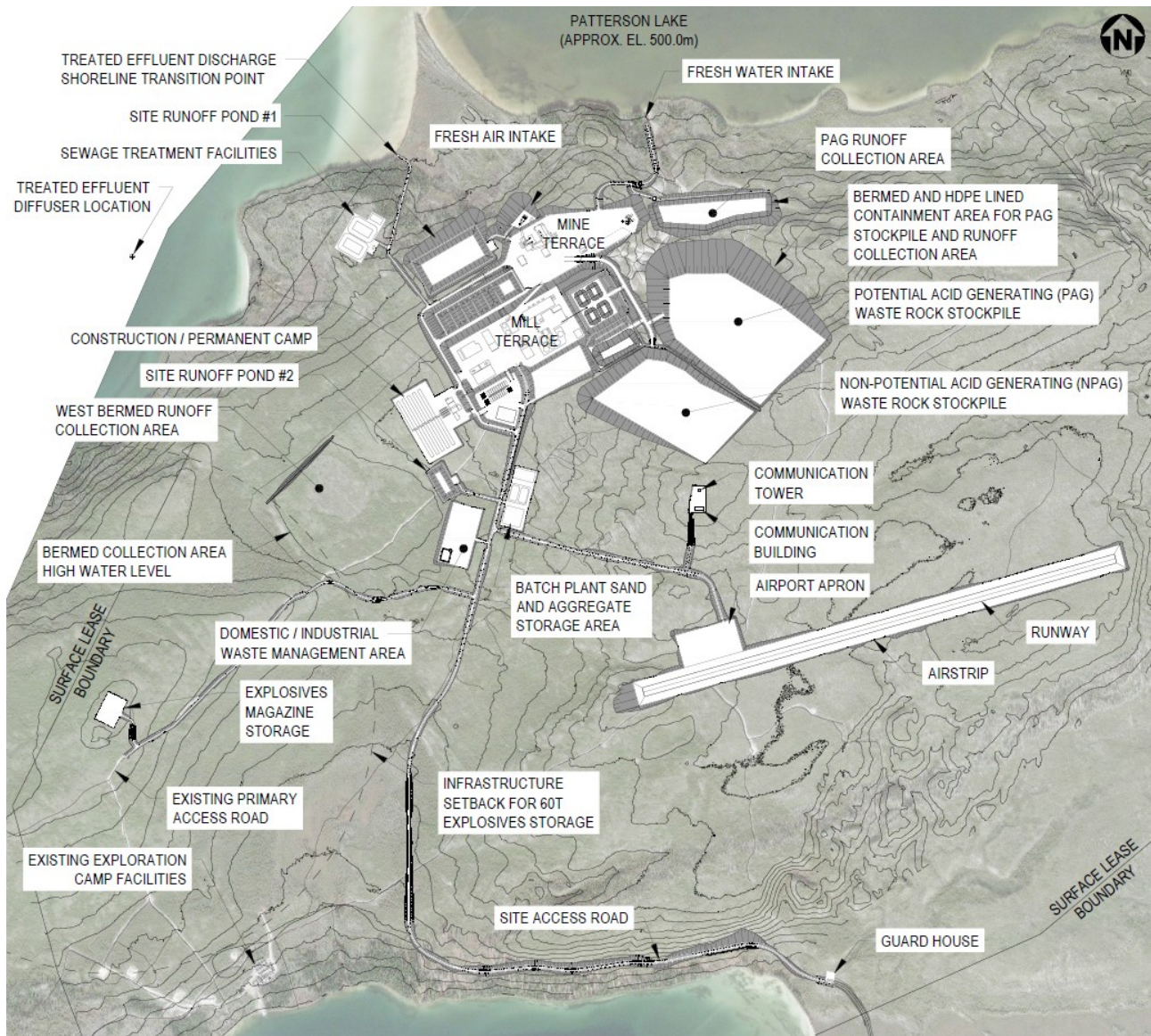
11.3 Infrastructure

The key infrastructure planned for the Project includes the following.

- UG mine with two vertical shafts
- UG infrastructure, including:
 - Material handling systems
 - Maintenance facilities
 - Fuel bay
 - Explosives magazine
 - Ventilation
 - Paste backfill and paste tailings distribution system
 - Electrical and communications facilities
 - UG water supply
 - Dewatering facilities
- UGTMF
- Surface support infrastructure for the mine, including:
 - Headframe and hoist facilities
 - Surface explosives magazine
 - Ventilation fans
- Surface support infrastructure for the mill, including:
 - Process plant
 - SX plant
 - Effluent treatment plant
 - Acid plant
- Site support infrastructure, including:
 - Accommodation camp
 - Liquefied natural gas (LNG) facilities
 - LNG power plant
 - Mine and mill dry facilities
 - Analytical and metallurgical laboratory and maintenance facility
 - Warehouse
 - Security buildings
- Surface ore storage stockpile facility
- Waste rock storage facilities for PAG, non-PAG (NPAG), and special waste materials

- Water management facilities, including:
 - Two storm water runoff ponds
 - Six contact water process ponds
 - Conveyance and diversion structures
- Domestic/industrial waste management areas
- Airstrip

The proposed infrastructure for the site is shown in Figure 11-6.



Source: Wood, 2020

Figure 11-6: Proposed Surface Infrastructure Layout

11.3.1 Roads and Logistics

Construction of the access road from Highway 955 to the site began in 2016 and was completed in 2017 with improvements to the surface composition. The road alignment varies to best fit the existing land and to avoid steep slopes and excessive embankment fills. As a result, there are sharp turns and blind spots that will create hazards for traffic to and from the site. Some corners will be cleared to minimize safety concerns. The road may need to be sprayed with water in dry weather to avoid rutting, dust, and surface rework.

The site road plan is designed to allow for intermittent closures while maintaining access to all major infrastructure. As of 2021, there is an access trail from the existing camp site to the future plant site to

accommodate exploration activities. This road may be used by the site preparation contractors during the first year of construction, however, it will not be considered for use in the final design.

Access roads will be eight metres wide (four metres per lane). Service roads will be six metres wide where two-way traffic is required, and five metres wide with pull-out lanes where one-way traffic is required. Haul roads will be 12 m wide. The use of haul roads will be restricted to heavy haul truck traffic.

11.3.2 Ore and Special Waste Stockpiles

There will be an ore stockpile consisting of four piles of differing grades. Each pile will be approximately 6,500 m³.

It is estimated that approximately 1% of the waste rock brought to surface will be mineralized but will not contain high enough grade to be processed through the mill economically, and therefore is not stockpiled in the ore stockpile area. This material is stored in the special waste rock stockpile area with an anticipated pile volume of 60,000 m³. The special waste will be processed during normal operations, to ensure the mill head grade remains below the 5% U₃O₈ design limit. The remaining special waste will be processed at end of mine life, with the resultant tailings being deposited UG in the UGTMF chambers.

Both the ore and special waste stockpiles will be dual lined with high-density polyethylene (HDPE) and will be self-contained facilities capable of holding a full probable maximum precipitation (PMP) 24-hour event.

11.3.3 Waste Storage Facilities

Approximately 5.9 Mm³ of waste rock will be generated over the Life of Mine (LOM). Of this total, 4.59 Mm³ (78%) is PAG and 1.33 Mm³ is NPAG. The PAG and NPAG waste rock will have separate storage areas. The PAG and NPAG waste rock will be stockpiled with 2:1 side slopes and the top of the finished stockpile will tie into the hill to the south and the overall height will not exceed the highest nearby topography.

The PAG Waste Rock Storage Area (WRSA) will be lined with HDPE. Clearing and grubbing will be required in the area, and personnel will need to prepare to install an HDPE liner, including sand bedding and crushed rock cover to protect the liner.

All precipitation in the PAG WRSA will be captured and diverted to the PAG runoff collection area, which will be located at the topographical low point. Water management infrastructure for the PAG WRSA will comprise a perimeter berm and/or collection ditches. The runoff collection area, like the WRSA base, will be HDPE lined.

The PAG WRSA and runoff collection area must be able to capture and retain all precipitation from a PMP 24-hour event; it will therefore require a retention capacity of 141,670 m³, accounting for one metre of freeboard. Captured runoff will subsequently be piped via an overland HDPE pipeline to the settling pond.

The NPAG WRSA will not be lined with HDPE. Water management infrastructure for the NPAG WRSA will comprise a perimeter berm and/or collection ditch. Precipitation in the NPAG WRSA will be captured and diverted to site runoff pond #2.

11.3.4 Tailings Storage Facilities

No surface tailings management facilities are included in the FS design. According to the Project plan, all processed waste UG will be stored in a purpose-built UGTMF.

11.3.5 Water Management

Water management infrastructure will be designed to meet the requirements of the Environment and Climate Change Canada's Code of Practice for Metal Mines (ECCC 2009) and the Saskatchewan Construction Guidelines for Pollution Control Facilities at Uranium Mining and Milling Operations (SERM 2000).

The site surface drainage network will either collect or divert water. Where practical, all reasonable efforts will be made to divert non-contact site surface runoff away from any developed features. Precipitation and snow melt runoff that come in contact with infrastructure areas or contact zones will be captured, collected, and diverted to impound areas identified as site runoff ponds, or to collection areas.

From a surface drainage perspective, self-contained structures are defined as water management infrastructure that fully contain specific precipitation events. No other precipitation source is diverted to these structures, nor is the specific precipitation event diverted elsewhere until it is subsequently pumped to the settling pond.

Self-contained locations on-site will include the following.

- Process pond cluster of monitoring ponds, contingency pond, and settling pond.
- Ore stockpile area.
- Special waste rock stockpile area.
- PAG runoff collection area.

The remainder of the site will incorporate water management features designed to capture water from zones that are not within the self-contained areas. This water will be collected and diverted to one of the two site runoff ponds.

The primary criteria (i.e., the specified design precipitation event) for the two capture zones of the site runoff ponds differ depending on the specific anticipated precipitation event, however, both site runoff ponds will have the following features in common:

- Dual 80 mil HDPE-lined ponds with primary liner and secondary liner containment.
- Dual leak detection for the two-liner system, with primary leak detection and secondary leak detection.
- Leak detection monitoring wells on the top edge of the pond.
- One-metre freeboard above the pond high water level (HWL) containment capacity.
- Adjacent graded pad for pond access and intake sump pump deployment.

All ponds will be double-lined with a HDPE liner, and will have 300 mm of sand between both layers. All other water conveyance and containment structures have been designed to accommodate a 1:100 year, 24-hour storm event, and the anticipated volumes of water generated under routine and non-routine operating conditions.

11.3.6 Built Infrastructure

The buildings and structures that will be required for the site are summarized in Table 11-3. The following three building design types will be used.

- **Pre-engineered:** all process and internal platforms/structures inside these buildings will be stick-built and either supported independently of the shell structure or tied to the pre-engineered columns, where possible.
- **Stick-built:** each building and its internal platforms/structures will be designed as one structure.
- **Modular:** standalone structures fabricated off-site that will be shipped to the site as a single unit or multiple sections, and supported on independent foundations on-grade or on elevated structural platforms.

The term “mine terrace” refers to the prepared area surrounding the Production Shaft and Exhaust Shaft that will house most of the surface infrastructure required to support UG mining. The surface of the pad will be approximately 200 m by 80 m.

The term “mill terrace” refers to the prepared area surrounding the process plant that will house the surface infrastructure required to support the mill and some of the surface infrastructure required to support the site. The surface of the pad will be approximately 400 m by 175 m.

Table 11-3: Buildings and Structures
NexGen Energy Ltd. – Rook I Property

Item	Location	Comment
SAG Mill Feed Conveyor	Mill Terrace	The belt conveyor feeding the SAG mill will be housed in a fully enclosed prefabricated modular gallery.
Process Plant Building	Mine Terrace	Stick-built, completely enclosed steel structure with a ridged sloping roof. The building will have personnel access doors, overhead access doors, air intake louvers, and wall exhaust fans.
Headframe – Production Shaft	Mine Terrace	Headframe design includes a collar house, sub-collar, ventilation plenum, head sheaves, skip dump, ore bin, and waste bin.
Hoist House – Production Shaft	Mine Terrace	Hoist house will include two permanent double drum hoists, an auxiliary single drum hoist, compressor room, control booth, electrical room, and an overhead crane.
SX Building	Mill Terrace	Pre-engineered, completely enclosed steel structure with a ridged sloping roof. The building will have personnel access doors, overhead access doors, air intake louvers, and wall exhaust fans.
Effluent Treatment Building	Mill Terrace	Pre-engineered, completely enclosed steel structure with a ridged sloping roof. The building will have personnel access doors, overhead access doors, air intake louvers, and wall exhaust fans.
Acid Plant Building	Mill Terrace	Pre-engineered, completely enclosed steel structure with a ridged sloping roof. The building will have personnel access doors, overhead access doors, air intake louvers, and wall exhaust fans.
Drum Storage Building	Mill Terrace	Pre-engineered, completely enclosed steel structure with a ridged sloping roof.
Maintenance and Warehouse Building	Mill Terrace	Insulated pre-engineered fabric building. The maintenance shop will occupy half of the building. This area will provide sufficient space to rebuild and repair process equipment, as well as fabricate items to support the operations of the site. The maintenance shop will include a drive-through maintenance bay that will be located on the west end of the building, with a 10 t overhead crane. The warehouse side of the building will be used to stock supplies and equipment required for the ongoing plant operation and maintenance. The warehouse will include a truck receiving platform and a 7.5 t overhead crane.
Wash Bay Building	Mill Terrace	Insulated, pre-engineered fabric building. The wash bay building will have two drive-through wash bays.

Item	Location	Comment
Administration	Mill Terrace	A single-storey, prefabricated modular building. There will be office and cubical space for approximately 58 people in the administration building. There will also be two meeting rooms, two training rooms, a kitchen, and a lunchroom.
Analytical and Metallurgical Laboratories	Mill Terrace	A single-storey, prefabricated modular building that will house the analytical and metallurgical laboratories.
Mine Dry Facility	Mine Terrace	A two-storey, prefabricated modular building. The female and male dry areas will be sized for 27 and 114 workers, respectively. It is anticipated that there will be office and cubical space for approximately 27 people in the mine dry.
Mill Dry Facility	Mill Terrace	A single-storey, prefabricated modular building. The female and male dry areas will be sized for 17 and 75 workers, respectively.
Intake Fans with Heaters	Mine Terrace	Twin surface air fans, installed in a horizontal arrangement with natural gas direct-fired heating systems.
Exhaust Fans	Mine Terrace	Twin exhaust air fans, arranged horizontally, with the exhaust outlet discharging upwards to provide better dispersion and to prevent the outlet from freezing.
Valve Houses	Various	There are ten valve houses throughout the site. Each will be a prefabricated modular building.
Explosives Magazine	Southeast of Plant Site	Prefabricated modular shipping-container-style building.
Domestic Waste Incinerator Building	Domestic Waste Pad	Pre-engineered, completely enclosed steel structure with a ridged sloping roof.

11.3.7 Camps and Accommodation

The NexGen Rook I site camp will be a modular, single-storey facility. It will provide a comfortable home for all users (i.e., NexGen employees, consultants, contractors, and other Rook I personnel that will be staying on-site). The camp will be located on the west side of the site where the main facilities are located.

Users will be able to access the camp via the mine access road that runs from the guard house to the intersection at the roads to the mill terrace and mine terrace. The camp will be on the west side of the mine access road, opposite the construction office complex.

The maximum capacity of the camp will be 350 users during the construction phase. As construction contractors complete work on-site, and permanent users begin to start shift rotations, the population will reduce to approximately 300 users. One residential wing will be removed as the population decreases throughout the operation phase of the mine.

Camp users will require minimal parking since they will mostly travel to the site by small plane to the on-site airstrip. Forty electrified parking spaces and two barrier-free spaces will be provided for users travelling to the site by different means.

11.3.8 Power and Electrical

The Project is located in a region of northwest Saskatchewan with road access, however, the area is devoid of other infrastructure. There is a 14.4 kV, single-phase power line approximately 95 km from the site, however, it is of insufficient capacity for the Project's scope. The nearest sub-station to the site with sufficient capacity for the Project's powered requirements is approximately 200 km away.

From a study completed during the PFS, it was determined that the NexGen Rook I site would be powered by an on-site generation plant, due to a lack of existing power infrastructure and a high cost for the installation of a new transmission line.

Power will be generated by an LNG electrical power plant. The 13.8 kV power plant will house nine generators sized at 3.329 MW, where eight generators will be operating with one stand-by unit. The total planned capacity of the plant is 26.5 MW, based on a nominal demand of 24.1 MW.

This power plant will be modular so that power can be installed in phases, based on scheduling requirements. Discussions with LNG power plant vendors have confirmed that a portion of the plant (i.e., four or five generators) can be installed early to support construction activities (e.g., shaft sinking, camp, and administrative/office complex). This installation is currently scheduled to provide power early in Year -3, with the remaining portion of the plant being installed to provide power in Year -1.

The plant design includes LNG storage and filling facilities with the fuel being trucked to the site.

11.3.9 Water Supply

The site water system will be required to draw raw water from a single location at Patterson Lake. Once drawn from the lake, the fresh water will need to be distributed to yard hydrants and fire suppression systems for use as fire water, to surface, fill trucks, and storage tanks for use as potable water, and to the mine terrace facilities for use as process water.

Each use will require equipment for pumping, storage and conveyance, and recirculation. The water will be reused if possible, depending on quality and quantity requirements, regulatory requirements, costs, and feasibility.

The freshwater distribution system for the mine and camp area will require raw water intake from the north side of Patterson Lake. This water will be used as process, fire, and potable water for the UG mine, and as fire and potable water for the camp area.

The water distribution system will comprise the following.

- A raw water intake structure
- A freshwater pump station (FWPS) and pumping gallery
- Freshwater storage tanks
- Piping to the water treatment plant
- Processing facilities and utility facility buildings

11.3.10 Comments on Infrastructure

In SLR and Wood's opinion, the planned infrastructure is appropriate and reasonable for the Project, and has been designed to a level of definition suitable for an FS.

11.4 Life of Mine Forecasted Production

Table 11-3 summarizes the estimated production from the Project over the LOM.

Table 11-4: Life of Mine Forecasted Production
NexGen Energy Ltd. – Rook I Property

Mining	Units	Total (Avg)	Y-2	Y-1	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
Ore Mined	kt	4,349	0	14	247	424	410	471	456	454	455	455	369	335	258
Waste Mined	kt	10,585	138	522	1,146	1,368	1,097	900	1,090	901	756	741	673	753	502
Capital Development	m	34,606	2,102	5,144	7,916	6,075	4,434	4,290	3,749	895	0	0	0	0	0
Operating Development	m	15,025	–	616	1,173	3,023	2,798	2,257	1,708	981	503	251	586	594	534
Total Lateral Development	m	49,630	2,102	5,759	9,089	9,098	7,232	6,548	5,457	1,876	503	251	586	594	534
Non-Shaft Vertical Development	m	2,053	-	249	1,009	347	240	70	59	80	-	-	-	-	-
Processing															
Tonnes Processed	kt	4,575			278	432	455	455	455	455	455	455	455	417	263
Grade	% U ₃ O ₈	2.37			4.41	3.12	3.03	3.03	3.03	1.59	1.71	1.85	1.57	1.76	1.38
Metallurgical Recovery	%	97.5			96.8	97.6	97.6	97.6	97.6	97.6	97.6	97.6	97.6	97.6	97.6
Uranium Production	000 lb U ₃ O ₈	233,597			26,103	29,059	29,713	29,664	29,669	15,534	16,785	18,109	15,398	15,750	7,813

12.0 ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

12.1 Environmental Studies

NexGen commenced collection of baseline data in 2015, with the majority of field studies commencing in 2018. Where necessary, some studies continued into 2019 and 2020 to complete the baseline data and information collection requirements, with some work ongoing into 2021. At the time of this TAR, NexGen has undertaken sufficient baseline data collection to complete a comprehensive Environmental Assessment (EA).

12.1.1 Waste Rock Management Facility

Approximately 5.9 Mm³ of waste rock will be generated over the course of the LOM. Of this total, 4.6 Mm³ (78%) is PAG and 1.3 Mm³ is NPAG. The PAG and NPAG waste rock will have separate storage areas. The PAG and NPAG waste rock will be stockpiled with 2H:1V side slopes and the top of the finished stockpile will tie into the hill to the south; the overall height will not exceed the highest nearby topography. The PAG storage area will be HDPE lined and the NPAG storage area will not be lined.

12.1.2 Water Management

The water management infrastructure has been designed to maximize the diversion of non-contact surface runoff water away from the general site footprint and developed features. Precipitation events and snow melt runoff that come in contact with disturbed infrastructure areas, or potential contact zones, are captured, collected, and directed to respective impound areas identified as site runoff ponds or collection areas.

All ponds and pads containing mineralized or radiologically contaminated material have been designed to accommodate a PMP 24-hour event. These areas are self-contained in that the initial precipitation events are contained within the feature itself. The initial precipitation event does not exit elsewhere until pumped. These contained waters are tested before release to the environment based on regulatory requirement; water that does not meet specification will report to the effluent treatment plant for treatment.

The capture zones for Site Runoff Pond #1 have potential contact with mineralized or radiologically contaminated material. Site Runoff Pond #1 is designed to capture a PMP 24-hour event. Draw down is by sump pump to the site settling pond.

Site Runoff Pond #2 is designed to capture a 1:100 year 24-hour precipitation event. The pond contents will be tested, and if suitable for release, will be released to environment. If tested and not suitable for release, pond contents will be pumped to the site settling pond. In the case of a PMP 24-hour precipitation event, Site Runoff Pond #2 will capture and collect runoff to full capacity of the pond, prior to overflowing additional precipitation to the west bermed runoff collection area.

Six contact water storage ponds are planned, including four fill-test-release monitoring ponds for treated effluent, one contingency pond, and one feed settling pond. Each monitoring pond and the contingency pond is sized for 5,000 m³ of capacity and will maintain one metre of freeboard as contingency for a PMP 24-hour event. The feed settling pond will have a capacity of 16,000 m³ with one metre freeboard. Approximately 1,100 m³ of the settling pond capacity is reserved for a 1:100 year 24-hour precipitation

event which includes runoff collecting immediately surrounding the Production Shaft and in the pipe containment corridor.

All other water conveyance and containment structures have been designed to accommodate a 1:100 year 24-hour precipitation event as well as the anticipated volumes of water generated under routine and non-routine operating conditions.

12.1.3 Closure and Reclamation Planning

Following the completion of mining and milling activities, a detailed decommissioning plan will be developed in accordance with Provincial and Federal regulations and guidelines. Once finalized, the plan and an application for approval to decommission will be submitted to Provincial and Federal authorities. Following approval, decommissioning activities will commence.

Decommissioning will be preceded by the orderly cessation of operations and transition of the operation into a safe inactive state. Production mining will be completed, and active mining areas backfilled and secured. The mill processing circuits will be systematically shut down, flushed, and cleaned. Surface facilities, infrastructure, and equipment will be cleaned, as necessary, scanned, and prepared for decommissioning.

Wherever practicable, surface and UG infrastructure, equipment, and materials not required during the decommissioning phase and which meet radiological criteria for off-site removal will be salvaged, sold, or transferred off-site for recycling or disposal. Remaining infrastructure, equipment and materials will undergo final decommissioning on-site.

12.2 Permitting

12.2.1 Overview and Status

NexGen began collecting baseline data and information in 2015, with the majority of field studies commencing in 2018. Where necessary, some studies continued into 2019 and 2020 to complete the baseline data and information collection requirements, with some work ongoing into 2021. As of the effective date of this TAR, NexGen has enough data to complete a comprehensive EA.

As of the effective date of this TAR, several environmental and social baseline studies have been completed, and some are still ongoing. While the 2020 field programs have concluded, reports are not yet completed; therefore, the results of the 2020 NexGen baseline studies and programs were not available for use in this report.

Provincial permits and licences for exploring and maintaining the work camp were approved in previous years; many of these permits have been renewed and are currently active.

The EA process for the Project is in progress as of the effective date of this TAR, and preparation of a Draft Environmental Impact Statement (EIS) is underway. Similarly, the Canadian Nuclear Safety Commission (CNSC) licensing process is in progress. NexGen submitted a project description to the CNSC and Saskatchewan Ministry of Environment (ENV) on February 14, 2019, and a revised project description was subsequently submitted in April 2019.

In accordance with REGDOC-3.2.2, Aboriginal Engagement (CNSC, 2016), NexGen also submitted a preliminary Indigenous Engagement Report (IER) on February 14, 2019.

The CNSC formally commenced the EA process on May 2, 2019 by issuing the Notice of Commencement, which served as an invitation for the public to comment on the Project description. The CNSC Record of Decision (DEC 19-H112) regarding the scope of the EA for the Project was published on February 20, 2020.

As development of the Draft EIS and licensing applications are in progress, related findings—including any notable issues that could materially impact NexGen’s ability to extract the Mineral Resources—are not yet available for inclusion in this TAR.

Furthermore, no recommendations from the EA or licensing processes for future monitoring and/or management of environmental and social aspects of the Project have been determined. Therefore, any considerations regarding specific monitoring and management plans are not included in this TAR.

As of the effective date of this TAR, NexGen has not applied for mine development licences, permits, and/or authorizations. A summary of both federal and provincial regulatory requirements for the EA phase of the Project are included in Section 12.2.3.

12.2.2 Baseline Studies

NexGen conducted baseline studies to gather information regarding the existing conditions for the biophysical, cultural/heritage, and socioeconomic components of the Project. Some baseline studies have been completed, while other studies are currently in progress. Findings from 2020 baseline studies that are still in progress or are not yet finalized have been omitted.

All baseline studies, regardless of technical discipline, have the following objectives.

- Establish and characterize the existing conditions of the area, both within a local study area and a regional study area.
- Provide a baseline against which potential effects from the Project can be assessed.
- Help identify potential areas of concern or interest from local communities regarding the Project.
- Help with early identification of monitoring and management plan requirements.

The baseline studies form part of the comprehensive EA. As the EA development is ongoing, potential effects of proposed Project activities have not yet been identified. Identifying potential impacts of the Project and determining their level of significance are key objectives of the EA, and they will be concluded in the EIS.

NexGen will be required to mitigate the negative impacts of Project activities as much as practicable. Mitigations proposed are required to reflect industry standard techniques that have been recognized and approved by regulatory agencies on other projects that have taken place in similar climates, terrains, and conditions. Project-specific monitoring requirements will be determined during the EA process, and confirmed in the conditions of the Project’s EA approval, as well as in various permits that will be required by both federal and provincial jurisdictions.

The baseline study results to date have not identified any known environmental or social issues that could materially affect NexGen’s ability to move forward with the Project.

12.2.3 Federal and Provincial Regulatory Environmental Assessment Framework

Several federal and provincial regulatory approvals are required for all new uranium mine and mill development.

Federally, under the authority of the Nuclear Safety Control Act (NSCA), proponents wishing to carry out mining and milling in Canada must first obtain a licence from the federal nuclear regulator (i.e., the CNSC). Before the CNSC can make a licensing decision, proponents are required to complete an EA of the proposed project. The federal Impact Assessment Act came into effect in August 2019; however, the Project commenced when the Canadian Environmental Assessment Act (CEAA, 2012) was in effect, and will continue to be reviewed under that law, as confirmed by the CNSC in a letter to NexGen on August 29, 2019.

According to CEAA 2012, EAs are required for designated projects, which are defined under the Regulations Designating Physical Activities (the Project List). The construction of a new uranium mine and mill is considered a designated activity, as defined by the Project List, and the CNSC is designated as the responsible authority for the oversight of the EA.

In Saskatchewan, new uranium mines and mills are subject to the Environmental Assessment Act. The Environmental Assessment Act requires the completion of an EA, and approval from the Saskatchewan Minister of Environment before proceeding. Developments that are approved are also required to obtain approval under the Environmental Management and Protection Act, 2010.

As the Project falls under both federal and provincial jurisdictions, the CNSC and ENV EA Branch will each require an EA prior to Project approval. The CNSC and ENV EA Branch are coordinating a harmonized EA under the guidance of the Canada-Saskatchewan Agreement on Environmental Assessment Cooperation (2005). This agreement reduces regulatory duplication and allows the regulatory agencies to work together to ensure that a thorough process is followed to limit environmental effects.

Throughout this collaborative process, the CNSC will act as the responsible EA authority and the lead agency overseeing the EA process. The CNSC will coordinate activities with the provincial and other federal agencies so that all regulatory considerations are taken into account in the review of the EA and the final decision.

12.2.4 Licensing and Approval Process

The proponent of a new uranium mining and milling project is required to obtain a licence from the CNSC under the NSCA prior to development. NSCA regulations list the information applicants must submit to the CNSC as part of their licence applications.

The CNSC's licensing process for uranium mines and mills typically follows the lifecycle of a project, and includes the following four general licensing phases.

- Licence to Prepare Site and Construct
- Licence to Operate
- Licence to Decommission
- Licence to Abandon

Under provincial legislation, the ENV is responsible for protecting and managing Saskatchewan's environmental and natural resources. Following completion of an EA, approvals under the Environmental Management and Protection Act, 2010 must be secured prior to construction, and adhered to throughout the project lifecycle.

The Mineral Industry Environmental Protection Regulations (MIEPR), 1996 govern the permitting and operation of mines and mills in Saskatchewan. Under the MIEPR, NexGen will require approval to construct, install, alter, or extend a pollutant control facility prior to commencement of construction. In

addition, approval to operate a pollutant control facility will be required prior to mine operation, and will be subject to regular review and renewal throughout the life of the Project.

Another important approval requirement is the development and maintenance of a preliminary decommissioning plan and preliminary decommissioning cost estimate. Financial assurance will be required to cover the costs associated with executing the decommissioning plan, and the assurance will require approval by both the CNSC and the ENV.

12.3 Social or Community Impacts

NexGen has engaged regularly and established relationships with local communities and Indigenous groups since 2013. Community and Indigenous engagement have evolved since the submission of the 2018 Technical Report on the PFS. Engagement mechanisms have included notification letters, meetings with leadership, establishing joint working groups (JWGs) for detailed discussions, and providing funding for traditional land use studies. The engagement process will continue throughout the EA and licensing processes.

In the second half of 2019, NexGen entered into Study Agreements (Agreements) with the following four Indigenous groups.

- Clearwater River Dene Nation
- Métis Nation – Saskatchewan (MN-S), including as on behalf of the Locals of MN-S Northern Region II
- Birch Narrows Dene Nation
- Buffalo River Dene Nation

The Agreements provide a framework for working collaboratively to advance the EA and exchange information that will be used to inform the Crown as the Crown undertakes its duty to consult.

The Agreements provide funding to each Indigenous group and outline a collaborative process for formal engagement to support the inclusion of Indigenous knowledge in the EA. The Agreements also outline processes for identifying potential effects to Indigenous rights, treaty rights, and socio-economic interests, and avoidance and accommodation measures in relation to the Project.

13.0 CAPITAL AND OPERATING COST ESTIMATES

Capital and operating cost estimates for the Project were completed by Stantec and Wood, with inputs from a variety of other companies. In SLR and Wood's opinion, the capital cost and operating cost estimates are reasonable and have been appropriately defined to an FS level of detail.

13.1 Capital Cost Estimates

13.1.1 Overview

The estimate meets the classification standard for a Class 3 estimate as defined by Association for the Advancement of Cost Engineering (AACE) International and has an intended accuracy of $\pm 15\%$. The estimate is reported in Q4 2020 Canadian dollars. Table 13-1 outlines the estimated capital cost for supplying, constructing, and pre-commissioning the Project, and is inclusive of the early works activities.

Mining capital costs primarily comprise the following areas: shaft sinking, lateral mine development, and stationary mine infrastructure. Mine mobile equipment is assumed to be purchased on a lease-to-own basis, with the costs incurred in the lease payments. Process plant costs include the construction of the entirety of the process plant facility. Infrastructure costs include provision for the LNG power plant, as well as site preparation, permanent camp, maintenance shop, fuel storage, administration and dry facility, water treatment systems, airstrip, and site roads. Indirect costs include temporary construction facilities, construction services and supplies, and construction management (CM) costs, construction equipment, freight, Owner's costs, and contingency.

It is estimated the site has a four-year construction period. NexGen is preparing a pre-commitment early works program that will encompass all scheduled activities planned for Year -4 – Month 1 through Year -4 – Month 6. This plan will advance certain elements of the overall scope and mitigate Project risks. The program includes work and the associated costs that NexGen intends on expending prior to a final investment decision (FID).

The scope of the pre-commitment early works program includes the following (at a high level):

- Clearing and grubbing.
- Site levelling and road construction.
- Batch plant construction.
- Initial camp construction.
- Shaft-sinking preparations, including freeze hole drilling, freeze plant installation, and sinking plant installations.

Upon completion of the early works program, and after the FID is made, the Project would be constructed, including the following main areas:

- Shaft sinking, development, and infrastructure.
- Waste rock pads.
- Site development.
- Processing plant.
- All other infrastructure (e.g., power plant, camp accommodations).
- Indirect expenses.

- Capitalized owner's costs.
- Contingency.

Total Life of Project capital costs are shown in Table 13-1.

**Table 13-1: Total Capital Cost Estimate
NexGen Energy Ltd. – Rook I Property**

Description	Units	Cost
Pre-commitment Early Works	\$ million	157.9
Project Capital		
UG Mining	\$ million	240.0
Processing	\$ million	216.4
Site Development	\$ million	27.7
On-Site/Off-Site Infrastructure	\$ million	118.9
Subtotal/Project Direct Costs	\$ million	602.9
Project Indirect Costs	\$ million	326.5
Project Owner's Costs	\$ million	97.9
Subtotal Project Direct and Indirect Costs	\$ million	1,027.2
Project Contingency	\$ million	114.8
Total Project Capital	\$ million	1,142.0
Pre-production Capital Cost (Pre-commitment & Project)	\$ million	1,299.9
Sustaining	\$ million	362.4
Closure	\$ million	69.5
Total	\$ million	1,731.8

Notes:

1. Pre-commitment capital costs include contingency.
2. Totals may not sum due to rounding.

Capital costs are discussed further for each of the areas.

13.1.2 Pre-Commitment Early Works

13.1.3 Mining Capital Costs

The project period mine capital costs primarily include shaft sinking, lateral and vertical mine development, and stationary mine infrastructure. Mine mobile equipment used for the Project, which is typically another major cost area, was assumed to be supplied on a "lease to own" basis.

For estimating the direct costs, it has been assumed that there will be two main contracts associated with the access and development of the mine: a Shaft and Headworks Construction Contract and an UG Lateral Development and Installations Contract. The shaft and headworks contractor will be responsible for erecting both temporary and permanent headworks, the concurrent sinking of both Production Shaft and Exhaust Shaft, and the subsequent operation of the shafts from Year -4 to Year 1.

The UG lateral development and installations contractor will be responsible for the UG ramp, lateral and vertical (raising) development (in waste-rock only) starting from the shaft station(s), and construction of stationary mine infrastructure from Year -2, Month 4 to Year 1.

All UG ore development and pre-production mining will be executed by the Owner's labour force.

13.1.4 Process Plant Capital Costs

Process plant costs include the construction of the entirety of the process plant facility and will be incurred entirely within the project period. Major areas of the process plant include ore handling and stockpiles, grinding, leaching, liquid solid separation, SX, precipitation, tailings neutralization, product drying and packaging, and overall plant buildings and services.

13.1.5 Infrastructure Capital Costs

The project period infrastructure costs include site development and on-site and off-site infrastructure including the following:

- LNG power plant
- Site power distribution
- Paste backfill plant
- Water management systems
- Waste management systems
- Permanent camp
- Administrative facilities
- Dry facilities
- Maintenance shop
- Fuel storage
- Airstrip
- Information technology (IT) and communications systems
- Surface support mobile equipment

13.1.6 Indirect, Owners, and Contingency Capital Costs

The project period indirect costs include the following:

- Temporary construction facilities
- Construction support contracts and equipment
- Contractor indirects
- Start-up and commissioning
- Logistics and freight

- Integrated project/construction management team

Engineering and procurement costs were excluded from the capital cost estimate; and subsequent phases of engineering will be financed by other means.

The project period Owner capital costs included in the capital cost estimate pertain to pre-production ore and special waste development, pre-production mining, pre-production processing, tailings/paste costs, and general and administration (G&A) costs incurred during the pre-production period.

Contingency was applied to each respective area of the estimate based on an assessment of scope definition and the level of detail of the cost estimate. Contingency was approximately 11%.

13.1.7 Sustaining Capital

Any capital costs incurred after the commencement of operations are considered sustaining capital and include areas such as underground mobile equipment replacement, capitalized mining lateral and vertical development, ongoing replacement and refurbishment to the process plant and other surface infrastructure, and closure costs.

13.2 Operating Cost Estimates

13.2.1 Overview

Wood and SLR have reviewed the operating cost estimates developed for the FS. In Wood and SLR's opinion, the method and detail of the operating cost estimate is appropriate and reasonable for an FS. Unit costs are expressed as \$/tonne processed and \$/lb U₃O₈. Operating costs were allocated to either mining, process, tailings facility and paste plant, or G&A. LOM operating costs are estimated to be \$1,769.8 million. LOM operating costs are summarized in Table 13-2.

Table 13-2: Operating Cost Estimate Summary (Year 1 to Year 11 inclusive)
NexGen Energy Ltd. – Rook I Property

Description	LOM Cost (\$ million)	Average Amount (\$ million)	Unit Cost (\$/t processed)	Unit Cost (\$/lb U ₃ O ₈)
Mining	691.3	64.6	151.09	2.96
Processing	647.0	60.5	141.41	2.77
Tailings Facility and Paste Plant	144.0	13.5	31.46	0.62
General and Administration	287.5	26.9	62.84	1.23
Total	1,769.8	165.4	386.80	7.58

Notes:

1. Totals may not sum due to rounding.
2. Average annual cost based on 10.7 years.

Operating costs were based on detailed estimates of labour, consumables, reagents, maintenance, fuel, power requirements, and other discretionary expenses required for the Project.

13.2.2 Mining

Mining begins with capital development in Year -2 and the capitalized development continues through the LOM. SLR notes that mining operating costs in Year -2 and Year -1 are capitalized. Mining costs include direct labour, technical services, mine management, mining consumables (explosives, rock bolts, etc.), equipment operations and maintenance, power consumption, and geological definition drilling.

13.2.3 Processing

The process plant operating costs are primarily comprised of labour, power consumption, treated process water, and consumables. Consumables consist of reagents, grinding media, mill liners, and LNG. An allowance was included for annual maintenance.

13.2.4 Tailings Facility and Paste Plant

The tailings facility/paste plant operating costs are primarily comprised of labour, power consumption, and binder. An allowance was included for annual maintenance.

13.2.5 General and Administration

The G&A costs include labour, camp and catering costs, flights to and from site, insurance premiums, general maintenance of the surface buildings, and marketing and accounting functions. Allowances were included for reimbursable fees paid to the CNSC.

14.0 REVENUE

14.1 Assumptions

SLR was involved in the revenue estimation process and finds the methodology to be reasonable.

The results of the economic analysis represent forward-looking information that is subject to a number of known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those presented here. Forward-looking statements in this report include, but are not limited to, statements with respect to future uranium prices, estimation of Mineral Resources and Mineral Reserves, estimated mine production and uranium recovered, estimated capital and operating costs, and estimated cash flows generated from the planned mine production. Actual results may be affected by the following.

- Differences in estimated initial capital costs and development time from what has been assumed in the 2021 FS.
- Unexpected variations in quantity of ore, grade, or recovery rates, or presence of deleterious elements that would affect the process plant or waste disposal.
- Unexpected geotechnical and hydrogeological conditions from what was assumed in the mine designs, including water management during construction, mine operations, and post mine closure.
- Differences in the timing and quantity of estimated future uranium production, costs of future uranium production, sustaining capital requirements, future operating costs, assumed currency exchange rate, requirements for additional capital, unexpected failure of plant, or equipment or processes not operating as anticipated.
- Changes in government regulation of mining operations, environment, and taxes.
- Unexpected social risks, higher closure costs and unanticipated closure requirements, mineral title disputes or delays to obtaining surface access to the property.

If additional mining, technical, and engineering studies are conducted, these may alter the project assumptions presented in this report and may result in changes to the calendar timelines and the information and statements contained in this report.

Development and licensing approvals are not currently in place, and statutory permits, including environmental permits, are required to be granted prior to commencement of the development of the Project.

The Project has been evaluated using discounted cash flow analysis. Cash inflows consist of annual revenue projections. Cash outflows consist of project capital expenditures, sustaining capital costs, operating costs, taxes, royalties, and commitments to other stakeholders. These are subtracted from revenues to arrive at the annual cash projections.

Cash flows are taken to occur at the mid point of each period. To reflect the time value of money, annual cash flow projections are discounted to the Project valuation date using the yearly discount rate. The discount rate appropriate to a specific project can depend on many factors, including the type of commodity, the cost of capital to the project, and the level of project risks (e.g., market risk, environmental risk, technical risk, and political risk) in comparison to the expected return from the equity and money markets.

Taxes and depreciation for the Project were modelled based on input from NexGen, as well as a review of the Guideline: Uranium Royalty System, Government of Saskatchewan, June 2014. In addition, NexGen has opening balances of Canadian Exploration Expense (CEE) and operating losses that were applied in the tax model.

14.2 Outcome

A summary of the LOM cashflow is provided in Table 14-1 and Figure 14-1.

Table 14-1: LOM Cashflow Forecast Summary Table
NexGen Energy Ltd. – Rook I Property

Description	Units	Value
Gross revenue	\$ million	15,573.2
Less: transportation	\$ million	0
NSR	\$ million	15,573.2
Less: provincial revenue royalties	\$ million	(1,129.1)
Net revenue	\$ million	14,444.1
Less: total operating costs	\$ million	(1,769.8)
Operating cash flow	\$ million	12,674.3
Less: capital costs	\$ million	(1,573.9)
Pre-tax cash flow	\$ million	11,100.4
Less: provincial profit royalties	\$ million	(1,683.5)
Less: taxes	\$ million	(2,404.5)
Post-tax cash flow	\$ million	7,012.4

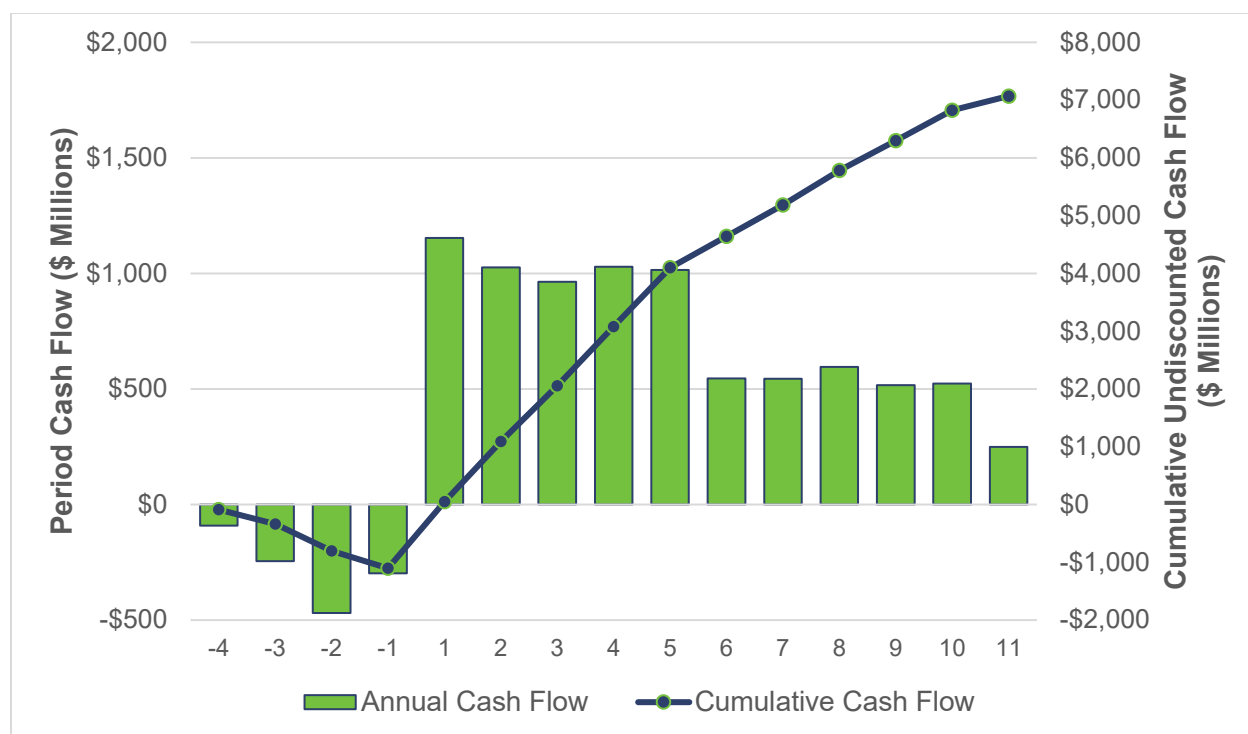


Figure 14-1: Undiscounted After-Tax Cash Flow

14.3 Market Assessment

14.3.1 Overview

Marketing studies and commodity price assumptions are based on research and forecasts by UxC LLC (UxC). SLR considers it acceptable to rely on UxC for this information as the company is one of the nuclear industry's leading market research and analysis firms. UxC has consented to the inclusion of this information in this TAR.

NexGen is considering selling production from the Project through all avenues of selling uranium including long-term contracts that would be entered into with buyers. It is expected that any such contracts would be within industry norms for such uranium contracts. Contracts have currently not been entered into for the Project.

The financial analysis assumes that 100% of uranium produced from the planned Rook I Project can be sold at long-term price of US\$50/lb U₃O₈, using an exchange rate of C\$1.00 = US\$0.75, which includes the cost to ship the yellowcake product to the final processing site.

Currently, NexGen has not entered into any contracts for the sale of yellowcake from the Project.

14.3.2 Market Demand

As of October 2020, there are 437 operable reactor units in 31 countries with approximately 388 GWe capacity, which translates to base requirements of 165.2 Mlb U₃O₈, as presented in Table 14-2.

Table 14-2: Global Nuclear Power Data in Late 2020
NexGen Energy Ltd. – Rook I Property

Number of Countries	Number of Reactors	Total Capacity (GWe Net)	Total Uranium Requirements (Mlb U ₃ O ₈)
31	437	388.0	165.2

Table prepared by UxC, 2020.

For the 2022 starting forecast, UxC anticipates that 33 countries will have nuclear energy capacity, with a total of 442 reactors world-wide, and a total capacity level of approximately 393.6 GWe net. In 2022, total base case uranium requirements will decrease slightly to 159.5 Mlb U₃O₈.

By 2025, as aging reactors are taken offline at a rate faster than replacement units are added, UxC projects that 34 countries will operate 434 reactors (396.2 GWe) and have a base case requirement of 173.0 Mlb U₃O₈. By 2030, UxC forecasts that 34 countries will have 464 reactors (434 GWe), and a base case requirement of 191.8 Mlb U₃O₈.

Finally, by 2035, UxC expects that 36 countries will have 468 operating reactors (458 GWe), and a base case requirement of 204.7 Mlb U₃O₈.

Figure 19-1 presents the uranium market requirements in Mlb U₃O₈, which are derived from UxC's Uranium Requirements Model (URM) of the commercial nuclear fuel cycle for the base, high, and low requirements scenarios, respectively.

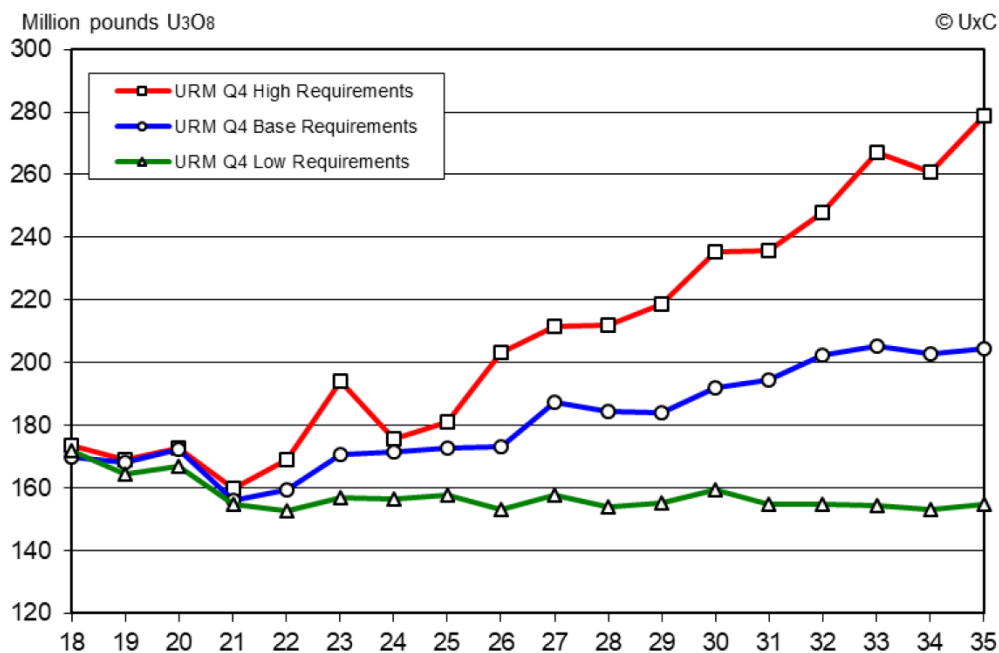


Figure prepared by UxC, 2020.

Figure 14-2: Uranium Requirements Model 2018-2035

In the base case scenario, requirements increase from 159.5 Mlb U₃O₈ in 2022 to 173.0 Mlb U₃O₈ in 2025. By 2030, requirements rise to 191.8 Mlb U₃O₈ before ascending to 204.7 Mlb U₃O₈ in 2035.

The growth over this period is attributable to new reactor capacity in Asia, mainly from China, where requirements are expected to grow 188%, from 23.3 Mlb U_3O_8 in 2022 to 67.1 Mlb U_3O_8 by 2035.

Furthermore, growth is also expected in Eastern Europe, Africa, and the Middle East, which all have ambitious reactor build plans that will require increasing uranium supplies to meet the demand. In the base case scenario, total requirements will increase approximately 28% from 2022 to 2035.

14.3.3 Uranium Supply

UxC estimates that 2020 world uranium production will total approximately 122 Mlb U_3O_8 , which is 12% lower than the 139 Mlb U_3O_8 produced in 2019. Looking ahead to 2021, world production is expected to increase 10% to 135 Mlb U_3O_8 . In 2022 through 2025, world production is forecasted to increase from 135 Mlb U_3O_8 to 142 Mlb U_3O_8 .

From 2026 to 2028, production is forecasted to increase to 160 Mlb U_3O_8 , before declining to 147 Mlb U_3O_8 in 2029 as several uranium mines exhaust their reserves. In the mid- to late-2020s, new uranium projects are needed as secondary supplies will decline significantly during this period.

From 2030 through 2035, global production is forecasted to decline from 154 Mlb U_3O_8 per year to 118 Mlb U_3O_8 per year, which is significantly below projected global demand in the range of 199 Mlb U_3O_8 to 211 Mlb U_3O_8 per year.

14.3.4 Supply and Demand Scenarios

UxC analyzed current production rates for existing and planned uranium production projects. These rates were based on company plans, where known; otherwise, these were based upon UxC's estimates of future production potential. As these relate to planned or potential production, the rates may overstate or understate the eventual level of production, but this will ultimately be determined by the market.

Figure 14-3 presents broad mid-case supply and demand requirements and the market demand range. The information in Figure 14-3 was sourced from the UxC proprietary URM.

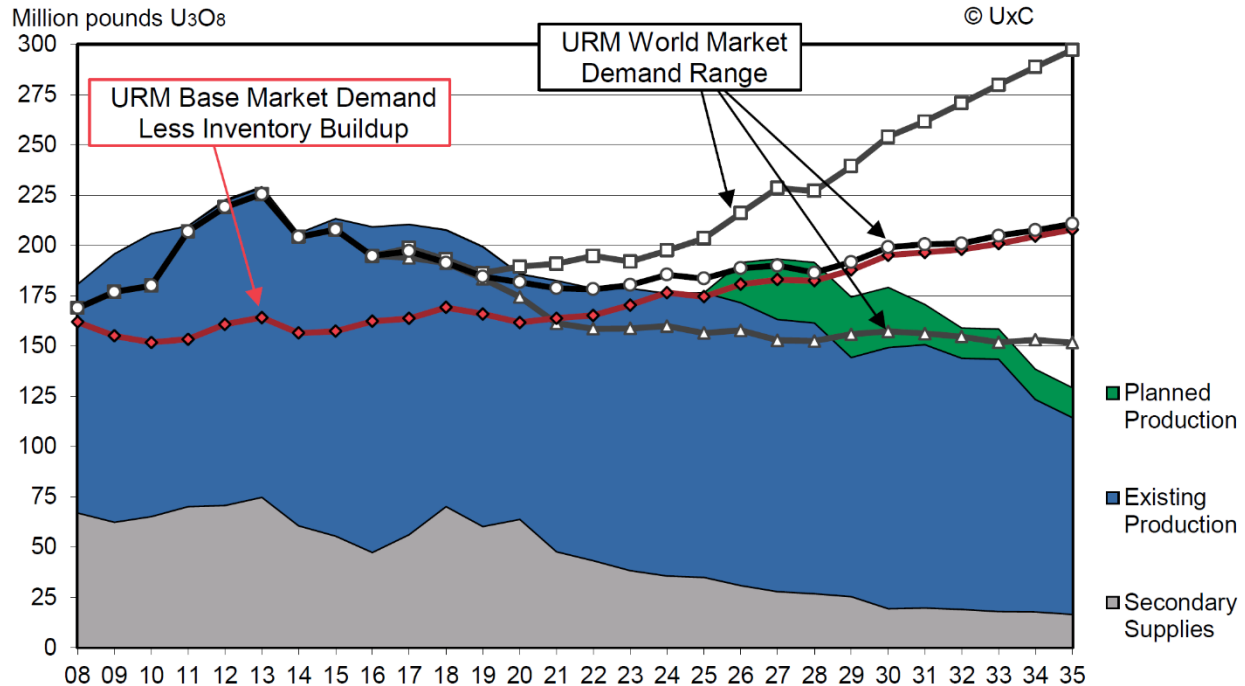


Figure prepared by UxC, 2020.

Figure 14-3: Market Demand versus Mid-Case Production Sources, 2008-2035

As the supply and demand differentials indicate, a potential supply shortfall will begin in 2022 compared to the base demand case. This could possibly begin as early as 2021 if the high demand forecast proves to be accurate.

14.3.5 Price Forecasts

This section presents uranium spot price forecasts developed using UxC's proprietary U-PRICE® model, which is an econometric simulation model of the uranium market. The U-PRICE model was designed to consider key factors that influence the uranium market. The structure of the model allows for an integrated simulation of uranium prices and related market variables.

The model incorporates additional information regarding the historical relationships of specific factors in the market. Therefore, the U-PRICE model provides an enhanced tool to quantify much of UxC's existing analysis and published indicator information.

Using various input assumptions (refer to Table 14-3), UxC used the U-PRICE model to develop three price forecasting scenarios: the Mid-Price, High Price, and Low Price scenarios. The forecasting time frame is 18 years, from 2018 to 2035. Due to market uncertainties and the potential for unpredictable events that may occur during the forecasting period, interval forecasts were developed for each price scenario using 70% and 90% statistical confidence bands. Specifically, the confidence band was statistically determined and calculated based on variations of historical prices.

Table 14-3: Key Assumptions Used to Develop Spot U₃O₈ Price Scenarios
NexGen Energy Ltd. – Rook I Property

Factor	Descriptions: Factors and Assumptions
Demand Outlook	This is projected demand for uranium using the URM based on UxC's latest forecasts of the total number of reactors and electric capacity.
Market Outlook and Perception	Factors included in this category mainly reflect the psychological impacts of significant events on market participants' general perception of the uranium market.
Primary Production	Both primary uranium production from existing mines and potential production from new projects are addressed in this supply-side factor.
Secondary Supplies	This category includes non-traditional sources of supplies such as uranium produced via underfeeding and tails re-enrichment, U ₃ O ₈ in Enriched Uranium Product (EUP) inventories, and mixed-oxide fuel (MOX)/reprocessed uranium (RepU).
Separative Work Units (SWU) Market Developments	This factor examines the impact of changes in the SWU market on the price of uranium due to the substitutability between produced uranium and uranium from enrichment programs.
Exchange Rates	The potential impacts of macroeconomic factors on uranium prices (such as the strength of the US dollar, monetary policies, and oil prices) are analyzed and included in the price projections.

Table prepared by UxC, 2020.

The projected composite prices presented in Figure 14-4 were developed using a probability-weighted average of the three price scenarios.

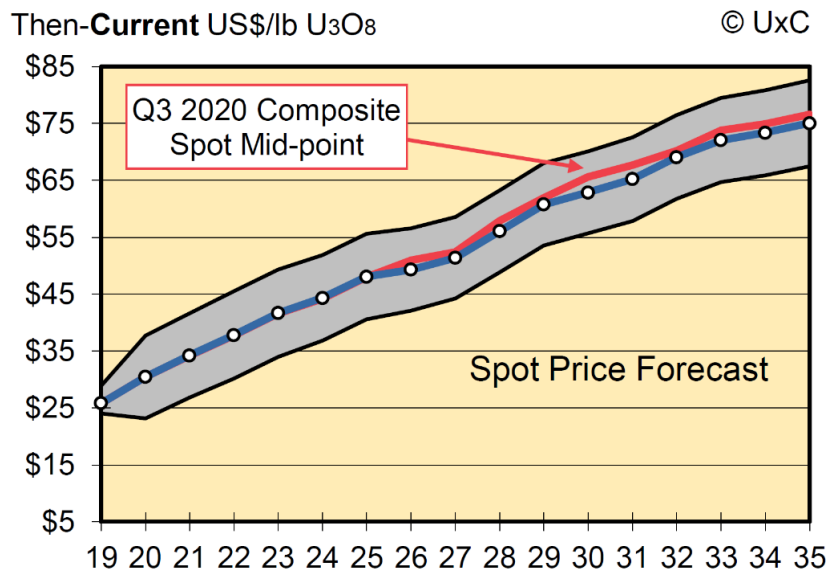


Figure prepared by UxC, 2020.

Figure 14-4: UxC Price Forecast Comparison

The probabilities were determined using monthly spot prices recorded during three distinct periods.

- The period from January 2004 to June 2007 when the spot price exhibited an increasing trend.
- The persistent price declining period from June 2011 to December 2016.
- The period from February 1999 to October 2003 when the spot price fluctuated within a relatively narrow range.

Beyond the medium term, improved market fundamentals helped trigger a sustained price recovery. However, the key factor driving the upward momentum and the sustainability of the uranium price continues to be the growth of nuclear power.

As with the spot uranium price forecasts, there are three scenarios for long-term (LT) contract base price projections: Mid LT Base, High LT Base, and Low LT Base. The two most commonly used pricing approaches in LT uranium contracts are base-escalated and market-related pricing. The key assumptions used to develop each scenario were consistent with those used in forecasting the spot prices.

The term that was price-projected using the U-PRICE model is the base price of uranium in LT contracts signed in any given year. The projected base price is not identical to the average delivery price of that year because the average delivery price is an average of delivery prices derived from contracts signed at different points in time. The average delivery price also includes prices under market price contracts.

Consistent with UxC Mid LT Base guidance, commodity price forecasts used in the financial model in Section 14.2 assume the following.

- Uranium price of US\$50/lb U_3O_8 based on LT forecasts, and the net of yellowcake transportation fees (estimated at approximately US\$0.50 per pound).
- One hundred percent of uranium sold at an LT price of US\$50/lb U_3O_8 .

The projected exchange rate is C\$1.00 = US\$0.75

Table 14-4: UxC Annual LT Base Price Projections, 2020–2035 (US\$/lb U₃O₈)
NexGen Energy Ltd. – Rook I Property

Scenario	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
High Constant	\$32.23	\$37.00	\$42.14	\$46.41	\$50.00	\$52.81	\$54.11	\$54.30	\$58.34	\$61.70	\$62.07	\$65.02	\$65.40	\$65.05	\$65.56	\$66.38
Mid Constant	\$30.20	\$33.36	\$35.84	\$38.93	\$40.39	\$43.18	\$43.52	\$44.77	\$47.21	\$49.99	\$51.34	\$51.47	\$53.69	\$55.92	\$56.27	\$56.46
Low Constant	\$29.02	\$29.82	\$30.62	\$31.25	\$31.25	\$33.00	\$34.29	\$35.01	\$36.58	\$39.68	\$41.79	\$42.58	\$43.07	\$43.35	\$43.83	\$43.20

Notes:

Table prepared by UxC, 2020.

Average price forecast for Mid Constant 2027 to 2035 \$51.90 /lb

15.0 PROJECT RISKS AND OPPORTUNITIES

15.1 Project Risks

NexGen has assessed critical areas of the Project and identified risks associated with the technical and cost assumptions used. The risks have been classified as low/moderate/high and commented on risk mitigation in the development plan. In all cases, the level of risk refers to the subjective assessment as to how the identified risk could affect the achievement of the Project objectives. SLR and Wood have reviewed the key risks to the Rook I Project identified by NexGen, including the proposed strategies to mitigate these risks. In SLR and Wood's opinion, the proposed mitigation strategies and scope of work planned at the Rook I Project are reasonable and appropriate to address the technical risk outlined in this TAR.

The following definitions have been employed in assigning risk factors to the various aspects and components of the Project:

- **Low Risk** - Risks that could or may have a relatively insignificant impact on the character or nature of the deposit and/or its economics. Generally can be mitigated by normal management processes combined with minor cost adjustments or schedule allowances.
- **Moderate Risk** - Risks that are considered to be average or typical for a deposit of this nature. These risks are generally recognizable and, through good planning and technical practices, can be minimized so that the impact on the deposit or its economics is manageable.
- **High Risks** - Risks that are largely uncontrollable, unpredictable, unusual, or are considered not to be typical for a deposit of a particular type. Good technical practices and quality planning are no guarantee of successful exploitation. These risks can have a major impact on the economics of the deposit including significant disruption of schedule, significant cost increases, and degradation of physical performance. Included in this category may be environmental/social non-compliance, particularly in regard to Equator Principles and IFC Performance Standards.

In addition to assigning risk factors, the probability of the risk occurring during the Project has been considered. The following definitions have been employed in assigning probability of the risk occurring:

- **Low** – The risk is unlikely to occur during the Project.
- **Moderate** – There is an increased probability that the risk will occur during the Project.
- **High** – The risk is likely to occur during the Project.

A summary of the Project related risks identified is shown in Table 15-1.

Table 15-1: Project Risk Evaluation
NexGen Energy Ltd. – Rook I Property

Project Element	Risk Description	Risk Level Classification	Risk Probability Classification	Existing/Proposed Strategies/Actions for Mitigation
Mineral Resources	There is a risk that resource tonnes and grade estimates are less than expected.	Low	Low	The core area of the deposit is drilled to the Measured Mineral Resource category, the highest definition.

Project Element	Risk Description	Risk Level Classification	Risk Probability Classification	Existing/Proposed Strategies/Actions for Mitigation
Mineral Resources	Mineralized material could be present in areas that are currently assumed to be barren. This could cause adverse conditions for drift development, and ventilation	Moderate	Moderate	It is recommended that additional condemnation drilling be conducted in the key areas of the 500L, 590L, and 620L mine infrastructure areas, and areas around the first UGTMF chambers
Construction/Operations	Ability to attract and retain competent and experienced professionals.	Low	Moderate	Compensation packages and site conditions favourable to attract and retain quality construction and operations personnel.
Mining – Shaft Sinking	Ground freezing conditions depend on a number of factors, and currently there is limited data to estimate the time it will take for the ground to temporarily freeze prior to the shaft pre-sink commencing.	Low	Low	Consider commencing ground freezing as part of the pre-commitment early works package, to remove this item from the critical path construction timeline.
Mining	There is a risk of poor ground conditions within the deposit which could affect key design inputs such as stope dimensions, UGTMF dimensions, and development rate assumptions	Low	Moderate	Continue with geotechnical characterization, including refinement of a localized faults and structures model.
Mining	There is a risk that certain elements of the material handling system, including waste and ore passes, underground bins, skips, and surface bins, have not been sized to provide steady state and peak operations, including allowances for downtime.	Moderate	Low	It is recommended that material handling simulations be undertaken to identify critical pinch points.
Mining	There is a risk that underground rock breakers (as opposed to crushing stations) are not able to keep up with throughput requirements, especially for material from the UGTMF chambers.	Moderate	Low	Review capabilities of the underground rock breakers in relation to estimated blast fragmentation distribution from the UGTMF chambers and stopes.
Mining	Some areas of the waste rock are NPAG, while others are PAG, with each waste rock type reporting to different waste pads on surface. There is a risk that NPAG and PAG are blended together through the use of shared waste passes, so that they are no longer able to be separated.	Moderate	Moderate	Consider design alternatives to the two separate waste pads on surface, including the construction of a larger pad designed to store PAG waste that could store both PAG and NPAG.

Project Element	Risk Description	Risk Level Classification	Risk Probability Classification	Existing/Proposed Strategies/Actions for Mitigation
Processing	There is a risk that uranium recovery of the process plant is less than expected.	Low	Low	Test work supports recovery assumption. Additional test work completed to allow optimization of flowsheet.
Processing - Tailings	The concept of the UGTMF is relatively unique. Issues could arise with the design, construction, and commissioning of the UGTMF and paste plant system.	Moderate	Moderate	Continue developing testing plans, commissioning plans, and material movement modeling
UGTMF	Operational challenges related to the UGTMF include sequencing the mining activities, minimizing overbreak, and ensuring that the UGTMF chambers remain stable throughout the excavation and filling cycle.	Low	Moderate	Detailed geotechnical work and operational simulation work is required to effectively plan the excavation and filling of these chambers.
Regulatory	There is a risk of radiation over-exposure to personnel during operations, with the potential to for additional regulatory scrutiny and/or licence review.	Low	Moderate	Continue radiological studies and design for radiation safety in detailed design.
Regulatory	There is a risk that the Project will encounter environmental permitting delays.	Moderate	Moderate	Continue to hold regular stakeholder and regulatory meetings.
Regulatory	There is risk that the UGTMF may not be viewed favourably by regulatory bodies, as it is a new concept for uranium mines. Failure to achieve regulatory approvals for the UGTMF would result in alternative tailings management strategies needing to be developed, potentially causing Project delays.	Moderate	Moderate	Awareness and education campaigns are critical to ensure that the UGTMF concept is clearly articulated to, and understood by, the necessary regulatory agencies and other stakeholders.
Cost Estimation	There is a risk that the cost of key materials and supplies will increase.	Moderate	Moderate	Continue to refine cost estimate, and identify key vendors
Procurement	Lead times for certain equipment are highly variable. Some long-lead items could cause overall Project delays if not procured in a reasonable time frame.	Moderate	Low	Ongoing lead-time awareness of certain key pieces equipment should be prioritized, with the refinement of a long-lead register, and other procurement initiatives.
Marketing Ramp Up	There is a risk that the saleable product produced at Arrow will have a slower than expected ramp-up.	Moderate	Moderate	Consider advancing the marketing plan in greater detail, including identifying potential customers,

Project Element	Risk Description	Risk Level Classification	Risk Probability Classification	Existing/Proposed Strategies/Actions for Mitigation
				locations, and quantities required.

15.2 Opportunities

NexGen and its lead consultants performed a review of the opportunities that should be explored both as the Project is advanced through the next level of study, and into eventual construction and operations. Some of the key opportunities include the following.

- Expand overall Mineral Resources by targeting areas of the Arrow Deposit that remain open along strike, dip, and plunge.
- Follow up regional occurrences and discoveries that could potentially be developed into mineral deposits.
- Extend the mine life beyond 11 years by converting Inferred Resources to the Indicated category through diamond drilling.
- Evaluate methods in which the mining extraction factor (mining recovery) could be improved, given the high grade nature of the deposit.
- Investigate the use of the most technologically advanced remote-controlled and autonomous mobile mining equipment, to help lower radiological exposures to personnel, and potentially reduce the number of personnel on-site.
- Review whether water consumption of the mine and process plant can be reduced by enhanced process water recycling.
- Finalize the site water management philosophy and optimize the required infrastructure.
- Although the metallurgical recovery is already high, evaluate whether this could be further improved upon.
- Evaluate the use of waste heat from the proposed acid plant and power plant, to determine whether it can be used for building heat or other purposes.
- Investigate the use of renewable energy such as wind power as an addition to baseload power generation, to reduce greenhouse gas emissions, and drive down overall net power costs.
- Assess the viability of connecting the Project to a provincial power grid, to reduce or minimize the reliance on an on-site power plant.
- Continue to identify critical early works activities that could be completed ahead of major construction.
- Continue to develop the Project execution plan to reduce overall project risk, and identify areas of the initial capital cost outlay, such as the power plant, acid plant, camp, that could be deferred through the use of specialized service providers.
- Develop the supply chain network, including the establishment of key vendors, warehouse locations and function, and enterprise resource planning systems, to streamline eventual Project construction.

16.0 REFERENCES

- Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, The VALMIN Code, 2015 Edition, Effective 30 January 2016, Australian Institute of Geoscientists (AIG) and Australian Institute of Mining and Metallurgy (AusIMM).
- Boisjoli, T., 2018: Information on Mineral Tenure, Surface Rights, Royalties and Encumbrances: letter from NexGen to Paul O'Hara, Project Manager, Wood Canada Limited, 10 December, 2018, 7 p.
- Canadian Institute of Mining, Metallurgy and Petroleum (CIM), 2014: CIM Definition Standards for Mineral Resources and Mineral Reserves, adopted by CIM Council on May 10, 2014.
- Jefferson et al., 2007: Unconformity-Associated Deposits of the Athabasca Basin, Saskatchewan, and Alberta, in Goodfellow, W.D. (ed.), Mineral Deposits of Canada: A Synthesis of Major Deposit Types, District Metallogeny, the Evolution of Geological Provinces and Exploration Methods, Geological Association of Canada, special publication 5, pp. 273-305.
- Roscoe Postle Associates Inc., 2017: Technical Report on the Preliminary Economic Assessment of the Arrow Deposit, Rook I Property, Province of Saskatchewan, Canada: technical report prepared for NexGen Energy Ltd., effective date July 31, 2017.
- Stantec Consulting Ltd., Wood Canada Limited, and Roscoe Postle Associates Inc., 2021: Arrow Deposit, Rook I Project, Saskatchewan, NI 43-101 Technical Report on Feasibility Study, with an effective date of 22 February 2021, dated 05 March 2021 as amended and restated on 10 March 2021.
- Wood Canada Limited and Roscoe Postle Associates Inc., 2018: Technical Report on the Pre-feasibility Study of the Arrow Deposit, Rook I Property, Province of Saskatchewan, Canada: technical report prepared for NexGen Energy Ltd., effective date 05 November 2018.

17.0 DECLARATIONS

17.1 Mark B. Mathisen

I, Mark B. Mathisen, C.P.G., as an author of this report entitled “Technical Assessment Report on the Rook I Project, Saskatchewan, Canada” (TAR), prepared for NexGen Energy Ltd. with an effective date of February 22, 2021, do hereby certify that:

1. I am Principal Geologist with SLR International Corporation, of Suite 100, 1658 Cole Boulevard, Lakewood, Co., USA 80401.
2. I am a graduate of Colorado School of Mines in 1984 with a B.Sc. degree in Geophysical Engineering.
3. I am a Registered Professional Geologist in the State of Wyoming (No. PG-2821) and a Certified Professional Geologist with the American Institute of Professional Geologists (No. CPG-11648). I have worked as a geologist for a total of 25 years since my graduation. My relevant experience for the TAR includes resource evaluation and reporting for uranium projects in the USA, Canada, Africa, and Mongolia; planning and direction of field activities and project development for an in situ leach uranium project in the USA; estimation and reporting of Mineral Resources for regulatory requirements.
4. I visited the Rook I Property on January 19 to 20, 2016 and January 22 to 25, 2017.
5. I am responsible for the preparation of Sections 4.0, 5.0, 6.0, 7.0, 8.0, 9.1, and portions of Sections 15 and 16 pertaining to geology and Mineral Resources of the TAR.
6. I am not a permanent employee of NexGen Energy Ltd.
7. The TAR has been prepared in compliance with the VALMIN Code (2015).
8. I am not aware of any material fact not in the TAR that would make the report misleading.
9. I have sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity which I am undertaking to qualify as a Practitioner as defined in the VALMIN Code (2015). I consent to the inclusion in the report of the matters based on my information in the form and context in which it appears.

Dated this 4th day of May, 2021

(Signed) Mark B. Mathisen

Mark B. Mathisen, C.P.G.

17.2 David M. Robson

I, David M. Robson, MBA, P.Eng., as an author of this report entitled “Technical Assessment Report on the Rook I Project, Saskatchewan, Canada” (TAR), prepared for NexGen Energy Ltd. with an effective date of February 22, 2021, do hereby certify that:

1. I am Consultant Mining Engineer with SLR Consulting (Canada) Ltd, of Suite 501, 55 University Ave., Toronto, ON M5J 2H7.
2. I am a graduate of Queen’s University in 2005 with a B.Sc.(Honours) in Mining Engineering and Schulich School of Business, York University, in 2014 with an MBA degree.
3. I am registered as a Professional Engineer in the Province of Saskatchewan (Reg. #13601). I have worked as a mining engineer for 15 years since my graduation. My relevant experience for the TAR includes mine design and scheduling at uranium, industrial minerals, and base metal operations in Canada and Europe; financial analysis, cost estimation, and budgeting; and reporting on mining operation and projects worldwide for due diligence and regulatory requirements.
4. I visited the Rook I Property on May 18, 2017 and May 16, 2018.
5. I am responsible for Sections 1.0, 2.0, 3.0, 9.2, 11.1, 11.3, 11.4, portions of Section 13.0 related to mining and infrastructure, 14.0, and portions of Sections 15 and 16 pertaining to Mining, Ore Reserves, Infrastructure, and Costs of the TAR.
6. I am not a permanent employee of NexGen Energy Ltd. and have no interest in the Property.
7. The TAR has been prepared in compliance with the VALMIN Code (2015).
8. I am not aware of any material fact not in the TAR that would make the report misleading.
9. I have sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity which I am undertaking to qualify as a Practitioner as defined in the VALMIN Code (2015). I consent to the inclusion in the report of the matters based on my information in the form and context in which it appears.

Dated this 4th day of May, 2021

(Signed) David M. Robson

David M. Robson, P.Eng., MBA

17.3 Paul O'Hara

I, Paul O'Hara, P.Eng., as a co-author of this report entitled "Technical Assessment Report on the Rook I Project, Saskatchewan, Canada" (TAR), prepared for NexGen Energy Ltd. with an effective date of February 22, 2021, do hereby certify that:

1. I am Manager, Process with Wood Canada Limited, of 301-121 Research Drive, Saskatoon, SK S7N 1K5 Canada.
2. I graduated from the University of British Columbia, with a Bachelor of Science degree in Mining and Mineral Process Engineering in 1986.
3. I am registered as a Professional Engineer in the Province of Saskatchewan (Reg. #11687). I have practiced my profession for 34 years. I have been directly involved in the operation of copper, gold, and potash processing plants in Canada. My relevant experience for the TAR includes process design, surface infrastructure, capital and operating cost estimates, cash flow modelling and financial analysis for gold, potash, and uranium process plants in Canada, England, Jordan, and the Republic of Congo. I have had experience supervising environmental studies, permitting and social impact content for uranium projects in the Athabasca basin.
4. I visited the Rook I Property on May 16, 2018 and June 12, 2019.
5. I am responsible for the preparation of Sections 10, 11.2, 12, and portions of Sections 13, 15, and 16 pertaining to Processing, Environment and Permitting, and capital and operating costs related to Processing of the TAR.
6. I am not a permanent employee of NexGen Energy Ltd. and have no interest in the Property
7. The TAR has been prepared in compliance with the VALMIN Code (2015).
8. I am not aware of any material fact not in the TAR that would make the report misleading.
9. I have sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity which I am undertaking to qualify as a Practitioner as defined in the VALMIN Code (2015). I consent to the inclusion in the report of the matters based on my information in the form and context in which it appears.

Dated this 4th day of May, 2021

(Signed) Peter O'Hara

Paul O'Hara, P.Eng.

18.0 APPENDIX A – JORC TABLE 1

JORC Code, 2012 Edition - Table 1 Checklist of Assessment and Reporting Criteria

The following table provides a summary of important assessment and reporting criteria used at the NexGen Rook I Project for the reporting of Mineral Resources and Ore Reserves in accordance with the Table 1 checklist in the JORC Code. Criteria in each section apply to all preceding and succeeding sections.

Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	Three types of drill core samples have been collected at the Project site for geochemical analysis and uranium assay. - One metre and 0.5 m samples taken over intervals of elevated radioactivity, and one metre or two metres beyond radioactivity. - Point samples taken at nominal spacings of five metres—or 50 m for infill holes—which is meant to be representative of the interval or of a particular rock unit. - Composite samples in the Devonian and Athabasca sandstone units where one-centimetre long pieces are taken and spaced throughout sample intervals ranging from one metre to 10 m long. On-site sample preparation consists of geological technicians splitting cores under the supervision of geologists. One half of the core is placed in plastic sample bags pre-marked with the sample number, along with a sample number tag. The other half is returned to the core box and stored at the core storage area located near the logging facility on the Project site.
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	Drilling relied on core methods. Core has been drilled predominantly at an NQ diameter (i.e., 47.6 mm), except for geotechnical holes which were drilled at an HQ diameter (i.e., 63.6 mm), and AQ (i.e., 27 mm) and BQ (i.e., 36.5 mm) diameters when directional drilling technology was being used.

Criteria	JORC Code Explanation	Commentary
<i>Drill sample recovery</i>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Core recovery at the Arrow Deposit is excellent, allowing for representative samples to be taken and accurate analyses to be performed. Core recovery is determined by physically measuring the reassembled core within a three metre run, where the run has been demarcated with core blocks by the drilling contractor. Core recovery for 96% of the drilling exceeds 95% recovery.
<i>Logging</i>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i>	At each drill site, core was removed from the core tube by the drill contractors, and placed directly into three-row NQ wooden core boxes in standard 1.5 m lengths (4.5 m total). Individual drill runs were identified with small wooden blocks, onto which the depth in metres was recorded. Diamond drill core was transported at the end of each drill shift to an enclosed core handling facility at NexGen's camp. The diamond drill core boxes were surveyed with a Radiation Solutions RS-120 scintillometer to determine if any boxes contained mineralization. A threshold of 500 counts per second (cps) was used to determine mineralization for Arrow core, and 300 cps for any core that was from elsewhere on the property. All mineralized core boxes above the threshold, plus a box before and after the box containing mineralized core, were taken to designated areas for mineralized material for logging and sampling. All other core was moved to be processed in the logging areas designated for non-mineralized core. All drill core was logged in its entirety. Before the core was split for sampling, depth markers were checked and core was carefully reconstructed, washed, and geotechnically logged for lithologies, alteration, structures, mineralization, and rock mass rating (RMR); resurveyed in detail with the scintillometer; marked for sampling; and photographed wet. Drill hole sampling for assay was guided by the observed geology and readings from a hand-held scintillometer. Logging and sampling information was entered into a proprietary acQuire 4 database. Prior to December 2018, a Microsoft Access database template on a laptop computer was used, which was then integrated into the project master digital database on a daily basis.

Criteria	JORC Code Explanation	Commentary
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	On-site sample preparation consists of geological technicians splitting cores under the supervision of geologists. One half of the core is placed in plastic sample bags pre-marked with the sample number, along with a sample number tag. The other half is returned to the core box and stored at the core storage area located near the logging facility on the Project site. The bags containing the split samples are then placed in lidded buckets to be transported by NexGen personnel to the Saskatchewan Research Council (SRC) Geoanalytical Laboratories in Saskatoon, Saskatchewan. NexGen's quality assurance and quality control (QA/QC) program includes the following. • Standard reference materials (SRM) to determine accuracy. • Duplicate samples to determine precision/repeatability. • Blank samples to screen for cross-contamination between samples during preparation and analyses. The QA/QC program used at the Arrow Deposit included the insertion of SRMs, blanks, and duplicates into the sample stream at the frequency of 1 QA/QC sample for every 50 assay samples. Results from the QA/QC samples are continually tracked by NexGen as certificates for each sample batch are received. If QA/QC samples of a sample batch pass within acceptable limits, the results of the sample batch are imported into the master database.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	All samples are analyzed at SRC by inductively coupled plasma optical emission spectrometry (ICP-OES) or mass spectrometry (ICP-MS) for 64 elements including uranium. Samples with low radioactivity are analyzed using ICP-MS. Samples with anomalous radioactivity are analyzed using ICP-OES. Partial and total digestion runs are completed for most samples. For partial digestion, an aliquot of each sample is digested in HNO₃/HCl for one hour at 95°C, and then diluted using de-ionized water. For the total digestion, an aliquot of each sample is heated in a mixture of HF/HNO₃/HClO₄ until completely dried, and the residue dissolved in dilute HNO₃. For uranium assays, an aliquot of sample pulp is completely digested in concentrated HCl:HNO₃, and then dissolved in dilute HNO₃ before being

Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i>	analyzed using ICP-OES. For boron, an aliquot of pulp is fused in a mixture of $\text{NaO}_2/\text{NaCO}_3$ in a muffle oven. The fused melt is dissolved in de-ionized water before being analyzed using ICP-OES. Selected samples are also analyzed for gold, platinum, and palladium using traditional fire assay methods. Samples are also collected for clay mineral identification using infrared spectroscopy in areas of clay alteration. These samples are typically collected at five metre intervals; they are typically centimetre-sized pieces of core selected by a geologist. These samples are transported to Rekasa Rocks Inc. (Rekasa) of Saskatoon, Saskatchewan, by NexGen staff for analysis. Rekasa performs clay analyses using a portable infrared mineral analyser (PIMA). Quality control is maintained for all analytical apparatus at SRC with certified reference material used to track analytical drift, and data accuracy and precision. Independently of NexGen's QA/QC samples, standards were inserted into sample batches at regular intervals by SRC. Standards used include BL-2a, BL-4a, BL-5, and SRCUO2 (1.59% U_3O_8), a standard produced in-house at the laboratory. In addition, samples are regularly analyzed in duplicate. All quality control results must be within specified limits, otherwise corrective action is taken. If there is a failure in a QA/QC analysis, the entire batch is re-analyzed. All processes performed at the SRC laboratory are subject to a strict audit program, which is performed by approved trained professionals. Mr. Mark Mathisen, CPG, visited the property on January 19–20, 2016, and January 22–25, 2017 during the winter drill programs in connection with the previous Arrow Deposit Mineral Resource estimates. During the 2016 and 2017 site visits, the Competent Person (CP) reviewed core handling, logging, sample preparation and analytical protocols, density measurement systems, and storage procedures. The CP examined cores from the following six drill holes: • AR-14-30 • AR-15-57c3

Criteria	JORC Code Explanation	Commentary
		• AR-15-62 • AR-16-98c1 • AR-16-106c1 • AR-16-111c1 The CP compared their observations with assay results and descriptive log records created by NexGen geologists. As part of this review, the CP verified the mineralization occurrences visually and by way of a hand-held scintillometer. Under the direction of the CP, the following digital queries were performed: • Header table ○ Searched for incorrect or duplicate collar coordinates and duplicate hole identification numbers (IDs). • Survey table ○ Searched for duplicate entries, survey points past the specified maximum depth in the collar table, and abnormal dips and azimuths. • Core recovery table ○ Searched for core recoveries greater than 100% or less than 80%, overlapping intervals, missing collar data, negative lengths, and data points past the specified maximum depth in the collar table. • Lithology ○ Searched for duplicate entries, intervals past the specified maximum depth in the collar table, overlapping intervals, negative lengths, missing collar data, missing intervals, and incorrect logging codes. • Geochemical and assay table ○ Searched for duplicate entries, sample intervals past the specified maximum depth, negative lengths, overlapping intervals, sampling lengths exceeding tolerance levels, missing collar data, missing intervals, and duplicated sample IDs. • Exported the data from an acQuire database and imported it into a Vulcan database:

Criteria	JORC Code Explanation	Commentary
		- o The 2019 Vulcan database utilized a similar design as the acQuire database. - o Quality control was completed in acQuire, and validation was completed in Vulcan and Leapfrog. • Implemented the following density hierarchy: 1. SRC density values (laboratory results) 2. NexGen density values (field results) 3. Calculated values (polynomial regression) Validation files, quality control files (e.g., duplicates, blanks, standards), third-party metallurgical work, and an internal check list (e.g., survey datum, equipment used, estimation parameters) were all available in the provided Vulcan workspace.
<i>Location of data points</i>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	The collar locations of drill holes are spotted and surveyed by differential base station global positioning system (GPS) using the Universal Transverse Mercator (UTM) NAD83 Zone 12N reference datum. The differential base station GPS units typically have an accuracy of less than one metre. The trajectory of all drill holes was determined during drilling with a Reflex instrument in single point mode, which measures the dip and azimuth at 30 m intervals. In more recent programs, an Axis Mining Technology north-seeking Champ Gyro was used to determine dip and azimuth at three metre intervals through directional drilling intervals; this allowed for greater accuracy of the trajectory of the drill hole, particularly the vertical shaft pilot holes drilled in 2018. Both immediately below casing and after completion, all holes at the Arrow Deposit were surveyed using a Stockholm Precision Tools north-seeking gyro, which measures the dip and azimuth continuously downhole. All holes on the property were cemented from the bottom of the hole to approximately 30 m below the drill casing, which was typically seated in the basement.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the</i>	Drilling was predominantly completed in both northwest and southeast directions, with drill holes at the Arrow Deposit spaced approximately 12.5 m to 50 m apart based on directional drilling orientation.

Criteria	JORC Code Explanation	Commentary
	<i>Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	The data spacing from the drill hole samples is sufficient to establish confidence in the geological and grade continuity of the mineralization found at the Arrow Deposit using the criteria set out in the CIM (2014) Definition Standards for Mineral Resource classification, which are consistent with the JORC Code. Composite samples that were one metre in length were created from the capped raw assay values using the downhole compositing function of the Vulcan modelling software package.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	The drill orientation consists of both vertical and angle holes drilled primarily in an angle scissors (cross) pattern with angles ranging between 49.6° and 90° with the average angle of 68.3°. The use of the scissors pattern allows for a more precise accuracy in establishing the true width of the mineralization, as drilling perpendicular to the sub-vertical orientation of mineralization is not possible from the surface. Mineralization in the Arrow Deposit is sub-vertical, and the true width is estimated to be from 30% to 50% of reported core lengths, based on information available at the time of this report.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	As each hole is being drilled, drilling contractor personnel place the core in wooden boxes at the drill site and seal core boxes with screwed-on wooden lids. Core is then delivered to the Project core processing facility by the contractor twice daily. Only the contractor and NexGen geological staff are authorized to be at drill sites and in the core processing facility. After logging, sampling, and shipment preparation, samples are transported directly from the project site to SRC by NexGen staff. SRC places a large emphasis on confidentiality and data security. Appropriate steps are taken to protect the integrity of samples at all processing stages. Access to the SRC premises is restricted by an electronic security system and patrolled by security guards 24 hours a day.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Aside from the validation activities described above, no formal audits or reviews of sampling techniques and data have been completed.

Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The NexGen Rook I property is located in northern Saskatchewan, approximately 40 km east of the Alberta–Saskatchewan border, 150 km north of the town of La Loche , and 640 km northwest of the city of Saskatoon. The property lies within parts of National Topographic System (NTS) map sheets 74F/7, 74F/10, and 74F/11, and is approximately centred at UTM coordinates of 620,000 mE and 6,385,000 mN (NAD 83, Zone 12N). It is shaped in a rectangular fashion with approximate dimensions of 38 km (northwest–southeast) by 10 km (northeast–southwest). The Arrow Deposit is located at approximate UTM coordinates of 604,350 mE and 6,393,600 mN. The NexGen Rook I property consists of 32 contiguous mineral claims with a total area of 35,065 ha. All claims are 100% owned by NexGen. Six of the 32 claims are subject to: (i) a 2% net smelter return (NSR) royalty payable to Advance Royalty Corporation (ARC), and (ii) a 10% production carried interest with Terra Ventures Inc. (Terra); however, the Arrow Deposit is located outside of the six claims. The NSR may be reduced to 1% upon payment of \$1.0 million to ARC. The property formerly consisted of nine larger dispositions which were acquired by NexGen in 2012. In 2015, NexGen divided eight of those dispositions into 32 smaller dispositions to accommodate a more efficient spreading of mineral assessment credits over the property. All claims are in good standing until at least 2039, and the claim that hosts the Arrow Deposit (S-113927) is in good standing until 2042. The individual disposition numbers of the mineral claims are: S-110932, S-113903, S-113904, S-113905, S-11390, S-113907, S-113908, S-113909, S-113910, S-113911, S-113912, S-113913, S-113914, S-113915, S-113916, S-113917, S-113918, S-113919, S-113920, S-113921, S-113922, S-113923, S-113924, S-113925, S-113926, S-113927, S-113928, S-113929, S-113930, S-113931, S-113932, S-113933.

Criteria	JORC Code Explanation	Commentary
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Exploration activities were carried out by a number of previous owners of the property. These include: 1968-1970: Bow Valley Company Ltd, Wainoco Oil and Chemicals, Ltd., and Canada Southern Petroleum and Gas Ltd. 1974: Uranerz Exploration and Mining Ltd. 1976-1982: Canadian Occidental Petroleum Ltd., Houston Oil and Gas Ltd., Hudson Bay Exploration and Development Company Ltd., Kerr Addison Mines Ltd. (Kerr), and Saskatchewan Mining and Development Corp. (SMDC, now Cameco). 1977-1979: Kerr 1978-1980: Canadian Occidental Petroleum Ltd. 1980-1982: SMDC (now Cameco) 1978-1982: Hudson Bay Exploration and Development Company Ltd. 2005-2008: Titan Uranium Inc. 2012: Mega Uranium Ltd. These exploration programs consisted of various geophysical surveys, geological mapping activities, prospecting, lake sediment surveying, soil sampling, rock sampling, and diamond drilling. While the geophysical surveys were successful in discovering numerous anomalies, the majority of the diamond drilling programs failed to intersect significant uranium mineralization; however, the drilling programs carried out by SMDC (now Cameco) in 1980-1982 were successful in discovering the Bow occurrence.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	At numerous locations in Saskatchewan, uranium deposits have been discovered at, above, and below the Athabasca Group unconformity. Mineralization can occur hundreds of metres into the basement, or can be perched up to 100 m above in the sandstone. The Arrow Deposit is considered to be an example of a basement-hosted, vein-type uranium deposit. It is located along the southwestern portion of the Athabasca Basin. The oldest rocks in the area of the Rook I property are in the Taltson Magmatic Zone (TMZ). Within the property, the TMZ consists mostly of granitic, granodioritic, tonalitic, dioritic, and locally gabbroic gneisses. There

Criteria	JORC Code Explanation	Commentary
		are also local bodies of graphitic and chloritic semipelitic to pelitic gneisses that typically occur as discontinuous, elongated, north-northeast trending lenses. They range in length from less than one kilometre to greater than 10 km. The quartz-feldspar-garnet-biotite ($\pm$ graphite) gneisses are the predominant host rock of uranium mineralization in basement settings in the area, including the Arrow Deposit. All lithologies present in the TMZ have been metamorphosed at upper amphibolite to granulite facies conditions. The Rook I property straddles the Athabasca Group basal unconformity. Overlying the basement rocks in the area of the property are the flat-lying sandstones of the Athabasca Group. Where they will be intersected during drilling, the Athabasca Group rocks are likely part of the Smart and Manitou Falls formations. These formations are characterized by both uniform quartz arenite beds and rare pebble conglomerate beds. Phanerozoic rocks of the Cretaceous Mannville Group and Devonian La Roche Formation overlie the Athabasca Group and basement rocks in portions of the western side of the property, and above the Arrow Deposit. The Mannville Group is characterized by both non-marine and marine shales and sandstones. Mineralization occurs at the following seven locations on the property and is exclusively hosted in basement lithologies below the unconformity within the Athabasca Group. • Arrow Deposit • South Arrow Discovery • Harpoon occurrence • Bow occurrence • Cannon occurrence • Camp East occurrence • Area A occurrence. Mineralization at the Arrow Deposit is defined by an area comprised of several steeply dipping shears, which locally host high grade uranium mineralization. The mineralized area is approximately 315 m wide, with an

Criteria	JORC Code Explanation	Commentary
<i>Drill hole Information</i>	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	overall strike of approximately 980 m. Mineralization occurs approximately 100 m below surface and extends to a depth of approximately 950 m. The individual shear zones vary in thickness from approximately two metres to approximately 60 m. The Arrow Deposit is open in most directions and at depth. Uranium mineralization at the Arrow Deposit is closely associated with narrow, strongly graphitic quartz-feldspar-garnet-biotite gneisses, which represent discrete shear zones. High grade uranium zones often occur immediately adjacent to heavily sheared and strongly graphitic zones. The Arrow Deposit resource database, dated July 19, 2019, includes drill hole collar locations (including dip and azimuth), assay, and lithology data from 566 drill holes totalling 318,096 m of drilling. Of the 566 holes completed, 45 drill holes were drilled on the South Arrow Discovery and were not used in the Mineral Resource estimate. The drill holes defining the Arrow deposit were completed in an area from UTM coordinates of approximately 6,392,800mN to approximately 6,393,900mN and approximately 603,800mE to approximately 605,000mE. All drill holes were drilled with steep to sub-vertical dips and angled either to the northwest or to the southeast. The drill holes intersected uranium mineralization from the basement unconformity contact located at approximately 100 m beneath the surface to depths of approximately 950 m beneath the surface. The lengths of the drill holes range from 60 m to 1,084 m.
<i>Data aggregation methods</i>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No Exploration Results are disclosed in connection with the Mineral Resource estimate.

Criteria	JORC Code Explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	Mineralization in the Arrow Deposit is sub-vertical, and the true width is estimated to be from 30% to 50% of reported core lengths, based on information available at the time of this report.
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	N/A
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	N/A
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	N/A
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	N/A

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code Explanation	Commentary
Database integrity	<i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used.</i>	The CP compared their observations with assay results and descriptive log records created by NexGen geologists. As part of this review, the CP verified the mineralization occurrences visually and by way of a hand-held scintillometer. As part of the data verification process, the following was completed under the direction of the CP. • Reviewed the Leapfrog model parameters and geological interpretation. • Reviewed how drill hole collar locations were defined. • Inspected the use of directional drilling procedures and operations. • Observed data management systems and reviewed the master database. • Obtained SRC laboratory certificates for the 2019 drilling assays. • SLR, under the direction of the QP, performed the following digital queries. • Header table ○ Searched for incorrect or duplicate collar coordinates and duplicate hole identification numbers (IDs) • Survey table ○ Searched for duplicate entries, survey points past the specified maximum depth in the collar table, and abnormal dips and azimuths • Core recovery table ○ Searched for core recoveries greater than 100% or less than 80%, overlapping intervals, missing collar data, negative lengths, and data points past the specified maximum depth in the collar table • Lithology ○ Searched for duplicate entries, intervals past the specified maximum depth in the collar table, overlapping intervals, negative lengths, missing collar data, missing intervals, and incorrect logging codes • Geochemical and assay table ○ Searched for duplicate entries, sample intervals past the specified maximum depth, negative lengths, overlapping intervals, sampling lengths exceeding tolerance levels, missing collar data, missing intervals, and duplicated sample IDs

Criteria	JORC Code Explanation	Commentary
		- Exported the data from an acQuire database and imported it into a Vulcan database - The 2019 Vulcan database utilized a similar design as the acQuire database - Quality control was completed in acQuire, and validation was completed in Vulcan and Leapfrog. - Implemented the following density hierarchy: - SRC density values (laboratory results) - NexGen density values (field results) - Calculated values (polynomial regression)
Site visits	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> <i>If no site visits have been undertaken indicate why this is the case.</i>	Mr. Mark Mathisen, C.P.G., Principal Geologist of SLR, visited the property from June 19 to 20, 2016 and from July 22 to 25, 2017. The CP visited operating drill sites, reviewed core handling and QA/QC logging procedures, sample preparation and analytical protocols, density measurement system, and storage procedures, and viewed selected drill core samples. Mr. David M. Robson, P.Eng., Consultant Mining Engineer of SLR, visited the property on May 18, 2017 and May 16, 2018. Mr. Paul O'Hara, P.Eng., Manager, Process of Wood, visited the property on May 16, 2018 and June 12, 2019. The CPs toured the Project site and viewed the area proposed for the plant site and shaft collars.
Geological interpretation	<i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i> <i>Nature of the data used and of any assumptions made.</i> <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i> <i>The use of geology in guiding and controlling Mineral Resource estimation.</i> <i>The factors affecting continuity both of grade and geology.</i>	The Arrow Deposit is defined by means of 566 drill holes. These are of sufficient number and quality to provide a generally good to excellent level of confidence in the interpretations of the relevant geological features related to the Arrow Deposit.

Criteria	JORC Code Explanation	Commentary
<i>Dimensions</i>	<i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i>	The mineralized area of the Arrow Deposit is approximately 315 m wide, with an overall strike of approximately 980 m. Mineralization occurs approximately 100 m below surface and extends to a depth of approximately 950 m. The individual shear zones vary in thickness from approximately two metres to approximately 60 m.
<i>Estimation and modelling techniques</i>	<i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i> <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> <i>The assumptions made regarding recovery of by-products.</i> <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i> <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> <i>Any assumptions behind modelling of selective mining units.</i> <i>Any assumptions about correlation between variables.</i> <i>Description of how the geological interpretation was used to control the resource estimates.</i> <i>Discussion of basis for using or not using grade cutting or capping.</i> <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>	Geological interpretations supporting the Mineral Resource estimate were generated by NexGen personnel and audited for completeness and accuracy by the SLR CP. Topographical surfaces, solids, and mineralized wireframes were modelled in Leapfrog Geo version 4.0, and then refined in Vulcan software. The extension distance for the mineralized wireframes was halfway to the next hole, or approximately 25 m vertically and horizontally past the last drill intercept. High grade (HG) domain models were created using a grade intercept limit equal to or greater than one metre, with a minimum grade of 5% U₃O₈, although lower grades were incorporated in places to maintain continuity and a minimum thickness of one metre. Low grade (LG) domain models were created using a lower grade intercept limit equal to or greater than one metre, with a minimum grade-thickness product of one metre of 0.1% U₃O₈, or two metres at 0.05% U₃O₈. The CP considers the selection of 0.05% U₃O₈ to be appropriate for constructing mineralized wireframe outlines, as this value well reflects the lowest cut-off grade that is expected to be applied for reporting of the Mineral Resources in an underground (UG) operating scenario and is consistent with other known deposits in the Athabasca Basin. Sample intervals with assay results less than the nominated cut-off grade (internal dilution) were included within the mineralized wireframes if the core length was less than two metres, or if it allowed for modelling of grade continuity. A total of 160 wireframes, of which seven HG wireframes were contained within two LG enveloping wireframes, were constructed within the A0, A1, A2, A3, A4, and A5 shear zones and were used in the Mineral Resource estimate. High grade outliers were capped at 1%, 2%, 3%, 4%, 5%, 6%, 8%, 10%, 15%, 25%, and 30% U₃O₈ in the low grade domains, resulting in a total of 428 (1.5%)

Criteria	JORC Code Explanation	Commentary
		capped assay values. No outlier assay values were identified in the HG domains; therefore, no capping was applied to the assays as each HG domain dataset was determined to be stationary and appropriate for interpolation, with the exclusion of the A2-HG8 which was capped at 30% U_3O_8. Block models were created by NexGen geologists in the Vulcan 12.0 software package to support the Mineral Resource estimate for the uranium deposits at the property. Sub-blocking was used to give a more accurate volume representation of the wireframes using a parent block size of 4.0 m (along strike) by 4.0 m (across strike) by 4.0 m (vertical height) and sub-blocks that measured 1.0 m (along strike) by 1.0 m (across strike) by 1.0 m (bench height). A number of attributes were created to store such information as bulk density, estimated uranium grades, wireframe code, Mineral Resource classification, etc. For the A2-HG domains (excluding A2-HG6 and A2-HG8), search ellipsoid geometry was oriented into the structural plane of the mineralization, as indicated by the variography. The search was assisted by the use of a dynamic (unfolding) function in Vulcan, which allowed the search ellipsoid to stay subparallel to the orientation of the mineralized zone trend as it varies with location. For the remaining domains, the interpolation strategy involved setting up search parameters in a series of two estimation runs for each individual domain. Of the 160 domains, only A1-LG grade domains 100, 101, 118, and 122 required a second pass search. The mineralized domains were used as hard boundaries to constrain the grade estimations. Only samples located within a specific mineralization wireframe were used to estimate the grades for blocks located within those wireframe outlines. Search ellipse dimensions were chosen following a review of drill hole spacing and interpolation efficiency. First- and second-pass search ellipses maintained a 5:5:1 anisotropic ratio. The major axis of the search ellipses was oriented parallel to the dominant northeasterly trend of the domains. The semi-major axis was oriented horizontally, normal to the major axis (across strike). The minor axis was oriented with a plunge range of 0° to -53°, and a dip ranging from -76° to -90°.

Criteria	JORC Code Explanation	Commentary
		For the first pass, the variables density (D) and grade multiplied by density (GxD) were interpolated using Ordinary Kriging (OK) interpolation algorithm in the A2-HG domains (excluding A2-HG6 and A2-HG8), and A2-LG domains 206 and 213 (LG enveloping domains). The Inverse Distance Squared (ID²) interpolation algorithm was used on all remaining mineralized domains. Estimates used a minimum of one to three, to a maximum of 50 composites per block estimate, with the majority of the domains using a maximum of two composites per drill hole. The sample selection criteria were established through sensitivity testing that compared the estimated block means of each domain to the composited mean. Unsampled intervals and samples below detection limit within the domains were assigned a grade of zero and considered to be internal dilution. Hard boundaries were used to limit the use of composites between domains. Block grade (GxD_D) was derived by dividing the interpolated GxD value by the interpolated density (D) value for each block. When the first search was not enough to estimate all of the blocks in a domain, the minimum number of composites required for the estimate was reduced by one. All blocks in the domains were populated by the second pass. In order to reduce the influence of very high grade composites, grades greater than a designated threshold level for the domains were restricted to a search ellipse dimension of 25 m by 25 m by 5 m (which is a high yield restriction). The threshold grade levels were chosen based on basic statistics and visual inspections of the apparent continuity of very high grades within each domain. This indicated the need to limit their influence to approximately one-quarter of the distance of the main search. The SLP CP validated the block model using the following methods. • Swath plots of composite grades versus block model grade estimates and Nearest Neighbour (NN) grades in the X, Y, and Z directions. • Volumetric comparison of blocks versus wireframes. • Visual inspection of block versus composite grades on plan, vertical cross section, and longitudinal section. • Statistical comparison of block grades with assay and composite grades.

Criteria	JORC Code Explanation	Commentary
		The CP found the grade continuity to be reasonable and confirmed that the block grades were reasonably consistent with local drill hole composite grades.
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	All tonnages are estimated on a dry basis.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	In order to satisfy the requirement that there are “reasonable prospects for eventual economic extraction”, the CP estimated a potential UG mining cut-off grade for reporting of Mineral Resources. The cut-off grade selected uses assumptions based on historical and known operating costs for mines operating in the Athabasca Basin, and on previous studies of the Project. The inputs for the estimation of the cut-off grade include the following: • Uranium price: US\$50/lb U₃O₈ • Exchange Rate (US:CAD): of 1.00:0.75 • Process Plant Recovery: 97% • Revenue Royalty: 7.25% • Revenue Factor: 1,330 \$/% U₃O₈ • Mining costs (including tailings stopes):\$157 /tonne processed • Processing Cost:\$164/tonne processed • General and Administration Cost:\$67/tonne processed • Total Operating Costs: \$388/tonne processed • Incremental Operating Costs: \$357/tonne processed • Cut-off grade using Incremental Operating Costs: 0.27% U₃O₈ • Reporting Cut-off Grade (rounded): 0.25% U₃O₈
Mining factors or assumptions	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous.</i>	The Mineral Resources are stated on the basis of excavation of the material by means of UG mining methods using a minimum width of one metre.

Criteria	JORC Code Explanation	Commentary
	<i>Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	
<i>Metallurgical factors or assumptions</i>	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>	The SRC was contracted to do a metallurgical test program using samples from the Arrow Deposit. The metallurgical test program included a bench test program (March 2018), a pilot plant program (July 2018), and paste backfill testing (July 2018). All test programs were developed and performed under Wood's supervision. During 2019 a series of tests were carried out to refine the process design. These tests were carried out at the SRC facilities. Pilot leach testing had uranium extractions of 99.3%. The washing efficiency in the counter current decantation was greater than 99.6%. All other unit operations in the pilot testing had uranium recoveries of greater than 99.6%. Metallurgical recovery of uranium for the entire process design circuit was estimated by evaluating the recovery of the individual circuits and combining these into an overall recovery. Total net uranium metallurgical recovery is forecast to be 97.6%.
<i>Environmental factors or assumptions</i>	<i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i>	For the purposes of the preparation of the Mineral Resource statement, the conceptual operational scenario envisions the possible waste and process residue disposal to incorporate similar strategies as are currently being used at other mining operations located elsewhere in the Athabasca Basin.
<i>Bulk density</i>	<i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i> <i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity,</i>	Bulk density is determined with specific gravity (SG) measurements on drill core using the water immersion method according to the Archimedes principle, after the core has been sealed and shrink-wrapped in cellophane or dipped in wax. A total of 5,850 bulk density measurements have been completed using drill core samples from the main mineralized zones within the Arrow Deposit and South Arrow Discovery. These samples represent different local major lithologic units,

Criteria	JORC Code Explanation	Commentary
	<i>etc), moisture and differences between rock and alteration zones within the deposit.</i> <i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i>	mineralization styles, and alteration types. Samples were collected from full core, which had been retained in the core box prior to splitting for sampling. Correlation analyses of the bulk density values against uranium grades indicated that a strong relationship exists between density and uranium grade. For this reason, the uranium grade was used to estimate the density of each sample using a polynomial formula based on a regression fit. Densities were then interpolated into the block model to convert mineralized volumes to tonnage and used to weight the uranium grades interpolated into each block.
Classification	<i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> <i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i>	Measured, Indicated, and Inferred categories are based on the following parameters. - Measured Mineral Resources - Defined by 9.00 m to 16.75 m in well defined areas as established by the 2018 drill hole study by Resource Modelling Solutions. - Indicated Mineral Resources - Defined by 16.75 m to 32.0 m drill hole spacing, as established by the 2017 drill hole study by Deutsch Consultants. - Inferred Mineral Resources - Defined by drill hole spacing that is greater than 25 m by 25 m and an NN distance of 32 m to 70 m with reasonable continuity assumed between holes. - It is reasonably expected by the CP that the majority of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
Audits or reviews	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	The Mineral Resource estimates were prepared by NexGen personnel and the results were reviewed and audited by SLR.
Discussion of relative accuracy/confidence	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed</i>	Mineral Resources for the Arrow Deposit are classified into Measured, Indicated, and Inferred categories based on studies conducted for NexGen by Deutsch Consultants in 2017 and Resource Modelling Solutions in 2018. The principal aim of this work was to establish a geostatistical simulation workflow for uncertainty as a function of drill hole spacing and Measured Resources at production scale to support decisions related to future drilling and classification.

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	<i>appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	It is common to express uncertainty as a probability of the produced metal to be within a specified tolerance. Three parameters are considered: (1) the time period for production – one month or one quarter, (2) the tolerance – 15%, and (3) the probability to be within the tolerance – greater than 90% for Measured and between 75% and 90% for Indicated. Based on the data spacing study, drill spacing ranging from 9.00 m to 16.75 m will have a 90% probability of being within 15% of the estimated mean at a monthly and quarterly production volume. No production data is available to allow comparison with the long-term block model.

Section 4 Estimation and Reporting of Ore Reserves

Criteria	JORC Code Explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	<i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i> <i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i>	Of the 566 holes completed, 45 drill holes were drilled on the South Arrow Discovery and were not used for the purposes of the Mineral Resource estimate. The wireframe models representing the Arrow Deposit mineralized zones are intersected in 418 of 566 drill holes. Three-dimensional (3D) wireframe models were developed by NexGen, which represent 0.05% U₃O₈ grade envelopes with a minimum thickness of one metre. Based on 5,850 dry bulk density determinations for the Arrow Deposit and South Arrow Discovery, NexGen developed a formula that relates bulk density to grade. This formula was used to assign a density value to each assay. Bulk density values were then used to weight the grade estimation and convert volume to tonnage. High grade values were capped, and their influence was further restricted during the block estimation process. High grade outliers were capped at 1%, 2%, 3%, 4%, 5%, 6%, 8%, 10%, 15%, 25%, and 30% U₃O₈, depending on the domain. This resulted in 428 capped assay values. No outlier assay values were identified in the HG domains. Therefore, no capping was applied to the assays as each HG domain dataset was determined to be stationary and appropriate for interpolation, with the exclusion of the A2-HG8, which was capped at 30% U₃O₈. Variable density and grade multiplied by density (GxD) were interpolated using OK in the A2-HG domains (excluding A2-HG6 and A2-HG8), the A2-LG domain that envelops an HG domain, and two large A3-LG domains (301 and 312). ID² was used on all remaining mineralized domains. Estimates used a minimum of one to three composites per block estimate, to a maximum of 50 composites per block estimate. The majority of the domains used a maximum of two composites per drill hole. Sample selection criteria were based on sensitivity testing that compared the estimated block means of each domain to the composited mean. Unsourced intervals and samples below the detection limit within the domains were assigned a grade of zero and considered to be internal dilution. Hard boundaries were used to limit the use of composites between domains. Block grade was derived by dividing the interpolated GxD value by the interpolated density value for each block.

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		The Mineral Resource estimate was reported using a \$50/lb U₃O₈ price, at a cut-off grade of 0.25% U₃O₈. The effective date of the Mineral Resource estimate is July 19, 2019. From July 19, 2019 to the effective date of the report, no additional exploration drilling has occurred at the Arrow Deposit. In the CP's opinion, the Mineral Resource estimate remains current as of the effective date of this report. Estimated block model grades are based on chemical assays only. The Mineral Resources were estimated by NexGen and audited by SLR. Mineral Resources are inclusive of Mineral Reserves.
Site visits	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> <i>If no site visits have been undertaken indicate why this is the case.</i>	Mr. David M. Robson, P.Eng., Consultant Mining Engineer of SLR, visited the property on May 18, 2017 and May 16, 2018. Mr. Paul O'Hara, P.Eng., Manager, Process of Wood, visited the property on May 16, 2018 and June 12, 2019. The CPs toured the Project site and viewed the area proposed for the plant site and shaft collars. Mr. Mark Mathisen, C.P.G., Principal Geologist of SLR, visited the property from June 19 to 20, 2016 and from July 22 to 25, 2017. The CP visited operating drill sites, reviewed core handling and QA/QC logging procedures, sample preparation and analytical protocols, density measurement system, and storage procedures, and viewed selected drill core samples.
Study status	<i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i> <i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i>	The Ore Reserve estimates for the Arrow Deposit of the Rook I Project are supported by a Feasibility Study (FS) that is supported by estimated operating parameters, design criteria, process performance, revenue terms, and operating costs derived from test work programs and engineering designs.
Cut-off parameters	<i>The basis of the cut-off grade(s) or quality parameters applied.</i>	Mineral Reserves for stopes were estimated at a cut-off grade of 0.30% U₃O₈. Marginal ore is material between 0.26% U₃O₈ and 0.30% U₃O₈ that must be extracted to access mining areas.

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		Special waste in material between 0.03% and 0.26% U_3O_8 that must be extracted to access mining areas. 0.03% U_3O_8 is the limit for what is considered benign waste and material that must be treated and stockpiled in an engineered facility. Mineral Reserves are estimated using a long-term metal price of US\$50 per pound U_3O_8, and a 0.75 US\$/C\$ exchange rate (C\$1.00 = US\$0.75). The cost to ship the yellowcake product to a refinery is considered to be included in the metal price. A minimum mining width of 3.0 m was applied for all longhole stopes. Mineral Reserves are estimated using a combined UG mining recovery of 95.5% and total dilution (planned and unplanned) of 33.8%.
<i>Mining factors or assumptions</i>	<i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i> <i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i> <i>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</i> <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i> <i>The mining dilution factors used.</i> <i>The mining recovery factors used.</i> <i>Any minimum mining widths used.</i> <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i> <i>The infrastructure requirements of the selected mining methods.</i>	The assumed process plant capacity is 1,300 tpd. The mine design is based on using the sublevel longhole stoping mining method to extract the reserves. Mine stope shapes were created using the Deswik Stope Optimizer (DSO) using the following parameters: Orientation of DSO: -33° Stope width (Transverse) along strike: 12 m Stope length (Longitudinal) along strike: 12 m Stope height: 30 m Minimum stope width horizontal: 3 m Minimum stope dip angle: 50° . The NexGen Arrow Deposit Mineral Reserve estimate is based on the Measured and Indicated Resource material identified in the block model provided by NexGen (arw_4x4x4_id2_ok_2019Q3_rev3, issued on October 2, 2019). Resource material in the resource block model that was classified as Inferred Resources was assigned a grade of 0%. Planned dilution is classified as material below the 0.3% U_3O_8 cut-off grade that is contained within the stope shapes and mined along with material above the cut-off grade. This planned dilution was calculated for all production stopes at 23.5% and is factored into the Mineral Reserve estimate. External overbreak dilution is material that is outside the stope shape but will be expected to overbreak into the stope and be recovered with the ore. Geotechnical

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		domain and average horizontal stope width were used to determine which external dilution factor to apply. DSO utilized the external dilution factor to ensure the stope was above the input cut-off grade with the external dilution included. External dilution factors ranged from 0.25 m to 0.75 m for footwall dilution and hangingwall dilution. Transverse secondary stopes will include some overbreak which will result in sidewall dilution, as these stopes will be mined adjacent to paste fill walls from the primary stopes. Additional fill dilution will be derived from the load haul dump (LHD) mucking cycle, which will unintentionally recover some paste fill from the floor. An estimated 4% dilution from paste fill was included in secondary transverse stopes. Mining losses account for Mineral Resources that will be mined but will not be recovered due to losses that occur through the mining process. Mining losses in the ore development drifts are assumed to be zero as any unrecovered development ore will be extracted and included as part of the longhole stope. A mining recovery factor was applied to each variation of the longhole mining method. The overall average for mine stope recovery is 95.5%. Access to the UG Arrow Deposit will be via two shafts: an 8.0 m diameter Production Shaft for intake air and a 5.5 m diameter Exhaust Shaft for return ventilation and second egress. Access to the mine will be via the Production Shaft, with mine access shaft stations on the 500 Level and 590 Level, and a loading pocket shaft station on the 620 Level. Levels will be spaced 30 m apart UG and will be connected via an internal ramp.
Metallurgical factors or assumptions	<i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i>	Process design has been directed by the metallurgical test program results, knowledge from literature, and Wood's experience with existing successful process methods. The plant design will incorporate ore sorting and storage facilities, a grinding circuit, a leaching circuit followed by a counter-current decantation circuit, pregnant solution clarification, solvent extraction, gypsum precipitation and washing, yellowcake precipitation and washing, yellowcake drying/calcining and packaging, leach residue neutralization and dewatering, tailings storage, mixing, neutralization, and dewatering, paste backfill plant, effluent treatment facilities, and a feed and effluent monitoring system.

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	<i>Any assumptions or allowances made for deleterious elements.</i> <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i> <i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i>	Metallurgical bench tests were undertaken on three composite samples. • High grade: 3.00% U₃O₈ • Medium grade: 2.03% U₃O₈ • Low grade: 0.87% U₃O₈ In addition to these three samples, ten additional samples of localized deposit areas were also tested. • Five individual zones, A1 to A5 • One very high grade (VHG) zone • One HG Mo/U zone • One gangue sample • One high rare earth element (REE) sample • One low REE sample Two pilot leaching tests were performed using two different feed samples. The feed of the first pilot leaching test (MG pilot) was the MG composite sample. The MG composite sample represented mineralization studied in the 2017 Preliminary Economic Assessment (PEA). The sample contained 2.03% U₃O₈, 315 ppm molybdenum, and 37 ppm arsenic. The feed of the second pilot test (2C pilot) was the combined composite samples other than the MG sample. The calculated grade of the combined sample was 4.89% U₃O₈, based on the assays of the individual composite samples. This composite sample represents a wide range in the deposit mineralization and reflects an overall higher uranium grade. The average recovery estimate used in the FS was determined from the pilot plant program (July 2018). Pilot leach testing had uranium extractions of 99.3%. The washing efficiency in the counter current decantation was greater than 99.6%. All other unit operations in the pilot testing had uranium recoveries of greater than 99.6%. Metallurgical recovery of uranium was estimated by evaluating the recovery of the individual circuits and combining these into an overall recovery. Total plant net uranium metallurgical recovery is forecast to be 97.6%. Eleven leaching tests were performed to test variability of the deposit. The grade of the 11 samples ranged from 0.51% U₃O₈ to 8.53% U₃O₈. The LG, MG, and HG samples resulted in leaching rates of 97.2% to 98.8%. The remaining eight tests had leaching rates ranging from 89.8% to 97.5%. Of the four samples that had low

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Environmental	The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	leaching rates, only the A3 zone is in the FS mine plan and this sample had a leaching rate similar to the LG sample (96.5% versus 97.2%). QEMSCAN analysis identified that there were no primary molybdenum-bearing minerals present; however, molybdenum may occur in chalcopyrite and galena solid solutions. Similarly, there were no arsenic-bearing minerals identified.
		NexGen conducted baseline studies to gather information regarding the existing conditions for the biophysical, cultural/heritage, and socioeconomic components of the Project. Some baseline studies have been completed, while other studies are currently in progress. The baseline studies include air quality and climate, aquatic resources, geomorphology, heritage resources, hydrogeology, hydrology, light, noise, socio-economic, terrain and soils, traditional land and resources, traffic, vegetation, vegetation chemistry, and wildlife. As of the effective date of this report, NexGen has not applied for mine development licences, permits, and/or authorizations. There will be an ore stockpile on-site with four piles of differing grades. Each pile will have a capacity of approximately 6,500 m³. It is estimated that approximately 1% of the waste rock brought to surface will be mineralized, but its grade will not be sufficiently high to warrant being processed through the mill. Therefore, it will not be stockpiled in the raw ore stockpile area; this material will instead be stored in the special waste rock stockpile area, which will have an anticipated pile volume of 60,000 m³. Approximately 5.9 Mm³ of waste rock will be generated over the course of the LOM. Of this total 4.59 Mm³ (78%) is potentially acid generating (PAG) and 1.33 Mm³ is non-PAG (NPAG). The PAG and NPAG waste rock will have separate storage areas. The PAG and NPAG waste rock will be stockpiled with 2:1 side slopes and the top of the finished stockpile will tie into the hill to the south and the overall height will not exceed the highest nearby topography.
Infrastructure	The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	There is no permanent infrastructure on the property other than core logging, storage buildings, and an exploration camp. There is a power line 70 km south of the property; however, the transmission capacity of this line is unsuitable for a major industrial site. The property has sufficient space for an UG mining operation, including space for waste rock storage areas (WRSAs). Water is readily available.

Criteria	JORC Code Explanation	Commentary
Costs	<i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i> <i>The methodology used to estimate operating costs.</i> <i>Allowances made for the content of deleterious elements.</i> <i>The source of exchange rates used in the study.</i> <i>Derivation of transportation charges.</i> <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i> <i>The allowances made for royalties payable, both Government and private.</i>	The capital cost estimate meets the criteria to be classified as a Class 3 estimate, as defined by AACE International. It has an approximate accuracy of $\pm 15\%$. All costs included in the estimate are reported in Q4 2020 Canadian dollars. The capital cost estimate reflects a detailed bottom-up approach based on key engineering deliverables that define the Project scope. This scope was described and quantified within material take offs (MTOs) in a series of line items. Stantec, Wood, and Paterson & Cooke developed operating cost estimates to determine the annual production costs. Unit costs are expressed in \$/tonne processed and \$/lb U_3O_8. All costs included in the estimate are reported in Q4-2020 Canadian dollars. Operating costs were allocated to one of mining, processing, and G&A. Operating costs were estimated based on a detailed build up of required labour, consumables, power, and other inputs, and applying cost rates based on quotations or other cost benchmarking data. No allowances were required for the presence of deleterious elements. An exchange rate of C\$1.00 = US\$0.75 was used for the study. A uranium price of US\$50/lb U_3O_8 was based on long-term forecasts as per information provided by UxC, and the net of yellowcake transportation fees (estimated at approximately US\$0.50 per pound). Royalties are calculated in accordance with Guideline: Uranium Royalty System prepared by the Government of Saskatchewan (February 2017). Further information is provided under Economic.
Revenue factors	<i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i> <i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i>	Mineral Reserves are estimated using a uranium price of US\$50/lb U_3O_8 and an exchange rate of C\$1.00 = US\$0.75.
Market assessment	<i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i>	Uranium is mostly traded via 3-15-year term contracts. Producers sell uranium directly to utilities at a higher price than the spot market, which reflects the security of the supply. However, the specified prices in these contracts are often based on the most recent spot price at the time the contract is established and

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	<i>A customer and competitor analysis along with the identification of likely market windows for the product.</i> <i>Price and volume forecasts and the basis for these forecasts.</i> <i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i>	signed; although slightly higher, the contract prices are therefore similar to the spot prices. Worldwide, as of October 2020, there are 437 operable reactor units in 31 countries with approximately 388 gigawatt electrical (GWe) capacity, which translates to base requirements of 165.2 Mlb U₃O₈. UxC LLC (UxC) estimates that 2020 world uranium production will total approximately 122 Mlb U₃O₈, which is 12% lower than the 139 Mlb U₃O₈ produced in 2019. Looking ahead, world production is expected to increase 10% to 135 Mlb U₃O₈ in 2021, 142 Mlb U₃O₈ in 2022 to 2025, and 160 Mlb U₃O₈ in 2026 to 2028, before declining to 147 Mlb U₃O₈ in 2029 as several uranium mines exhaust their reserves. In the mid- to late-2020s, new uranium projects are needed as secondary supplies will decline significantly during this period. From 2030 through 2035, global production is forecasted to decline from 154 Mlb U₃O₈ per year to 118 Mlb U₃O₈ per year, which is significantly below projected global demand in the range of 199 Mlb to 211 Mlb U₃O₈ per year.
Economic	<i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i> <i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i>	The Project has been evaluated using discounted cash flow analysis. Cash inflows consist of annual revenue projections. Cash outflows consist of project capital expenditures, sustaining capital costs, operating costs, taxes, royalties, and commitments to other stakeholders. These are subtracted from revenues to determine the annual cash flow projections. Cash flows are assumed to occur at the mid-point of each period. To reflect the time value of money, annual cash flow projections are discounted back to the project valuation date using the yearly discount rate. The discount rate appropriate to a specific project may depend on many factors, including the type of commodity, capital costs, and the level of project risks (e.g., market risk, environmental risk, technical risk, and political risk) in comparison to the expected return from the equity and money markets. The base case discount rate used in the 2021 FS is 8%. The annual cash flows are discounted to the present value using a standard formula that assumes mid-year cash flows. In addition to the NPV, the IRR and the payback period are also calculated. The IRR is defined as the discount rate that results in an NPV equal to

Criteria	JORC Code Explanation	Commentary
		zero. The payback period is calculated as the time required to achieve positive cumulative cash flow for the project from the start of production. Economic criteria that were used for the purposes of the cash flow model include the following. • Long-term price of uranium of US\$50/lb U_3O_8, inclusive of yellowcake shipping costs provided by UxC. • All uranium sold at a long-term price of US\$50/lb U_3O_8, inclusive of haulage cost to refinery. • The recovery and sale of by-products is excluded from the cash flow model. • Exchange rate of C\$1.00 = US\$0.75. • LOM processing of 4,575 kt grading 2.37% U_3O_8. • Nominal 455 kt of material processed per year during steady state operations. • Mine life of eleven years. • Overall process recovery of 97.5%, including a ramp-up of recovery in Year 1. • Total recovered yellowcake of 233.6 Mlb. • Royalties calculated in accordance with Guideline: Uranium Royalty System (Government of Saskatchewan, February 2017). • Unit operating costs of \$387/t of processed material, or \$7.58/lb U_3O_8. • Pre-production capital costs of \$1,142.0 million, spread over four years. • Sustaining capital costs (including reclamation) of \$431.9 million, spread over the mine life. • Costs incurred prior to mid-year Year -4 (prior to FID) totalling \$157.9 million are not included in the financial model in this report. • Payback period is calculated as the number of years to recover the initial investment from the start of production. Taxes and depreciation for the Project were modelled based on input from NexGen, as well as a review Guideline: Uranium Royalty System (Government of Saskatchewan, February 2017). NexGen has opening balances of Canadian exploration expenses (CEEs) and operating losses that were applied in the tax model. According to current (2021) Canadian tax codes, pre-production mine development costs are counted toward

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		CEE; however, this practice is being phased out. Consequently, all pre-production capital was allocated to either Canadian development expenses (CDEs) or capital cost allowance (CCA). Normally, up to 30% of the CDE balance can be applied in any given year. However, as part of the Budget Implementation Act, 2019, No. 1, an accelerated investment incentive is available for expenses incurred after 2018 and before 2028. The allowance for expenses incurred between 2018 and 2023 will be 150% of the normal 30% allowance, and the allowance for expenses incurred after 2023 and before 2028 will be 125% of the normal 30% allowance. All mining equipment and structures that are considered depreciable will fall under Class 41 of Canadian tax codes, and will depreciate at a rate of 25% annually. However, as part of the Budget Implementation Act, 2019, No. 1, capital expenditures available for use after 2018 and before 2024 will be eligible for a 50% increase in the CCA deduction, and expenditures available for use after 2018 and before 2028 will not be subject to the half-year rule. These provisions were applied to income tax calculations. In Saskatchewan, multiple government royalties apply to uranium projects. Royalties generally fall into two categories: revenue royalties and profit royalties. Royalties are described as follows. • Resource surcharge of 3% of net revenue (where net revenue is defined as gross revenue less transportation costs directly related to transporting uranium to the first point of sale). • Basic royalty of 5% of net revenue, less a Saskatchewan resource credit of 0.75% of net revenue, for an effective royalty rate of 4.25%. • Tiered profit royalty, with a 10% royalty rate for the first \$24.22 profit per kilogram of yellowcake, followed by a 15% royalty on profits exceeding \$24.22 per kilogram. The statutory rate of \$22.00 is adjusted for inflation to \$24.22 in accordance with Saskatchewan regulations. For the tiered profit royalty, the basic royalty and resource surcharge are not deductible for calculating profit royalties. For the purposes of the royalty calculation, profits are calculated by subtracting the full value of operating costs, capital costs, and exploration expenditures from the net revenue. Revenue royalties were included in the pre-tax cash flow results; profit royalties are considered a tax, and they were therefore included in the post-tax results.

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		The royalties and carried interest applicable to certain mineral concessions have not been applied to the tax estimate because the Arrow Deposit is not situated within those concessions. Federal and provincial taxes were applied at a rate of 15% and 12%, respectively. On a pre-tax basis, the net present value (NPV) at 8% is C\$5,577.0 million, the internal rate of return (IRR) is 64.9%, and the assumed payback period is 0.8 years. On a post-tax basis, the NPV at 8% is C\$3,465 million, the IRR is 52.4%, and the assumed payback period is 0.9 years. The payback period is calculated from the start of production. The cash flow model was tested for sensitivities to variances from -30% to +30% in head grade, uranium price, overall operating costs, overall capital costs, labour costs, reagent costs, and exchange rate. Process recovery was tested from -30% to 0%. Based on these sensitivities, the after-tax NPV at an 8% discount rate ranges from C\$2,057 million to C\$5,466 million.
Social	<i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i>	In the second half of 2019, NexGen entered into Study Agreements (Agreements) with the following four Indigenous groups. • Clearwater River Dene Nation • Métis Nation – Saskatchewan (MN-S), including as on behalf of the Locals of MN-S Northern Region II • Birch Narrows Dene Nation • Buffalo River Dene Nation
Other	<i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i> • <i>Any identified material naturally occurring risks.</i> • <i>The status of material legal agreements and marketing arrangements.</i> • <i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be</i>	NexGen and its lead consultants have assessed critical areas of the Project and identified risks associated with the technical and cost assumptions used. The risks have been classified as low/moderate/high and comments have been provided for risk mitigation in the development plan. In all cases, the level of risk refers to the subjective assessment as to how the identified risk could affect the achievement of the Project objectives. <u>Mineral Resources:</u> There is a risk that resource tonnes and grade estimates are less than expected. Mineralized material could be present in areas that are currently assumed to be barren. This could cause adverse conditions for drift development, and ventilation.

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	<i>received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i>	<u>Construction/Operations:</u> Ability to attract and retain competent and experienced professionals. <u>Mining:</u> Ground freezing conditions for shaft sinking depend on a number of factors, and currently there is limited data to estimate the time it will take for the ground to temporarily freeze prior to the shaft pre-sink commencing. There is a risk of poor ground conditions within the deposit which could affect key design inputs such as stope dimensions, Underground Tailings Management Facility (UGTMF) dimensions, and development rate assumptions. There is a risk that certain elements of the material handling system, including waste and ore passes, underground bins, skips, and surface bins, have not been sized to provide steady state and peak operations, including allowances for downtime. There is a risk that underground rock breakers (as opposed to crushing stations), are not able to keep up with throughput requirements, especially for material from the UGTMF chambers. Some areas of the waste rock are NPAG, while others are PAG, with each waste rock type reporting to different waste pads on surface. There is a risk that NPAG and PAG are blended together through the use of shared waste passes, so that they are no longer able to be separated. <u>Processing:</u> There is a risk that uranium recovery of the process plant is less than expected. The concept of the UGTMF is relatively unique. Issues could arise with the design, construction, and commissioning of the UGTMF and paste plant system. <u>Regulatory:</u> There is a risk of radiation over-exposure to personnel during operations, with the potential for additional regulatory scrutiny and/or licence review. There is a risk that the Project will encounter environmental permitting delays. There is risk that the UGTMF may not be viewed favourably by regulatory bodies, as it is a new concept for uranium mines. Failure to achieve regulatory approvals

Criteria	JORC Code Explanation	Commentary
		for the UGTMF would result in alternative tailings management strategies needing to be developed, potentially causing project delays. <u>Cost Estimation:</u> There is a risk that the cost of key materials and supplies will increase. <u>Procurement:</u> Lead times for certain equipment are highly variable. Some long-lead items could cause overall Project delays if not procured in a reasonable time frame. <u>Marketing Ramp Up:</u> There is a risk that the saleable product produced at Arrow will have a slower than expected ramp-up. <u>Underground Tailings Management Facility:</u> Operational challenges related to the UGTMF include sequencing the mining activities, minimizing overbreak, and ensuring that the UGTMF chambers remain stable throughout the excavation and filling cycle. All mineral claims are in good standing until at least 2039, and the mineral claim that hosts the Arrow Deposit (S-113927) is in good standing until 2042. Several federal and provincial regulatory approvals are required for all new uranium mine and mill development. The proponent of a new uranium mining and milling project is required to obtain a licence from the CNSC under the NSCA prior to development.
<i>Classification</i>	<i>The basis for the classification of the Ore Reserves into varying confidence categories.</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i>	When estimating Mineral Reserves, Measured Resources were converted to Probable Reserves and not converted to Proven Reserves due to the confidence in modifying factors. This confidence in modifying factors is a result of the Arrow Deposit being a new deposit with no mining operations history at the site but in no way impacts the geological confidence associated with Mineral Resources. Mineral Reserves are reported according to the CIM (2014) definitions. The estimate also conforms to the JORC Code.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of Ore Reserve estimates.</i>	No external, third party audits or reviews have been completed on the Ore Reserve estimates.

Criteria	JORC Code Explanation	Commentary
<i>Discussion of relative accuracy/confidence</i>	<i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i> <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	The Mineral Reserve estimates were prepared according to the CIM (2014) definitions. The estimate also conforms to the JORC Code. The relative confidence of the estimates fall within the definitions of Probable Mineral Reserves. The CP has reviewed the risks, opportunities, conclusions, and recommendations and is not aware of any conditions that would put the Mineral Reserve at a higher risk level than any other North American developing project.

10. TITLE OPINION

May 14, 2021

The Directors
NexGen Energy Ltd.
Suite 3150 – 1021 West Hastings Street
Vancouver, BC V6E 0C3

Dear Sirs and Mesdames:

Re: Solicitor's Report – Review of Mineral Dispositions

We have acted as Saskatchewan counsel to NexGen Energy Ltd. (the “**Company**”) in connection with a review of the mineral dispositions (the “**Mineral Dispositions**”) granted by Her Majesty the Queen in Right of the Province of Saskatchewan (“**Her Majesty**”) under *The Crown Minerals Act* (Saskatchewan) and *The Mineral Tenure Registry Regulations* (Saskatchewan) (the “**Regulations**”) and filed at the Saskatchewan Ministry of Energy and Resources (the “**Ministry**”) which are further and better described in Schedule “A” attached hereto.

This report has been prepared for inclusion in the prospectus to be issued by the Company (the “**Prospectus**”) for the initial public offer of CHESS Depositary Interests in the capital of the Company.

Scope of Examinations and Reliance

For the purposes of giving the opinions expressed herein, we have reviewed:

- (i) disposition abstracts (the “**Disposition Abstracts**”) issued by the Ministry and dated May 14, 2021, 2021 in respect of the Mineral Dispositions;
- (ii) a Certificate of Good Standing in respect of the Company dated May 14, 2021 issued by the Registrar of Companies for the Province of British Columbia confirming that the Company is a valid and existing corporation under the laws of the Province of British Columbia, Canada; and
- (iii) a Certificate of Status in respect of the Company dated May 14, 2021 issued by the Saskatchewan Department of Justice (Corporations Branch) confirming that the Company is extra-provincially registered and in good standing under the laws of the Province of Saskatchewan, Canada.

Other than as specifically identified herein, we have not conducted any other searches or investigations.

Background Note on Saskatchewan Mineral Administration Registry¹

In December, 2012, the Saskatchewan Crown mineral tenure system was converted to a new online system called Mineral Administration Registry Saskatchewan (“**MARS**”). This system replaces traditional ground-staking with a Geographic Information System (GIS)-based registry system tied to tenure information maintained by the Ministry.

New mineral dispositions issued using the MARS system are based on two types of electronic parcels:

- (i) surveyed mineral parcels maintained as part of the province of Saskatchewan's Mineral Cadastral Parcel Mapping System used for the administration of mineral titles and abstracts under *The Land Titles Act, 2000* (Saskatchewan); and
- (ii) unsurveyed legal subdivision (LSD) grid cells developed by Information Services Corporation for the unsurveyed portion of Saskatchewan as part of its SaskGrid Township Fabric product.

This system of mineral disposition parcels replaces the former physical claim staking in unsurveyed areas while tying dispositions directly to Crown titles and abstracts in surveyed areas.

Legacy dispositions are any mineral dispositions issued prior to the implementation of MARS, including:

- (i) conforming legacy dispositions, which have boundaries that correspond to the new mineral disposition parcels used by MARS. These will be assigned to their corresponding mineral disposition parcel at the time of conversion to the new system; and
- (ii) non-conforming legacy dispositions, which have irregular boundaries physically staked in unsurveyed areas of the Province. These boundaries will be retained under the new MARS system subject to a boundary confirmation process to establish the electronic coordinates of the boundary.

Assumptions

¹ <https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/mineral-exploration-and-mining/mineral-tenure/mineral-administration-registry-saskatchewan-mars>

For the purposes of giving the opinions expressed herein, we have assumed, without independent investigation or inquiry:

1. the accuracy, currency and completeness of: (i) the public indices and filing systems maintained by the public offices and registries where we have searched or inquired including, without limitation, MARS; (ii) the search results and certificates furnished to us by public officials; and (iii) the results of any printed or computer search result provided to or obtained by us, including results obtained by electronic transmission from public offices;
2. the genuineness of all signatures appearing upon, and the authenticity of, all documents delivered to or reviewed by us, the authenticity of all documents filed or registered in public offices, the legal capacity of individuals to contract and the conformity to authentic originals of all documents delivered to us as certified, conformed, photostatic, or facsimile copies; and
3. to the extent that any certificate or other document relied upon for the purposes of the opinions expressed herein has been dated prior to the date of this letter, that the information contained in the said certificate or other document continues to be valid, true and accurate as of the date of this letter.

As used in this opinion letter, our knowledge or awareness means the actual and present knowledge of the particular lawyers of this firm who have given substantive attention to the transaction contemplated hereby. Other than as specifically indicated herein, we have not made any independent investigation or inquiry into such matters.

Laws Covered

The opinions expressed below relate solely to the laws of the Province of Saskatchewan and the laws of Canada applicable therein and we do not express any opinion with respect to the laws of any other jurisdiction.

Opinions

Based on the foregoing and subject to the comments and qualifications set out herein, we are of the opinion that:

1. As of May 14, 2021, the Company is recorded at the Ministry as the 100% owner of the Mineral Dispositions.
2. Subject to certain conditions described in the Regulations, including without limitation the satisfaction of expenditure requirements set out in the Regulations, each of the Mineral

Dispositions is active and in good standing to the "Good Standing To" date indicated for each Mineral Disposition in Schedule "A" attached hereto.

3. The Disposition Abstracts do not contain any reference or indication of the existence of any disputes, claims, or litigation outstanding in respect of, or any liens, encumbrances, charges, security interests, instruments, or other third party interests recorded against the Mineral Dispositions.

Qualifications

The opinions expressed above are subject to the following qualifications:

1. The Mineral Dispositions do not constitute the type of property in which there is an assured certificate evidencing title or as to which there is a comprehensive public registry for registration of encumbrances, charges, or instruments. We have not conducted any searches or attended to a review of any documents, registries, or filing systems other than as specifically referred to herein. In particular, we have not obtained certified copies of the Disposition Abstracts nor have we attended to a review of the Ministry's physical files in respect of the Mineral Dispositions. The Mineral Dispositions may be affected by matters not recorded on the Disposition Abstracts including, without limitation, assignments, transfers, encumbrances, charges, or instruments. We are not aware of any such matters, but we are not able to conduct searches or make inquiries which will provide the basis for a definitive opinion in relation thereto and we express no opinion as to the existence or effect of any assignments, transfers, encumbrances, charges, instruments or other matters in respect of any of the Mineral Dispositions not recorded on the Disposition Abstracts.
2. Except as otherwise stated herein, the Disposition Abstracts do not disclose any non-compliance with the terms of the Mineral Dispositions or the applicable statutes or regulations. We express no opinion as to whether there has been any non-compliance which has not been recorded on the Disposition Abstracts.
3. Except as otherwise stated herein, we express no opinion as to the ownership of Her Majesty in the mines and minerals described in the Mineral Dispositions (the "**Minerals**") the validity of the Mineral Dispositions or any encumbrances, charges, or instruments which may affect the Minerals or the Mineral Dispositions.
4. We express no opinion as to the existence of any Minerals within, upon or under the disposition areas covered by the Mineral Dispositions.
5. The Mineral Dispositions may be subject to a claim by native or aboriginal peoples pursuant to treaty rights or otherwise. We express no opinion with respect to the validity or potential success of any such claims or the manner in which they may affect the Mineral Dispositions.

6. In expressing the opinions contained herein, we are in no way guaranteeing or certifying the accuracy, currency, or completeness of the indices or filing systems maintained by the public offices where we searched or inquired or caused searches or inquiries to be made, including, without limitation, MARS. We do not assume any liability for any errors or omissions with respect to those records.
7. The opinions expressed herein are given as of the date hereof and are based upon and subject to laws in effect as of the date hereof. We specifically disclaim any obligation and make no undertaking to supplement our opinions herein as changes in the law occur or facts come to our attention that could affect such opinions, or otherwise advise any person of any change in law or fact which may come to our attention after the date hereof.

Comments and Advisories

1. The Regulations define “mineral disposition” to include the rights granted by Her Majesty under a permit, claim, or lease with respect to Crown minerals to which the Regulations apply.
2. The Disposition Abstracts identify each of the Mineral Dispositions as a “claim”. Subject to certain conditions, a claim grants to the holder the exclusive right to explore for minerals within the claim lands. A claim does not grant the holder the right to mine, produce or remove minerals from the claim lands, except for the purposes of assaying and testing and for metallurgical, mineralogical or other scientific studies.
3. Subject to certain conditions, a lease grants to the holder the exclusive right to explore for, mine, work, recover, procure, carry away and dispose of any minerals within the lease lands.
4. A mineral disposition does not grant a right to enter upon or use the surface of the lands described or referred to therein. A party granted rights under a mineral disposition must, to the extent surface rights are needed, obtain further rights from the owner of the surface to access the surface lands.
5. A mineral disposition is granted pursuant to statutes and regulations of the Province of Saskatchewan which, among other things, permit Her Majesty to cancel it if the holder of the mineral disposition fails to comply with the provisions thereof or a provision of the applicable statutes or regulations.
6. A claim is subject to lapse without notice to the holder if: (i) the expenditure requirements for a permit or claim are not satisfied by a holder within the time specified by the Regulations, or (ii) a payment or cash deposit in lieu of work expenditures on a claim is not made to or lodged with the Ministry within the time specified by the Regulations.

7. A claim holder has 90 days after the end of a claim year to submit a statement setting forth expenditures on work performed and a report of evidence of work with respect to a claim or make a payment or cash deposit in lieu of work expenditures and the Ministry typically does not apply assessment work or record renewals for dispositions until this 90 day period has passed.

Reliance Limitation

This opinion letter is given for the purposes of inclusion in the Prospectus and may only be relied upon by the addressees and potential investors in connection with the Company's offer of CHES Depositary Interests under the Prospectus and may not be relied upon by any other person or for any other purpose without our prior written consent.

MLT Aikins LLP has given its written consent to the issue of the Prospectus with this opinion in the form and context in which it is included, and has not withdrawn its consent prior to the lodgment of the Prospectus with the Australian Securities and Investments Commission.

Sincerely,



SCHEDULE "A"

Disposition:	Recorded Owner of the Mineral Disposition:	Effective Date:	Good Standing To²:	Total Area (Hectares):	Notices or Builders' Liens:
S-110932	NexGen Energy Ltd.	March 17, 2008	June 14, 2041	2558	Nil
S-113903	NexGen Energy Ltd.	February 13, 2007	May 13, 2043	673	Nil
S-113904	NexGen Energy Ltd.	February 13, 2007	May 13, 2043	900	Nil
S-113905	NexGen Energy Ltd.	February 13, 2007	May 13, 2043	1432	Nil
S-113906	NexGen Energy Ltd.	February 13, 2007	May 13, 2043	1092	Nil
S-113907	NexGen Energy Ltd.	February 13, 2007	May 13, 2043	1436	Nil
S-113908	NexGen Energy Ltd.	February 13, 2007	May 13, 2041	462	Nil
S-113909	NexGen Energy Ltd.	February 13, 2007	May 13, 2043	492	Nil
S-113910	NexGen Energy Ltd.	February 13, 2007	May 13, 2043	1029	Nil
S-113911	NexGen Energy Ltd.	February 13, 2007	May 13, 2043	800	Nil
S-113912	NexGen Energy Ltd.	February 13, 2007	May 13, 2041	2539	Nil
S-113913	NexGen Energy Ltd.	February 13, 2007	May 13, 2043	1280	Nil
S-113914	NexGen Energy Ltd.	February 13, 2007	May 13, 2041	560	Nil
S-113915	NexGen Energy Ltd.	February 13, 2007	May 13, 2041	1806	Nil
S-113916	NexGen Energy Ltd.	February 13, 2007	May 13, 2043	1187	Nil
S-113917	NexGen Energy Ltd.	March 17, 2008	June 14, 2040	1385	Nil
S-113918	NexGen Energy Ltd.	March 17, 2008	June 14, 2040	2481	Nil
S-113919	NexGen Energy Ltd.	March 17, 2008	June 14, 2041	1328	Nil
S-113920	NexGen Energy Ltd.	March 17, 2008	June 14, 2041	2098	Nil
S-113921	NexGen Energy Ltd.	March 17, 2008	June 14, 2043	392	Nil
S-113922	NexGen Energy Ltd.	March 17, 2008	June 14, 2043	498	Nil
S-113923	NexGen Energy Ltd.	March 17, 2008	June 14, 2043	378	Nil
S-113924	NexGen Energy Ltd.	March 17, 2008	June 14, 2043	475	Nil
S-113925	NexGen Energy Ltd.	March 17, 2008	June 14, 2043	360	Nil
S-113926	NexGen Energy Ltd.	March 17, 2008	June 14, 2043	429	Nil
S-113927	NexGen Energy Ltd.	March 17, 2008	June 14, 2043	1514	Nil
S-113928	NexGen Energy Ltd.	March 17, 2005	June 14, 2043	920	Nil

² Mineral claims are issued for terms of one year and, subject to the holder otherwise complying with *The Crown Minerals Act* (Saskatchewan) and the Regulations, are continued from year to year after the initial term. Among other things, the holder must satisfy prescribed work expenditure requirements within every assessment work period. To the extent that assessment work expenditures exceed the prescribed work expenditure requirements for an assessment work period, the excess expenditures will be carried forward and may be used to satisfy the prescribed expenditure requirements for subsequent assessment work periods. The "Good Standing To" date represents the date on which excess expenditures carried forward from prior assessment work periods will be used up to satisfy work expenditure requirements. An assessment work period for a mineral claim means each successive twelve month period, the first of which starts on the date the claim was issued.

S-113929	NexGen Energy Ltd.	March 17, 2005	June 14, 2043	811	Nil
S-113930	NexGen Energy Ltd.	March 17, 2005	June 14, 2043	303	Nil
S-113931	NexGen Energy Ltd.	March 17, 2005	June 14, 2043	1395	Nil
S-113932	NexGen Energy Ltd.	March 17, 2005	June 14, 2043	627	Nil
S-113933	NexGen Energy Ltd.	March 17, 2005	June 14, 2043	1425	Nil

11. GLOSSARY

Term	Meaning
2020 Action	has the meaning described in Section 8.10.
2020 Convertible Debentures	means the convertible debentures issued by NexGen to Queen's Road in 2020, as described in Section 8.4.
2020 Investor Rights Agreement	means the investor rights agreement dated 27 May 2020, as described in Section 7.2.
2017 Investor Rights Agreement	means the investor rights agreement dated 31 July 2017, as described in Section 7.2.
2017 Investors	means the Initial 2017 Investors, Canadian Imperial Bank of Commerce and Cheung Kong (Holding) Limited.
A\$	means Australian dollars.
Acquiring Person	has the meaning described in Section 7.1.2.3.
Affiliate	means, with respect to a Person (first Person): (a) a Person that is an "affiliate" of the first Person within the meaning ascribed to that term in the BCBCA; or (b) any other Person that is controlled by the same Person as the first Person, and for the purpose of this paragraph (b), a Person (first Person) is considered to control another Person if the first Person holds a sufficient number of the voting rights attached to all outstanding voting securities of such other Person to affect materially the control of such other Person.
AIF	means Annual Information Form.
Allotment Date	means the date, as determined by the Directors, on which the CDIs offered under this Prospectus are allotted, which is anticipated to be the date identified in the Timetable.
Applicant	means a person who submits an Application Form.
Application	means an application for CDIs made pursuant to an Application Form.
Application Form	means the application form attached to or accompanying this Prospectus.
Application Monies	means the amount of money accompanying an Application Form submitted by an Applicant.
ARC	means Advance Royalty Corporation.
Argonaut or Lead Manager	means Argonaut Securities Pty Ltd.
Articles	means the Articles of Association of NexGen.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ABN 98 008 624 691) or, as the case requires, the Australian Securities Exchange (being the financial market operated by it).
ASX Foreign Exempt Listing	means the admission of a company to the Official List as an "ASX Foreign Exempt Listing" pursuant to ASX Listing Rule 1.11.
ASX Listing Rules or Listing Rules	means the official listing rules of ASX.
ASX Settlement Rules	means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ACN 008 504 532).
Australian Share	means Computershare Investor Services Pty Limited (ACN 078 279 277) or any other registry that NexGen appoints to maintain the CDI register of

Registry	NexGen in Australia.
BCBCA	means the <i>Business Corporations Act</i> (British Columbia).
Board	means the board of directors of NexGen.
CAD, C\$, \$ or Canadian Dollar	means Canadian dollars.
Canadian Business Day	means any day other than a Saturday, Sunday or, unless otherwise specified, a day on which Canadian chartered banks in Vancouver, BC are generally authorised or obligated by law to close.
Canadian Trading Day	means a day when trading occurs through the facilities of the TSX.
Cashless Exercise	has the meaning described in Section 7.3.11.
CDI	means CHESS Depositary Interests issued by CDN, where each CDI represents a beneficial interest in one Share, as detailed in Section 6.10.
CDI Holder	means a holder of a CDI.
CDN	means CHESS Depositary Nominees Pty Ltd (ABN 75 071 346 506) (AFSL 254514), in its capacity as depositary of the CDIs under the ASX Settlement Rules.
CEF Holdings	means CEF Holdings Limited.
Change of Control	means: (a) the acquisition by any transaction, directly or indirectly, by a person or group of persons acting jointly or in concert of voting control or direction over 50% or more of NexGen's Shares; (b) the amalgamation, consolidation or merger of NexGen with or into another entity as a result of which the holders of the shares immediately prior to such transaction, directly or indirectly, hold less than 50% of voting control or direction over the entity carrying on the business of NexGen following such transaction; (c) the sale, assignment, transfer or other disposition of all or substantially all of the property or assets of NexGen to another entity in which the holders of Shares immediately prior to such transaction, directly or indirectly, hold less than 50% of voting control or direction following such transaction; or (d) the removal by resolution of the Shareholders of NexGen, of more than 51% of the then incumbent directors of NexGen which removal has not been recommended in NexGen's management information circular, or the failure to elect to the Board a majority of the directors proposed for election by management in NexGen's management information circular.
Change of Management	means circumstance where the Chief Executive Officer of NexGen is no longer actively employed as the most senior executive officer of NexGen.
CHESS	means the Clearing House Electronic Subregister System.
CIM	means the Canadian Institute of Mining and Petroleum.
Closing Date	means the date the Offer closes.
CNSC	means the Canadian Nuclear Safety Commission.
Conditions	has the meaning given in Section 6.3.
Consenting Party	means the parties described in Section 8.14.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
CSA	means the Canadian Securities Administrators.
CTDC	means Computershare Trust Company of Canada.
Current Market Price	has the meaning given in Section 8.4.2.2.
Director	means each of the directors of NexGen from time to time.

Dorsey	means Dorsey & Whitney LLP.
EA	means an environmental assessment.
EIS	means environmental impact statement.
Eligible Person	means employees, officers, directors or service providers (whether a person or company) who have been engaged by NexGen to provide services for a period of 12 months or more.
ENV	means the Saskatchewan Ministry of Environment.
Executive Services Agreement	has the meaning described in Section 5.4.2.1.
Exposure Period	means the seven day period after the Prospectus Date (which may be extended by ASIC to 14 days).
Feasibility Study	means the feasibility study undertaken with respect to the Rook I Project, the subject of the Technical Report.
FID	final investment decision.
Flip-In Event	has the meaning described in Section 7.1.2.3.
Foreign Exchanges	means the TSX and the NYSE American.
Group	means NexGen and its three wholly owned subsidiaries: NXE Energy Royalty Ltd, NXE Energy SW1 Ltd and NXE Energy SW3 Ltd.
GST	means goods and services tax or similar tax imposed in Australia.
Initial 2017 Investors	means CEF Holdings, CEF (Capital Markets) Limited, Next Global Holdings Limited and Sprinkle Ring Investment Limited.
Investor Percentage	means a percentage, calculated by dividing the total number of Shares held by: (a) in the case of the 2017 Investors, the 2017 Investors and their Affiliates divided by the total number of Shares on issue; and (b) in the case of Queens Road, Queens Road and its Affiliates (including any Shares that may be issued pursuant to the 2020 Convertible Debentures)¹ divided by the total number of Shares on issue (including any Shares that may be issued pursuant to the 2020 Convertible Debentures).
Investor Rights Agreements	means the 2017 Investor Rights Agreement and the 2020 Investor Rights Agreement.
IRR	means internal rate of return.
IsoEnergy	means IsoEnergy Ltd.
Listing	means the admission of NexGen to the Official List as an ASX Foreign Exempt Listing.
Majority Voting Policy	has the meaning given in Section 5.6.6).
MD&A	means Management Discussion and Analysis.
MI 52-110	means the Multilateral Instrument 52-110 Audit Committees
MN-S	means the Métis Nation-Saskatchewan.
MI 61-101	means the Multilateral Instrument 61-101 <i>Protection of Minority Security Holders in Special Transactions</i> .
MIC	means management information circular.

¹ For the purpose of calculating the total number of shares that may be issued pursuant to the 2020 Convertibles Debentures, an exchange rate of US\$1:C\$1.3934 is used.

Mineral Reserve	has the meaning ascribed by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended. ¹
Mineral Resource	has the meaning ascribed by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended. ²
MLI	means the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting.
NexGen	means NexGen Energy (Canada) Ltd. (ARBN 649 325 128), a foreign company registered in its original jurisdiction of British Columbia, Canada as NexGen Energy Ltd with incorporation number BC0983846).
NexGen Insiders	has the meaning given in Section 8.6.3.
NexGen Personnel	has the meaning given in Section 5.6.3
NI 43-101	means National Instrument 43-101 <i>Standards of Disclosure for Mineral Projects</i> of the CSA.
NI 58-101	means National Instrument 58-101 Disclosure of Corporate Governance Practices of the CSA
Non-Canadian Holder	has the meaning given in Section 8.7.
Notice Date	has the meaning given in Section 8.1.7.1
NPV	means net present value.
NSCA	means the Canadian <i>Nuclear Safety Control Act</i> .
NSR Royalty	has the meaning given in Section 2.3.2.
NYSE American	means NYSE American, an American securities exchange located in New York, USA.
Offer	means the offer by NexGen, pursuant to this Prospectus, of 400,000 CDIs at a price of A\$5.60 per CDI to raise up to A\$2,240,000 (before associated costs).
Offer Price	means A\$5.60 per CDI.
Official List	means the official list of entities that ASX has admitted to and not removed from listing.
Option	means an option to subscribe for a Share.
OTCQX	means the OTCQX market operated by the OTC Market Group.
Permitted Bid	has the meaning described in Section 7.1.
Plan Options	means the options granted under the Stock Option Plan in Section 7.3.
PLC	means the Patterson Lake Uranium Corridor.
Prospectus	means this document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document.
Prospectus Date	means the date on which a copy of this Prospectus was lodged with ASIC, being 16 June 2021.
Queen's Road	means Queen's Road Capital Investment Ltd.
Redemption Price	has the meaning described in Section 7.1.2.4.
Relevant Threshold	means 20% or more of the Voting Shares of NexGen, as described in Section 7.1.

¹ Statements of Mineral Reserves prepared in accordance with the CIM Definition Standards applicable under NI 43-101 would not be materially different if prepared in accordance with the JORC Code.

² Statements of Mineral Resources prepared in accordance with the CIM Definition Standards applicable under NI 43-101 would not be materially different if prepared in accordance with the JORC Code.

Right	has the meaning described in Section 7.1.2.1.
Rights Certificates	means the certificates evidencing the Rights, described in Section 7.1.
Rook I Project	means the development project in the south western section of the Athabasca Basin, Saskatchewan, Canada, as further described in Section 2.3.
SEDAR	means the System for Electronic Document Analysis and Review website maintained by the CSA which can be found at www.sedar.com .
Separation Time	has the meaning described in Section 7.1.
Share	means an ordinary fully paid voting share in the capital of NexGen, or a CDI in respect of a share, as the context requires.
Shareholder	means the registered holder of a Share or CDI (as applicable).
Shareholder Proposal	means a document setting out a matter that the submitter proposes to have considered at the next annual general meeting of NexGen.
Shareholder Rights Plan	means the shareholders' right plan, as described in Section 7.1.
SLR	Means SLR Consulting (Canada) Ltd.
SRC	means the Saskatchewan Research Council.
SW1	means NexGen's SW3 property located on the Rook I Project.
SW3	means NexGen's SW1 property located on the Rook I Project.
Takeover Bid	has the meaning described in Section 7.1.
Tax Act	means the <i>Income Tax Act (Canada)</i> and the <i>Income Tax Regulations</i> .
Technical Report	has the meaning described in the "Technical Information" section on page 8 of this Prospectus.
Terra	means Terra Ventures Inc
Timetable	means the indicative timetable for the Offer on page 9 of this Prospectus.
Trust Indenture	has the meaning described in Section 8.4.1.
TSX	Means the Toronto Stock Exchange.
TSX Rules	means the rules and policies of the TSX applicable to NexGen.
TSXV	means TSX Venture Exchange.
US Securities Act	means the United States Securities Act of 1933, as amended.
UGTMF	means underground tailings management facility.
USD, US\$ or US Dollar	means United States dollars.
Voting Shares	has the meaning described in Section 7.1.
VRSZ	means the Virgin River shear zone.
Wood	means Wood Canada Limited.
YC	means yellowcake.

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NexGen

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Annexure A – Unaudited Consolidated Interim Financial Statements of NexGen Energy Ltd. March 31, 2021 and 2020



Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021

(expressed in thousands of Canadian dollars)

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

	As at March 31, 2021	As at December 31, 2020
Assets		
Current assets		
Cash	\$ 226,798	\$ 74,022
Amounts receivable	258	304
Prepaid expenses and other	324	680
	227,380	75,006
Non-current assets		
Exploration and evaluation assets (Note 5)	280,619	274,722
Equipment (Note 6)	7,259	7,579
Deposits	85	85
Total assets	\$ 515,343	\$ 357,392
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,757	\$ 6,544
Lease liabilities (Note 8)	867	778
	\$ 5,624	\$ 7,322
Non-current liabilities		
Convertible debentures (Note 7)	55,857	226,853
Long-term lease liabilities (Note 8)	2,976	3,253
Deferred income tax liabilities	392	712
Total liabilities	\$ 64,849	\$ 238,140
Equity		
Share capital (Note 9)	\$ 653,882	\$ 255,953
Reserves	55,679	54,939
Accumulated other comprehensive loss	(514)	(4,339)
Accumulated deficit	(282,130)	(212,302)
Equity attributable to NexGen Energy Ltd. shareholders	426,917	94,251
Non-controlling interests	23,577	25,001
Total equity	450,494	119,252
Total liabilities and equity	\$ 515,343	\$ 357,392

Nature of operations (Note 2)

Commitments (Note 8)

Subsequent events (Note 15)

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,	
		2021	2020
Expenses			
Salaries, benefits and directors' fees	\$	2,451	\$ 1,011
Office and administrative		971	595
Professional fees		829	618
Travel		31	169
Depreciation (Note 6)		544	535
Share-based payments (Note 9)		2,197	1,678
		7,023	4,606
Finance income		(125)	(185)
Mark-to-market loss on convertible debentures (Note 7)		59,009	7,089
Interest expense on convertible debentures (Note 7)		2,228	3,026
Interest on lease liabilities (Note 8)		72	45
Foreign exchange loss (gain)		178	(1,741)
Other expenses (income)		-	(7)
Loss before taxes		68,385	12,833
Deferred income tax expense (recovery)		(269)	(2,447)
Net loss		68,116	10,386
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 7)		295	(10,170)
Deferred income tax expense (recovery)		(50)	2,746
Net comprehensive loss	\$	68,361	\$ 2,962
Net loss attributable to:			
Shareholders of NexGen Energy Ltd.	\$	66,090	\$ 9,937
Non-controlling interests		2,026	449
	\$	68,116	\$ 10,386
Net comprehensive loss attributable to:			
Shareholders of NexGen Energy Ltd.	\$	66,280	\$ 2,513
Non-controlling interests		2,081	449
	\$	68,361	\$ 2,962
Loss per share attributable to NexGen Energy Ltd. equity holders			
Basic and diluted loss per share	\$	0.17	\$ 0.03
Weighted average common shares outstanding			
Basic and Diluted		407,466,970	360,250,571

The accompanying notes are an integral part of these condensed interim 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,			
		2021		2020
Net loss for the period:	\$	(68,116)	\$	(10,386)
Adjust for:				
Depreciation (Note 6)		544		535
Share-based payments (Note 9)		2,197		1,678
Mark-to-market loss on convertible debenture (Note 7)		59,009		7,089
Interest expense on convertible debentures (Note 7)		2,228		3,026
Interest on lease liabilities (Note 8)		72		45
Deferred income tax expense (recovery)		(269)		(2,447)
Unrealized foreign exchange loss (gain)		178		(1,906)
Operating cash flows before working capital	\$	(4,157)	\$	(2,366)
Changes in working capital items:				
Amounts receivable		48		118
Deposits		-		-
Prepaid expenses and other		355		111
Accounts payable and accrued liabilities		579		(75)
Cash used in operating activities	\$	(3,175)	\$	(2,212)
Expenditures on exploration and evaluation assets		(8,032)		(7,566)
Acquisition of equipment		(224)		(99)
Cash used in investing activities	\$	(8,256)	\$	(7,665)
Proceeds from bought-deal financing, net of share issuance costs		163,923		-
Proceeds from exercise of option and warrants		2,289		2
Payment of lease liabilities (Note 8)		(261)		(206)
Interest paid on convertible debentures		(1,566)		-
Cash provided by (used in) financing activities	\$	164,385	\$	(204)
Foreign exchange gain (loss) on cash		(178)		1,906
Increase (decrease) in cash	\$	152,776	\$	(8,175)
Cash, beginning of period		74,022		52,117
Increase (decrease) in cash		152,776		(8,175)
Cash, end of period	\$	226,798	\$	43,942

Supplemental cash flow information (Note 10)

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	Reserve	Accumulated Other Comprehensive Loss	Accumulated Deficit	Attributable to shareholder's of NexGen Energy Ltd.	Non- controlling interests	Total
Balance at December 31, 2019	360,250,571	\$ 218,788	\$ 51,559	\$ (2,247)	\$ (103,401)	\$ 164,699	\$ 21,650	\$ 186,349
Shares issued on exercise of warrants of subsidiary to non-controlling interests	-	-	-	-	(1)	(1)	3	2
Share-based payments	-	-	1,920	-	-	1,920	-	1,920
Net loss	-	-	-	-	(9,937)	(9,937)	(449)	(10,386)
Other comprehensive loss	-	-	-	7,424	-	7,424	-	7,424
Balance at March 31, 2020	360,250,571	\$ 218,788	\$ 53,479	\$ 5,177	\$ (113,339)	\$ 164,105	\$ 21,204	\$ 185,309
Balance at December 31, 2020	381,830,205	\$ 255,953	\$ 54,939	\$ (4,339)	\$ (212,302)	\$ 94,251	\$ 25,001	\$ 119,252
Share-based payments	-	-	2,098	-	-	2,098	289	2,387
Shares issued on exercise of stock options	633,334	2,675	(1,032)	-	-	1,643	-	1,643
Shares issued on convertible debentures redemption (Note 7)	48,083,335	230,301	-	-	-	230,301	-	230,301
Shares issued for convertible debentures interest payments (Note 7)	177,045	848	-	-	-	848	-	848
Shares issued on bought-deal financing, net of share issue costs (Note 9)	38,410,000	163,205	-	-	-	163,205	-	163,205
Shares issued relating to the Rook 1 property development (Note 9)	200,000	900	(326)	-	-	574	-	574
Ownership changes relating to non-controlling interests	-	-	-	-	277	277	368	645
Net loss	-	-	-	-	(66,090)	(66,090)	(2,026)	(68,116)
Reclass accumulated other comprehensive income related to converted debentures (Note 7)	-	-	-	4,015	(4,015)	-	-	-
Other comprehensive loss	-	-	-	(190)	-	(190)	(55)	(245)
Balance at March 31, 2021	469,333,919	\$ 653,882	\$ 55,679	\$ (514)	\$ (282,130)	\$ 426,917	\$ 23,577	\$ 450,494

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, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

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”) and NYSE American exchange (the “NYSE American”) under the symbol “NXE” and is a reporting issuer in each of the provinces of Canada other than Québec.

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 the three months ended June 30, 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, 2021, NexGen owns 50.58% of IsoEnergy’s outstanding common shares (December 31, 2020 – 51.08%).

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, 2021, the Company had an accumulated deficit of \$282,130 and working capital of \$221,756. The Company will be required to obtain additional funding in order to continue with the exploration and development of its mineral properties.

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.

During 2020, the World Health Organization declared a global pandemic known as COVID-19 and governments around the world enacted measures to combat the spread of the virus. The duration and impact of the COVID-19 outbreak is not known at this time, but the risks to the Company may include, but are not limited to, delays in the previously disclosed timelines and activity levels associated with the Company’s baseline engineering, environmental assessment and the ability to raise funds through debt and equity markets. To date, the Company’s operations and ability to raise funds have not been significantly impacted. The Company has implemented proper covid protocols at each of its locations that are in line with the respective regional health authorities COVID-19 guidelines.

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

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”). 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, 2020 and 2019 (“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 6, 2021, the Audit Committee of the Board of Directors authorized these financial statements for issuance.

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, 2021 are as follows:

Name of Subsidiary	Location	Ownership
NXE Energy Royalty Ltd.	Canada	100%
NXE Energy SW1 Ltd.	Canada	100%
NXE Energy SW3 Ltd.	Canada	100%
IsoEnergy Ltd.	Canada	50.6%

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

4. CRITICAL JUDGEMENTS, ESTIMATES AND ASSUMPTIONS IN ACCOUNTING POLICIES

Judgements, estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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.

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

5. EXPLORATION AND EVALUATION ASSETS

	Rook 1	Other Athabasca Basin Properties	IsoEnergy Properties	Total
Acquisition cost				
Balance at December 31, 2020	\$ 235	\$ 1,458	\$ 26,778	\$ 28,471
Additions/expenditures	-	-	-	-
Balance as at March 31, 2021	\$ 235	\$ 1,458	\$ 26,778	\$ 28,471
Deferred exploration costs				
Balance at December 31, 2020	216,350	9,173	20,728	246,251
Additions:				
Drilling	-	-	112	112
General exploration	313	-	1	314
Environmental and permitting	3,632	-	1	3,633
Technical, engineering and design	549	-	1	550
Geological and geophysical	-	7	8	15
Labour and wages	847	-	191	1,038
Share-based payments	157	-	33	190
Travel	2	-	43	45
Total Additions	5,500	7	390	5,897
Balance as at March 31, 2021	\$ 221,850	\$ 9,180	\$ 21,118	\$ 252,148
Total costs, March 31, 2021	\$ 222,085	\$ 10,638	\$ 47,896	\$ 280,619

	Rook 1	Other Athabasca Basin Properties	IsoEnergy Properties	Total
Acquisition Cost				
Balance at December 31, 2019	\$ 235	\$ 1,458	\$ 26,636	\$ 28,329
Additions/expenditures	-	-	142	142
Balance as at December 31, 2020	\$ 235	\$ 1,458	\$ 26,778	\$ 28,471
Deferred exploration costs				
Balance at December 31, 2019	199,784	9,164	15,104	224,052
Additions:				
Drilling	-	-	2,801	2,801
General exploration	1,407	5	594	2,006
Environmental and permitting	6,725	-	137	6,862
Technical, engineering and design	4,158	-	225	4,383
Geochemistry and assays	-	-	318	318
Geological and geophysical	-	4	31	35
Labour and wages	2,925	-	1,140	4,065
Share-based payments	1,281	-	235	1,516
Travel	70	-	143	213
Total Additions	16,566	9	5,624	22,199
Balance as at December 31, 2020	\$ 216,350	\$ 9,173	\$ 20,728	\$ 246,251
Total costs, December 31, 2020	\$ 216,585	\$ 10,631	\$ 47,506	\$ 274,722

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

6. EQUIPMENT

	Computer Equipment	Software	Field equipment	Office, Furniture and Leasehold Improvements	Road	Total
Cost						
As at December 31, 2019	\$ 417	\$ 939	\$ 6,891	\$ 3,007	\$ 2,079	\$ 13,333
Additions	34	121	23	2,135	-	2,313
Disposals	-	-	(92)	-	-	(92)
At December 31, 2020	\$ 451	\$ 1,060	\$ 6,822	\$ 5,142	\$ 2,079	\$ 15,554
Reclassification	-	-	(275)	275	-	-
Additions	10	114	42	58	-	224
Balance as at March 31, 2021	\$ 461	\$ 1,174	\$ 6,589	\$ 5,475	\$ 2,079	\$ 15,778
Accumulated Depreciation						
As at December 31, 2019	\$ 292	\$ 651	\$ 2,964	\$ 710	\$ 1,128	\$ 5,745
Depreciation	78	190	857	710	455	2,290
Disposals	-	-	(60)	-	-	(60)
At December 31, 2020	\$ 370	\$ 841	\$ 3,761	\$ 1,420	\$ 1,583	\$ 7,975
Reclassification	-	-	(193)	193	-	-
Depreciation	9	46	150	225	114	544
Balance as at March 31, 2021	379	887	3,718	1,838	1,697	8,519
Net book value at December 31, 2020	\$ 81	\$ 219	\$ 3,061	\$ 3,722	\$ 496	\$ 7,579
Net book value at March 31, 2021	\$ 82	\$ 287	\$ 2,871	\$ 3,637	\$ 382	\$ 7,259

7. CONVERTIBLE DEBENTURES

	2016 Debentures	2017 Debentures	2020 Debentures	IsoEnergy Debentures	Total
Fair value at December 31, 2020	\$ 94,768	\$ 86,568	\$ 31,483	\$ 14,034	\$ 226,853
Fair value adjustment	30,291	18,674	7,631	2,709	59,305
Settlement with shares	(125,059)	(105,242)	-	-	(230,301)
Fair Value at March 31, 2021	\$ -	\$ -	\$ 39,114	\$ 16,743	\$ 55,857

The fair value of the debentures decreased from \$226,853 on December 31, 2020 to \$55,857 at March 31, 2021, resulting from the conversion of the 2016 and 2017 debentures offset with a mark-to-market loss of \$59,305 for the three months ended March 31, 2021 (March 31, 2020 - \$3,081 gain). The loss for the three months ended March 31, 2021 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 \$295 (2020 - \$10,170 gain) and the remaining amount recognized in loss for the quarter of \$59,009 (March 31, 2020 - \$7,089). The interest expense during for the three months ended March 31, 2021 was \$2,228 (March 31, 2020 - \$3,026)

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

2016 and 2017 Convertible Debentures

On February 18, 2021 and February 23, 2021, the holders of the 2016 and 2017 debentures elected to convert their respective US\$60 million aggregate principal amount of 7.5% unsecured convertible debentures, both due to mature on July 22, 2022, into common shares of the Company. The Company issued 25,794,247 and 22,289,088 common shares relating to the conversion of the principal of the 2016 and 2017 debentures, respectively, and 89,729 and 87,316 common shares relating to the accrued and unpaid interest up to the date of conversion for the 2016 and 2017 debentures, respectively. The amounts recorded in Other Comprehensive Income as a result of changes in credit risks of the 2016 and 2017 debentures from inception through to conversion totaling losses of \$4,015 were reclassified to accumulated deficit.

The fair value of the 2016 and 2017 debentures at conversion was based on the number of shares issued at the closing share price on the conversion date. The closing share price on February 18, 2021 was \$4.69 and \$4.88 on February 23, 2021 and the conversion price for the 2016 debenture was US\$2.33 and US\$2.69 for the 2017 debenture. The fair value of the shares issued for interest was based on the closing share price on the date of issuance and recorded as interest expense in the consolidated statement of net loss and comprehensive loss (Note 9).

2020 Convertible Debentures

On May 27, 2020, the Company issued US\$15 million principal amount of 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 \$20,261 (US\$14,550).

The 2020 Debentures bear 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, 2021 and December 31, 2020 are as follows:

	March 31, 2021	December 31, 2020
Volatility	37.00%	38.00%
Expected life in years	4.16 years	4.41 years
Risk free interest rate	1.25%	0.74%
Expected dividend yield	0%	0%
Credit spread	17.58%	19.53%
Underlying share price of the Company	\$4.53	\$3.51
Conversion exercise price	\$2.34	\$2.34
Exchange rate (C\$:US\$)	\$0.7961	\$0.7854

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

IsoEnergy Debentures

On August 18, 2020, IsoEnergy entered into a US\$6 million private placement of unsecured convertible debentures (the "IsoEnergy Debentures"). The 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 IsoEnergy Debentures on issuance date was determined to be \$7,630 (US\$5,820).

The 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, 2021 and December 31, 2020 are as follows:

	March 31, 2021	December 31, 2020
Volatility	49.00%	46.00%
Expected life in years	4.4 years	4.65 years
Risk free interest rate	1.31%	0.79%
Expected dividend yield	0%	0%
Credit spread	19.76%	21.70%
Underlying share price of the Company	\$2.40	\$1.87
Conversion exercise price	\$0.88	\$0.88
Exchange rate (C\$:US\$)	\$0.7961	\$0.7854

8. LEASES

(a) Right-of-use assets

	March 31, 2021	December 31, 2020
Right-of-use assets, beginning of period	\$ 3,544	\$ 2,217
Additions	-	2,069
Depreciation	(208)	(742)
Balance, end of period	\$ 3,336	\$ 3,544

The right-of-use assets recognized by the Company are comprised of \$3,280 (December 31, 2020 - \$3,464) related to corporate office leases and \$56 (December 31, 2020 - \$80) related to the rental of field equipment and are included in the office, furniture and leasehold improvements category and the field equipment category, respectively in Note 6.

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

(b) Lease liabilities

	March 31, 2021	December 31, 2020
Lease liabilities, beginning of period	\$ 4,031	\$ 2,645
Additions	-	2,121
Terminations	-	(34)
Interest expense on lease liabilities	73	254
Payment of lease liabilities	(261)	(955)
Balance, end of period	\$ 3,843	\$ 4,031
Current portion	867	778
Non-current portion	2,976	3,253
Balance, end of period	\$ 3,843	\$ 4,031

The undiscounted values of the lease liabilities as at March 31, 2021 was \$6,506 (December 31, 2020 - \$6,889).

(c) Amounts recognized in profit and loss

	March 31, 2021	March 31, 2020
Expense relating to short-term leases	\$ -	\$ 2,126
Expense relating to variable lease payments	\$ 112	\$ 83

The Company engages drilling companies to carry out its drilling programs on its 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 contracts but rather to recognize lease payments associated with these leases as incurred over the lease term. Payments to the drilling company in the three months ended March 31, 2021 were \$nil (March 31, 2020 - \$1,331).

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

Unlimited common shares without par value.

Unlimited preferred shares without par value.

For the three months ended March 31, 2021:

On February 18, 2021 and February 23, 2021, the Company issued 25,794,247 and 22,289,088 common shares relating to the conversion of the principal of the 2016 and 2017 Debentures at a fair value of \$125,059 and \$105,242, respectively. In addition, 89,729 and 87,316 common shares were issued relating to the accrued and unpaid interest up to the date of conversion for the 2016 and 2017 Debentures at a fair value of \$407 and \$441, respectively (Note 7).

On March 11, 2021, the Company completed a bought deal financing where 33,400,000 common shares of the Company were issued at a price of \$4.50 per common share (the "Offering Price") for gross proceeds of approximately \$150,300. On March 16, 2021, the Company closed the over-allotment of 5,010,000 common shares of the Company at the Offering Price for additional proceeds of \$22,545. In connection with the financing, \$9,590 was incurred for share issue costs.

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

On February 3, 2021 and February 23, 2021, the Company issued an aggregate of 200,000 common shares to arm's length parties to advance the development of the Rook 1 property at a fair value of \$900.

For the year ended December 31, 2020:

On May 27, 2020, the Company completed a financing that consisted of a US\$15 million private placement of common shares and US\$15 million of the 2020 Debentures (Note 7). In connection with the financing the Company issued 11,611,667 common shares at a price of \$1.80 for the private placement, 348,350 common shares at a price of \$1.80 for the establishment fees of the 2020 Debentures, and 180,270 common shares at a deemed price of \$1.97 for a consent fee to the investors of the 2016 and 2017 debentures in connection with the 2020 Debentures financing.

On June 8, 2020, the Company issued 1,092,142 common shares at a fair value of \$2,152 to the convertible debenture holders for the share portion of the debenture interest payment.

On December 10, 2020, the Company issued 856,206 common shares with a fair value of \$2,586 to the convertible debenture holders for the share portion of the debenture interest payment.

(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.

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

	Options outstanding	Weighted average exercise price (C\$)
At December 31, 2019	36,617,495	\$ 2.14
Granted	9,555,000	2.54
Exercised	(7,490,999)	0.90
Expired	(2,208,334)	2.75
At December 31, 2020	36,473,162	\$ 2.47
Granted	250,000	5.16
Exercised	(633,334)	2.59
At March 31, 2021 - Outstanding	36,089,828	\$ 2.48
At March 31, 2021 - Exercisable	27,022,337	\$ 2.52

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

The following table summarizes information about the exercisable share options outstanding as March 31, 2021:

Number of share options outstanding	Number of share options exercisable	Exercise prices (C\$)	Remaining contractual life (years)	Expiry date
250,000	250,000	2.69	0.19	June 8, 2021
4,125,000	4,125,000	2.65	0.23	June 23, 2021
2,700,000	2,700,000	2.24	0.71	December 15, 2021
25,000	25,000	3.11	1.06	April 22, 2022
3,500,000	3,500,000	3.39	1.71	December 14, 2022
75,000	75,000	2.39	2.04	April 13, 2023
3,750,000	3,750,000	2.85	2.19	June 8, 2023
100,000	100,000	2.66	2.22	June 20, 2023
720,482	720,482	2.49	2.39	August 21, 2023
2,725,000	2,725,000	2.41	2.75	December 31, 2023
500,000	500,000	2.27	2.98	March 21, 2024
250,000	250,000	2.22	2.99	March 27, 2024
3,558,333	2,316,668	1.92	3.20	June 12, 2024
188,679	188,679	1.59	3.38	August 16, 2024
3,867,334	2,578,222	1.29	3.74	December 24, 2024
4,575,000	1,491,666	1.80	4.20	June 12, 2025
4,930,000	1,643,327	3.24	4.70	December 11, 2025
250,000	83,333	5.16	4.88	February 16, 2026
36,089,828	27,022,377	2.52	2.25	

The following weighted average assumptions were used for Black-Scholes valuation of the share options granted during the three months ended March 31, 2021 (March 31, 2020 – no share options granted):

	2021
Risk-free interest rate	0.60%
Expected life	5 years
Annualized volatility	61.68%
Dividend rate	0.00%
Fair value per option granted in period	\$2.60

Share-based payments for options vested for the three months ended March 31, 2021 amounted to \$2,387 (2020 – \$1,920) of which \$2,197 (2020 – \$1,678) was expensed to the statement of net loss and comprehensive loss and \$190 (2020 - \$242) was capitalized to exploration and evaluation assets (Note 5).

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

10. SUPPLEMENTAL CASH FLOW INFORMATION

The Company did not have any cash equivalents as at March 31, 2021 and December 31, 2020.

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

	Three months ended March 31,	
	2021	2020
Capitalized share-based payments	\$ 190	\$ 242
Exploration and evaluation asset expenditures included in accounts payable and accrued liabilities	2,529	2,069
Interest expense included in accounts payable and accrued liabilities	440	3,192

11. 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:

	Three months ended March 31,	
	2021	2020
Short-term benefits ⁽¹⁾	\$ 648	\$ 883
Stock options ⁽²⁾	1,648	1,291
Consulting fees ⁽³⁾	33	43
	\$ 2,329	\$ 2,217

⁽¹⁾ Short-term compensation to key management personnel for the period ended March 31, 2021 amounted to \$648 (2020 - \$883) of which \$598 (2020 - \$595) was expensed and included in salaries, benefits and directors' fees on the statement of net loss and comprehensive loss. The remaining \$50 (2020 - \$288) was capitalized to exploration and evaluation assets.

⁽²⁾ Share-based payments to key management personnel for the period ended March 31, 2021 amounted to \$1,648 (2020 - \$1,291) of which \$1,644 (2020 - \$1,219) was expensed and \$4 (2020 - \$72) 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 period ended March 31, 2021 amounting to \$33 (2020 - \$43).

As at March 31, 2021, there was \$33 (December 31, 2020 - \$45) included in accounts payable and accrued liabilities owing to its directors and officers for compensation.

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

12. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order 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 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, 2021	December 31, 2020
Equity	\$ 450,494	\$ 119,252
Convertible debentures (Note 7)	55,857	226,853
	506,351	346,105
Less: Cash	(226,798)	(74,022)
	\$ 279,553	\$ 272,083

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, 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.

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

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.

The convertible debentures are re-measured at fair value at each reporting date with any change in fair value recognized in profit or 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 income (Note 7). 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, 2021	December 31, 2020
Cash	\$ 226,798	\$ 74,022
Amounts receivable	258	304
	\$ 227,056	\$ 74,326

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. 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, 2021, NexGen had cash of \$226,798 to settle accounts payable and accrued liabilities of \$4,757.

The Company's significant undiscounted commitments at March 31, 2021 are as follows:

	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	\$ 4,757	\$ -	\$ -	\$ -	\$ 4,757
Convertible debentures	-	-	55,857	-	55,857
Lease liabilities	1,096	4,183	1,227	-	6,506
	\$ 5,853	\$ 4,183	\$ 57,084	\$ -	\$ 67,120

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

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, 2020 Debentures and IsoEnergy 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 and IsoEnergy Debentures. At maturity, the US\$21 million principal amount of the 2020 Debentures and 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 and 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 and IsoEnergy Debentures more costly to repay.

As at March 31, 2021, the Company's US dollar net financial liabilities were US\$30,881. Thus a 10% change in the Canadian dollar versus the US dollar exchange rates would give rise to a \$3,883 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 the Company's share price may affect the valuation of the 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, 2021. 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 and IsoEnergy Debentures, in an aggregate principal amount of US\$21 million, carry fixed interest rates of 7.5% and 8.5% respectively and are not subject to interest rate fluctuations.

NexGen Energy Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except as otherwise stated) - Unaudited

14. NON-CONTROLLING INTERESTS

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 earnings 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, 2021, the non-controlling interests in IsoEnergy was \$23,577 (December 31, 2020 – \$25,001).

15. SUBSEQUENT EVENTS

- (a) Subsequent to March 31, 2021, 1,350,000 stock options were exercised for gross proceeds of \$3,672.
- (b) Subsequent to March 31, 2021, the Company exercised 1,537,760 warrants of IsoEnergy at \$0.60 per share for a total outlay of \$923.
- (c) Subsequent to March 31, 2021, the Company granted 650,000 stock options with an exercise price of \$4.53 and expiry date of April 1, 2026.

Annexure B – Consolidated Financial Statements of NexGen Energy Ltd December 31, 2020 and 2019



Consolidated Financial Statements

December 31, 2020 and 2019

Management's Responsibility for Financial Reporting

The accompanying audited consolidated financial statements, related note disclosures, and other financial information contained in the management's discussion and analysis of NexGen Energy Ltd. (the "Company") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the audited annual consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

The Company maintains adequate systems of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that transactions are properly authorized and recorded, the Company's assets are appropriately accounted for and adequately safe guarded and that the financial information is relevant and reliable.

The Board of Directors is responsible for reviewing and approving the audited annual consolidated financial statements together with the other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and all of its members are non-management directors. The Audit Committee reviews the audited consolidated financial statements, management's discussion and analysis, the external auditors' report, examines the fees and expenses for audit services, and considers the engagement or reappointment of the external auditors. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the consolidated financial statements for issuance to the shareholders. KPMG LLP, the external auditors, have full and free access to the Audit Committee.

/s/ Leigh Curyer

Leigh Curyer
President and Chief Executive Officer

/s/ Travis McPherson

Travis McPherson
Acting – Chief Financial Officer

Vancouver, Canada
March 19, 2021



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Fax (604) 691-3031

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

NexGen Energy Ltd.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of NexGen Energy Ltd. (the Company) as of December 31, 2020 and 2019, the related consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its financial performance and its cash flows for the years then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.



Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

//s// KPMG LLP

Chartered Professional Accountants

We have served as the Company's auditor since 2016.

Vancouver, Canada

March 19, 2021

NEXGEN ENERGY LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at

	Note	December 31, 2020	December 31, 2019
ASSETS			
Current			
Cash		\$ 74,021,706	\$ 52,117,581
Amounts receivable		304,606	610,121
Prepaid expenses and other assets		679,727	734,310
		75,006,039	53,462,012
Non-current			
Deposits		85,369	95,835
Exploration and evaluation assets	5	274,721,793	252,380,408
Equipment	6	7,578,870	7,587,659
		282,386,032	260,063,902
TOTAL ASSETS		\$ 357,392,071	\$ 313,525,914
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 6,544,448	\$ 3,998,313
Current portion of lease liabilities	7	777,586	558,960
Flow-through share premium liability	8	-	227,522
		7,322,034	4,784,795
Non-current			
Deferred income tax liability	15	711,587	725,066
Long-term lease liabilities	7	3,253,429	2,086,007
Convertible debentures	9	226,853,084	119,581,192
		230,818,100	122,392,265
TOTAL LIABILITIES		238,140,134	127,177,060
EQUITY			
Share capital	10	255,953,457	218,787,664
Reserves	10	54,939,225	48,800,771
Accumulated other comprehensive loss		(4,339,619)	(2,247,226)
Accumulated deficit		(212,301,767)	(103,501,461)
		94,251,296	161,839,748
Non-controlling interests		25,000,641	24,509,106
TOTAL EQUITY		119,251,937	186,348,854
TOTAL LIABILITIES AND EQUITY		\$ 357,392,071	\$ 313,525,914

Nature of operations (Note 2)
Commitments (Notes 7,8 & 9)
Subsequent Events (Note 19)

The accompanying notes are an integral part of the consolidated financial statements
These consolidated financial statements were authorized for issue by the Board of Directors on March 9, 2021

NEXGEN ENERGY LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the years ended

	Note	December 31, 2020	December 31, 2019
Salaries, benefits and directors' fees	11	\$ 5,631,519	\$ 5,624,334
Office and administrative		1,639,127	1,965,818
Professional fees		4,037,273	3,572,164
Travel		279,259	1,142,668
Depreciation	6	2,281,419	2,383,177
Impairment of exploration and evaluation assets	5	-	14,354
Share-based payments	10	9,748,199	10,867,167
Finance income		(410,498)	(1,815,590)
Mark to market loss (gain) on convertible debentures	9	76,492,786	(21,821,831)
Interest expense	9	13,371,117	11,822,910
Interest on lease liabilities	7	253,978	206,986
Foreign exchange loss		462,359	1,653,616
Other losses		1,264	-
Loss from operations		\$ 113,787,802	\$ 15,615,773
Deferred income tax expense	15	702,327	932,283
Loss for the year		\$ 114,490,129	\$ 16,548,056
Other Comprehensive (Income) Loss			
Change in fair value of convertible debentures attributable to the change in credit risk	9	2,888,050	3,212,139
Deferred income tax recovery	15	(760,205)	(867,238)
Other comprehensive loss		2,127,845	2,344,901
Total comprehensive loss for the year		\$ 116,617,974	\$ 18,892,957

The accompanying notes are an integral part of the consolidated financial statements

NEXGEN ENERGY LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (continued)
(Expressed in Canadian Dollars)
For the years ended

	Note	December 31, 2020	December 31, 2019
Loss attributable to:			
Shareholders of NexGen Energy Ltd.		\$ 109,828,218	\$ 15,531,911
Non-controlling interests in IsoEnergy Ltd.		4,661,911	1,016,145
Loss for the year		\$ 114,490,129	\$ 16,548,056
Total comprehensive loss attributable to:			
Shareholders of NexGen Energy Ltd.		\$ 111,920,611	\$ 17,876,812
Non-controlling interests in IsoEnergy Ltd.		4,697,363	1,016,145
Total comprehensive loss for the year		\$ 116,617,974	\$ 18,892,957
Loss per common share attributable to the Company's common shareholders			
Basic loss per common share	18	\$ 0.30	\$ 0.04
Diluted loss per common share	18	\$ 0.30	\$ 0.06
Weighted average number of common shares outstanding			
Basic	18	370,530,748	354,593,084
Diluted	18	370,530,748	402,676,421

The accompanying notes are an integral part of the consolidated financial statements

NEXGEN ENERGY LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital	Reserves	Accumulated Other Comprehensive Loss	Accumulated Deficit	Non-controlling Interests	Total
Balance as at December 31, 2018		351,237,062	\$ 208,711,135	\$ 39,272,391	\$ 97,675	\$ (87,815,146)	\$ 21,660,535	\$ 181,926,590
Exercise of options	10	6,783,333	6,201,760	(2,263,094)	-	-	-	3,938,666
Share-based payments	10	-	-	11,791,474	-	-	337,323	12,128,797
Issue of shares on convertible debenture interest payments	10	2,230,176	3,874,769	-	-	-	-	3,874,769
Ownership changes relating to non-controlling interests		-	-	-	-	(154,404)	3,527,393	3,372,989
Loss for the year		-	-	-	-	(15,531,911)	(1,016,145)	(16,548,056)
Other comprehensive income		-	-	-	(2,344,901)	-	-	(2,344,901)
Balance as at December 31, 2019		360,250,571	\$ 218,787,664	\$ 48,800,771	\$ (2,247,226)	\$ (103,501,461)	\$ 24,509,106	\$ 186,348,854
Balance as at December 31, 2019		360,250,571	\$ 218,787,664	\$ 48,800,771	\$ (2,247,226)	\$ (103,501,461)	\$ 24,509,106	\$ 186,348,854
Exercise of options	10	7,490,999	11,182,871	(4,421,000)	-	-	-	6,761,871
Share-based payments	10	-	-	10,559,454	-	-	704,429	11,263,883
Issue of shares on convertible debenture interest payments	10	1,948,348	4,737,262	-	-	-	-	4,737,262
Issue of shares for cash from private placement	10	11,611,667	20,888,500	-	-	-	-	20,888,500
Issue of shares on convertible debenture establishment fee	10	348,350	627,030	-	-	-	-	627,030
Issue of shares on convertible debenture consent fee	10	180,270	355,130	-	-	-	-	355,130
Share issuance costs		-	(625,000)	-	-	-	-	(625,000)
Ownership changes relating to non-controlling interests		-	-	-	-	1,027,912	4,484,469	5,512,381
Loss for the year		-	-	-	-	(109,828,218)	(4,661,911)	(114,490,129)
Other comprehensive loss		-	-	-	(2,092,393)	-	(35,452)	(2,127,845)
Balance as at December 31, 2020		381,830,205	\$ 255,953,457	\$ 54,939,225	\$ (4,339,619)	\$ (212,301,767)	\$ 25,000,641	\$ 119,251,937

The accompanying notes are an integral part of the consolidated financial statement

NEXGEN ENERGY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the years ended

	December 31, 2020	December 31, 2019
Cash flows from (used in) from operating activities		
Loss for the year	\$ (114,490,129)	\$ (16,548,056)
Items not involving cash:		
Depreciation	2,281,419	2,383,177
Share-based payments	9,748,199	10,867,167
Non-cash costs of debenture issuance	355,130	-
Impairment of exploration and evaluation assets	-	14,354
Unrealized foreign exchange loss on cash	462,359	1,048,218
Deferred income tax expense	702,327	932,283
Mark to market loss (gain) on convertible debentures	76,492,786	(21,821,831)
Interest expense	13,371,117	11,822,910
Accretion expense	253,978	206,986
Other losses	1,264	-
Changes in non-cash working capital items:		
Amounts receivable	305,515	28,355
Prepaid expenses	54,583	(467,957)
Deposits	10,466	418,876
Accounts payable and accrued liabilities	(165,960)	(1,690,368)
	(10,616,946)	(12,805,886)
Cash flows used in investing activities		
Exploration and evaluation asset expenditures	(18,056,382)	(57,050,294)
Acquisition of equipment, net	(186,391)	(629,160)
	(18,242,773)	(57,679,454)
Cash flows from (used in) financing activities		
Exercise of options and warrants	7,421,686	3,964,800
Share issued in private placements, net of issuance costs	24,585,307	3,420,191
Issuance of convertible debentures	28,790,500	-
Payment of lease liabilities	(955,431)	(784,399)
Interest paid on convertible debentures	(8,615,859)	(8,008,642)
	51,226,203	(1,408,050)
Change in cash	22,366,484	(71,893,390)
Cash, beginning of year	52,117,581	125,059,189
Effect of exchange rate fluctuations on cash held	(462,359)	(1,048,218)
Cash, end of year	\$ 74,021,706	\$ 52,117,581

Supplemental disclosure with respect to cash flows (Note 17)

The accompanying notes are an integral part of the consolidated financial statements

NEXGEN ENERGY LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

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 commenced trading on the TSX Venture Exchange ("TSX-V") as a Tier 2 Issuer under the symbol "NXE" on April 23, 2013. On August 7, 2015, the Company became a Tier 1 Issuer. On July 15, 2016, NexGen graduated and commenced trading on the Toronto Stock Exchange ("TSX") under its existing symbol. The Company's common shares ceased trading on the OTCQX Best Market under the symbol "NXGEF" upon the commencement of trading on the NYSE American LLC ("NYSE American") under the symbol "NXE" on May 17, 2017.

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 the three months ended June 30, 2016, certain exploration and evaluation assets were transferred to each of IsoEnergy Ltd. ("IsoEnergy"), NXE Energy SW1 Ltd. and NXE Energy SW3 Ltd. (Note 5). Subsequent to the transfer, IsoEnergy shares were listed on the TSX-V. As of December 31, 2020 NexGen owns 51% of IsoEnergy's outstanding common shares (December 31, 2019 – 52%).

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 December 31, 2020, the Company had an accumulated deficit of \$212,301,767 and working capital of \$67,684,005. The Company will be required to obtain additional funding in order to continue with the exploration and development of its mineral properties and to repay its convertible debentures (Note 9), if required.

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.

During the year, the World Health Organization declared a global pandemic known as COVID-19 and governments around the world enacted measures to combat the spread of the virus. The duration and impact of the COVID-19 outbreak is not known at this time, but the risks to the Company may include, but are not limited to, delays in the previously disclosed timelines and activity levels associated with the Company's feasibility study and environmental assessment and the ability to raise funds through debt and equity markets. To date the Company's operations and ability to raise funds have not been significantly impacted. Subsequent to December 31, 2020 the Company filed a feasibility study for the Rook I Property (Note 19).

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 PRESENTATION

Statement of Compliance

These consolidated financial statements for the year ended December 31, 2020, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The consolidated financial statements were authorized for issue by the Board of Directors on March 9, 2021.

Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value, including the convertible debentures issued by the Company (Note 9). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All monetary references expressed in these notes are references to Canadian dollar amounts ("C\$"), except as otherwise noted. These financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

NEXGEN ENERGY LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

3. BASIS OF PRESENTATION (continued)

During the year, the Company recast the prior year allocation of shareholders' equity between reserves, accumulated deficit and non-controlling interests to reflect the appropriate attribution of non-controlling interests arising from IsoEnergy's issuance of warrants and equity-settled share-based payment transactions.

Critical accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in a material adjustment to the carrying amount of the asset or liability affected in future periods.

Where the fair value of financial assets and financial liabilities recorded in the financial statements cannot be derived from active markets, their fair value is determined using valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

(i) Impairment

At the end of each financial reporting period the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss or reversal of previous impairment. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. With respect to exploration and evaluation assets, the Company is required to make estimates and judgments about the future events and circumstances regarding whether the carrying amount of intangible exploration assets exceeds its recoverable amount. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets properties.

(ii) Share-based payments

The Company uses the Black-Scholes option pricing model to determine the fair value of options and warrants in order to calculate share-based payments expense and the fair value of broker warrants. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. Refer to Note 10 for further details.

(iii) Convertible debentures

The Company uses a model based on a system of two coupled Black-Scholes equations to determine the fair value of the convertible debentures. This model involves five key inputs to determine the fair value of the convertible debentures: risk-free interest rate, credit spread, market price at valuation date, expected dividend yield and historical volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. Refer to Note 9 for further details.

The information about significant areas of judgment considered by management in preparing the financial statements is as follows:

(i) Deferred tax assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies. Refer to Note 15 for further details.

NEXGEN ENERGY LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

3. BASIS OF PRESENTATION (continued)

(ii) Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue its business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern for the next year. Therefore, the financial statements continue to be prepared on a going concern basis.

(iii) Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been applied consistently to all years presented in these financial statements:

(a) Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

Translation of transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange in effect at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Translation gains or losses are recognized in profit or loss.

(b) Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries: NXE Energy Royalty Ltd., NXE Energy SW1 Ltd., NXE Energy SW3 Ltd. and IsoEnergy. Shares of IsoEnergy were issued to third parties as part of financings since its inception, thereby resulting in the recognition of non-controlling interests. The financial results of the subsidiaries are included in these consolidated financial statements from the date of incorporation. Intercompany balances and transactions are eliminated on consolidation. The following table sets forth the Company's ownership percentage in each of its subsidiaries as of December 31, 2020:

Name of Subsidiary	% Ownership as of December 31, 2020
NXE Energy Royalty Ltd.	100%
NXE Energy SW1 Ltd.	100%
NXE Energy SW3 Ltd.	100%
IsoEnergy Ltd.	51%

(c) Cash

Cash includes deposits held with banks that are available on demand and guaranteed investment certificates with original maturities of three months or less or that are readily convertible into cash.

(d) Exploration and evaluation assets

Once the legal rights to explore a property have been obtained, exploration and evaluation costs are capitalized as exploration and evaluation assets on an area of interest basis pending determination of the technical feasibility and the commercial viability of the project. Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. When a claim is relinquished or a project is abandoned, the related costs are recognized in profit or loss immediately.

Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the acquisition and deferred exploration costs will be written off to operations.

NEXGEN ENERGY LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. A property may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

Management regularly assesses exploration and evaluation assets for events or circumstances that may indicate possible impairment.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining assets and development assets within property, plant and equipment.

(e) Equipment

(i) Recognition and measurement

Items of equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

(ii) Subsequent costs

The cost of replacing a part of an item in the carrying amount of equipment is recognized when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably.

(iii) Depreciation

The carrying amounts of equipment (including initial and subsequent capital expenditures) are amortized to their estimated residual value over the estimated useful lives of the specific assets concerned. Depreciation is calculated over the estimated useful lives of each significant component as follows:

- Computing equipment	55% declining balance basis
- Software	55% declining balance basis
- Field equipment	20% declining balance basis
- Leasehold improvements	Lease term
- Road	5-year straight-line basis
- Lease right-of-use assets	Lease term straight-line basis

Depreciation methods, useful lives, and residual values are reviewed at least annually and adjusted if appropriate.

(iv) Disposal

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of the item of equipment and are recognized in profit or loss.

(f) Leases

The Company adopted all of the requirements of IFRS 16 Leases ("IFRS 16"), as of January 1, 2019, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 Leases ("IAS 17"). IFRS 16 specifies how to recognize, measure, present and disclose leases. IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all major leases. The impact of the transition is shown below.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset. This may be specific, explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefit from use of the asset throughout the period of use; and

NEXGEN ENERGY LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of the property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrow rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss in the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the recognition exemption not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

Impact of transition to IFRS 16

On initial application, the Company has elected to record right-of-use assets based on the corresponding lease liability. Right-of-use assets and lease obligations of \$2,826,512 and \$3,222,380, respectively, were recorded as of January 1, 2019, with no net impact on retained earnings. When measuring lease liabilities, the Company discounted lease payments using an incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 7.40%.

The transition to IFRS 16 from IAS 17 is shown in the reconciliation table below, starting with the lease commitments below as at December 31, 2018 and adjusting for the operating expenses included in the lease commitments and the discounted portion of the lease commitment to equal the Lease liability as at January 1, 2019.

IFRS 16 – Leases Standard Reconciliation		
Lease Commitments as at December 31, 2018 under IAS 17	\$	5,534,933
Less: Operating expenses of Leases		(1,611,366)
Less: Impact of Discounting on Lease liability		(701,187)
Lease liability as at January 1, 2019 under IFRS 16	\$	3,222,380

(g) Impairment

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

NEXGEN ENERGY LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment.

(h) Decommissioning and Restoration Provisions

Decommissioning and restoration provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation and discount rates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows discounted at the market discount rate.

Over time the carrying value of the liability is increased for the changes in the present value based on the current market discount rates and liability risks. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

Changes in reclamation estimates are accounted for prospectively as a change in the corresponding capitalized cost.

The Company did not have any decommissioning and restoration provisions for the years presented.

(i) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

(j) Share-based payments

The Company's stock option plan allows Company employees, directors, officers and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based payments expense with a corresponding increase in equity reserves. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest.

At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the equity instruments granted, otherwise share-based payment awards to non-employees are measured at the fair value of goods or services received. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

NEXGEN ENERGY LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and ii) share capital. Upon qualifying expenditures being incurred, the Company recognizes a deferred tax liability for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as exploration and evaluation assets and its tax base and the premium liability is reduced and recognized as a reduction of deferred tax expense. Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years. Failure to expend such funds as required under the Canadian income tax legislation will result in a Part XII.6 tax to the Company on flow-through proceeds renounced under the "Look-back" Rule. When applicable, this tax is classified as a financial expense.

(l) Loss per Share

Basic loss per share is calculated by dividing the loss attributable to the Company's common shareholders for the year by the weighted average number of common shares outstanding during the year.

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and other similar instruments. Under this method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

(m) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Financial Instruments

(i) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as at FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL (such as the Convertible Debentures).

The Company has the following financial instruments, which are classified under IFRS 9 in the table below:

<i>Financial assets/liabilities</i>	<i>Classification</i>
<i>Cash</i>	<i>Amortized cost</i>
<i>Amounts receivable</i>	<i>Amortized cost</i>
<i>Accounts payable and accrued liabilities</i>	<i>Amortized cost</i>
<i>Convertible debentures</i>	<i>FVTPL</i>

(ii) Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive (loss) income. The Company's Convertible Debentures have been recognized at FVTPL.

(iii) Impairment of financial assets at amortized cost

Under IFRS 9, the Company recognizes a loss allowance using the expected credit loss model on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within the accumulated other comprehensive (loss) income.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

5. EXPLORATION AND EVALUATION ASSETS

(a) Rook I Property

The Rook I Project is located in Northern Saskatchewan, approximately 40 kilometres (km) east of the Saskatchewan – Alberta border, approximately 150 km north of the town of La Loche and 640 km northwest of the City of Saskatoon and consists of 32 contiguous mineral claims totalling 35,065 hectares.

The Rook I Project hosts the Arrow deposit discovered in February 2014, the Bow discovery in March 2015, the Harpoon discovery in August 2016 and the Arrow South discovery in July 2017. The Company released an updated mineral resource estimate and the results of a pre-feasibility study in November 2018, in each case, in respect of the Arrow deposit. Subsequent to December 31, 2020 the Company filed a feasibility study for the Rook I Project (Note 19).

NexGen has a 100% interest in the claims subject only to: (i) a 2% net smelter return royalty ("NSR"); and (ii) a 10% production carried interest, in each case, only on claims S-113928 to S-113933 (the Arrow deposit is not located on any of these claims). The NSR may be reduced to 1% upon payment of \$1 million. The 10% production carried interest provides for the owner to be carried to the date of commercial production.

(b) Other Athabasca Basin Properties

The Other Athabasca Basin Properties are a portfolio of early stage mineral properties in the Athabasca Basin. The properties are grouped geographically as "SW1", "SW2" and "SW3". The SW2 properties are held directly by NexGen. The SW1 and SW3 properties are held by NXE Energy SW1 Ltd. and NXE Energy SW3 Ltd., respectively, each a wholly owned subsidiary.

(c) IsoEnergy Properties

The IsoEnergy Properties consist of (i) a 100% interest in the Radio Project, Saskatchewan (subject to a 2% net smelter return royalty and 2% gross overriding royalty); (ii) a 100% interest in the Thorburn Lake Project, Saskatchewan (subject to a 1% net smelter return royalty and a 10% carried interest which can be reduced to 1% at the holder's option upon completion of a bankable feasibility study); (iii) a 100% interest, in each of the Madison, 2Z, Carlson Creek and North Thorburn properties, Saskatchewan; (iv) a 100% interest in the Mountain Lake property, Nunavut; (v) a 100% interest in the Geiger property, Saskatchewan; (vi) a 100% interest in the Laroque East property, Saskatchewan that consists of 6 mineral claims constituting 3,200 hectares and includes the Hurricane Zone; (vii) and a 100% interest in the Eastern Athabasca named Evergreen Property, Saskatoon that constitutes 32,400 hectares; and (viii) a portfolio of newly staked claims in Saskatchewan, all of which are early stage exploration properties.

In 2019, IsoEnergy decided not to incur expenditure limits required to maintain their Fox mineral claims in good standing and accordingly has impaired the amounts related to that property totalling \$14,354.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

The following is a summary of the capitalized costs on the projects described above.

	Rook I	Other Athabasca Basin Properties	IsoEnergy Properties	Total
	\$	\$	\$	\$
Acquisition costs:				
Balance, December 31, 2019	235,077	1,457,607	26,635,775	28,328,459
Additions	-	-	142,363	142,363
Balance, December 31, 2020	235,077	1,457,607	26,778,138	28,470,822
Deferred exploration costs:				
Balance, December 31, 2019	199,784,259	9,163,367	15,104,323	224,051,949
Additions:				
Drilling	-	-	2,800,964	2,800,964
General exploration	1,407,493	5,688	594,539	2,007,720
Environmental and permitting	6,725,648	-	137,083	6,862,731
Technical, engineering and design	4,158,100	-	224,620	4,382,720
Geochemistry and assays	-	-	317,508	317,508
Geological and geophysical	-	4,632	30,500	35,132
Labour and wages	2,925,395	-	1,140,615	4,066,010
Share-based payments (Note 10)	1,280,728	-	234,956	1,515,684
Travel	68,193	-	142,360	210,553
	16,565,557	10,320	5,623,145	22,199,022
Balance, December 31, 2020	216,349,816	9,173,687	20,727,468	246,250,971
Total costs, December 31, 2020	216,584,893	10,631,294	47,505,606	274,721,793

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5. EXPLORATION AND EVALUATION ASSETS (continued)

	Rook I	Other Athabasca Basin Properties	IsoEnergy Properties	Total
	\$	\$	\$	\$
Acquisition costs:				
Balance, December 31, 2018	235,077	1,457,607	26,622,545	28,315,229
Additions	-	-	14,077	14,077
Impairment	-	-	(847)	(847)
Balance, December 31, 2019	235,077	1,457,607	26,635,775	28,328,459
Deferred exploration costs:				
Balance, December 31, 2018	148,658,925	6,530,533	10,623,907	165,813,365
Additions:				
Drilling	17,596,099	1,508,527	1,921,903	21,026,529
General exploration	5,453,717	4,126	665,140	6,122,983
Geological and geophysical	19,859,997	1,042,071	844,448	21,746,516
Labour and wages	6,099,402	78,110	825,860	7,003,372
Share-based payments (Note 10)	1,227,604	-	98,474	1,326,078
Travel	888,515	-	138,098	1,026,613
Impairment	-	-	(13,507)	(13,507)
	51,125,334	2,632,834	4,480,416	58,238,584
Balance, December 31, 2019	199,784,259	9,163,367	15,104,323	224,051,949
Total costs, December 31, 2019	200,019,336	10,620,974	41,740,098	252,380,408

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6. EQUIPMENT

	Computing Equipment	Software	Field Equipment	Office, Furniture and Leasehold Improvements	Road	Total
Cost						
Balance at December 31, 2018	\$ 305,449	\$ 750,014	\$ 6,498,041	\$ 231,857	\$ 2,079,395	\$ 9,864,756
Assets recognized on adoption of IFRS 16 (Note 4)	-	-	354,163	2,472,349	-	2,826,512
Additions	111,281	189,171	38,841	302,475	-	641,768
Balance at December 31, 2019	416,730	939,185	6,891,045	3,006,681	2,079,395	13,333,036
Additions	34,680	120,670	22,964	2,135,732	-	2,314,046
Disposals	-	-	(91,659)	-	-	(91,659)
Balance at December 31, 2020	\$ 451,410	\$ 1,059,855	\$ 6,822,350	\$ 5,142,413	\$ 2,079,395	\$ 15,555,423
Accumulated Depreciation						
Balance at December 31, 2018	\$ 207,626	\$ 416,132	\$ 1,921,484	\$ 135,728	\$ 672,007	\$ 3,352,977
Depreciation	84,405	235,159	1,042,981	574,357	455,498	2,392,400
Balance at December 31, 2019	292,031	651,291	2,964,465	710,085	1,127,505	5,745,377
Depreciation	78,121	190,151	856,985	710,262	455,498	2,291,017
Disposals	-	-	(59,841)	-	-	(59,841)
Balance at December 31, 2020	\$ 370,152	\$ 841,442	\$ 3,761,609	\$ 1,420,347	\$ 1,583,003	\$ 7,976,553
Net book value:						
At December 31, 2019	\$ 124,699	\$ 287,894	\$ 3,926,580	\$ 2,296,596	\$ 951,890	\$ 7,587,659
At December 31, 2020	\$ 81,258	\$ 218,413	\$ 3,060,741	\$ 3,722,066	\$ 496,392	\$ 7,578,870

Office and vehicle lease right-of-use assets are included in equipment in office, furniture and leasehold improvements and field equipment respectively. As at December 31, 2020, \$3,463,358 right-of-use assets were included in office, furniture and leasehold improvements (December 31, 2019 - \$1,986,747) and \$80,343 were included in field equipment (December 31, 2019 - \$230,178). During the year ended December 31, 2020, the Company recorded additions of \$2,100,305 (December 31, 2019 - Nil) and depreciation of \$742,272 (December 31, 2019 - \$609,587) related to right-of-use assets.

7. LEASES

	Year ended December 31, 2020	Year ended December 31, 2019
Balance, beginning of the year	\$ 2,644,967	\$ 3,222,380
Additions to lease liabilities	2,121,305	-
Termination of lease liabilities	(33,804)	-
Interest on lease liabilities	253,978	206,986
Lease payments	(955,431)	(784,399)
Balance, end of the year	\$ 4,031,015	\$ 2,644,967
Less: current portion	(777,586)	(558,960)
Balance, end of the year	\$ 3,253,429	\$ 2,086,007

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7. LEASES (continued)

The leases are for office space and vehicle leases that extend to 2025 and 2022, respectively. The discount rates applied to the leases for office spaces and vehicles are 7.50% and 6.74%, respectively. In addition to the lease payments the Company pays \$449,987 annually related to operating costs and realty taxes of the leased office spaces. The amount is reassessed annually based on actual costs incurred.

Minimum future lease payments relating to the leased assets are as follows:

2021	1,526,829
2022	1,414,423
2023	1,373,937
2024	1,346,127
2025	1,227,448
Total	\$6,888,764

In addition to the leased assets above the Company engages drilling companies to carry out its drilling programs on its 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 contracts but rather to recognize lease payments associated with these leases as incurred over the lease term. Payments to drilling companies in the year ended December 31, 2020 were \$2,304,575 (December 31, 2019 - \$16,239,540).

8. FLOW-THROUGH SHARE PREMIUM LIABILITY

IsoEnergy has raised funds through the issuance of flow-through shares. Based on Canadian tax law, IsoEnergy is required to spend this amount on eligible exploration expenditures by December 31 of the year after the year in which the shares were issued.

The premium paid for a flow-through share, which is the price paid for the share over the market price of the share, is recorded as a flow-through share premium liability. This liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of flow-through premium is then recorded as a reduction in the deferred tax expense.

As of December 31, 2020, IsoEnergy is obligated to spend \$4,000,000 (December 31, 2019 - \$3,412,807) on eligible exploration expenditures by December 31, 2021. The flow through shares issued during the year ended December 31, 2020 were issued at a price below market value on the date of issue and therefore no flow-through share premium liability was recorded.

A continuity of the flow-through share premium liability is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Balance, beginning of the year	\$ 227,522	\$ 550,392
Liability incurred on flow-through shares issued	-	233,340
Settlement of flow-through share liability on expenditure made	(227,522)	(556,210)
Balance, end of the year	\$ -	\$ 227,522

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9. CONVERTIBLE DEBENTURES

	December 31, 2020	December 31, 2019
2016 Debentures (a)	\$ 94,768,430	\$ 61,149,632
2017 Debentures (b)	86,567,845	58,431,560
2020 Debentures (c)	31,482,817	-
IsoEnergy Debentures (d)	14,033,992	-
Convertible Debentures	\$ 226,853,084	\$ 119,581,192

The fair value of the Debentures increased from \$119,581,192 on December 31, 2019 to \$226,853,084 at December 31, 2020, resulting from the issuance of the 2020 Debentures with a fair value of \$20,261,470 (US\$14,550,000) at the issuance date, the issuance of the IsoEnergy Debentures with a fair value of \$7,629,586 (US\$5,820,000) at the issuance date and a mark to market loss of \$79,380,836 for the year ended December 31, 2020. The loss for the year ended December 31, 2020 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 \$2,888,050 (2019 - \$3,212,139) and the remaining amount recognized in loss for the year of \$76,492,786 (2019 – gain of \$21,821,831).

(a) 2016 Debentures

On June 10, 2016, the Company issued US\$60 million principal amount of convertible debentures (the "2016 Debentures") which were determined to be a hybrid financial instrument comprised of the host debt contract and multiple embedded derivatives. The Company received gross proceeds of \$76,416,000 (US\$60 million) and net proceeds of \$72,363,602 (US\$56,852,383) after deducting \$4,052,398 (US\$3,147,617) in transaction costs from the issue of the 2016 Debentures. A 3% establishment fee of \$2,292,480 (US\$1.8 million) was also paid to the debenture holders through the issuance of 1,005,586 common shares. The fair value of the 2016 Debentures on issuance date was determined to be \$74,123,520 (US\$58.2 million).

Pursuant to an amended and restated trust indenture dated July 21, 2017, the maturity date of the 2016 Debentures was extended to July 22, 2022.

The fair value of the 2016 Debentures increased from \$61,149,632 (US\$47,081,639) on December 31, 2019 to \$94,768,430 (US\$74,433,263) at December 31, 2020, resulting in a loss of \$33,618,798 (US\$27,351,624) for the year ended December 31, 2020. This loss, combined with the loss on the 2017 Debentures (see Note 9(b)), the loss on the 2020 Debentures (see Note 9(c)) and the loss on the IsoEnergy Debentures (see Note 9(d)) for the year ended December 31, 2020 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 income and the remaining amount recognized in loss for the year.

	Year Ended December 31, 2020	Year Ended December 31, 2019
Fair value of 2016 Debentures, beginning of year	\$ 61,149,632	\$ 72,481,375
Fair value change during the year	33,618,798	(11,331,743)
Interest expense	6,112,513	5,911,455
Interest paid	(5,762,383)	(5,566,552)
2016 Debentures and interest payable	\$ 95,118,560	\$ 61,494,535
Less: interest payable included in accounts payable & accrued liabilities	(350,130)	(344,903)
2016 Debentures, end of year	\$ 94,768,430	\$ 61,149,632

The 2016 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 2016 Debentures pricing model as at December 31, 2020 and December 31, 2019 are as follows:

	December 31, 2020	December 31, 2019
Volatility	38.00%	38.00%
Expected life in years	1.56 years	2.56 years
Risk free interest rate	0.20%	1.69%
Expected dividend yield	0%	0%
Credit spread	19.53%	23.96%
Underlying share price of the Company	\$3.51	\$1.67
Conversion exercise price	US\$2.3261	US\$2.3261
Exchange rate (C\$:US\$)	\$0.7854	\$0.7699

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9. CONVERTIBLE DEBENTURES (continued)

(b) 2017 Debentures

On July 21, 2017, the Company issued US\$60 million principal amount of convertible debentures (the "2017 Debentures") which were also determined to be a hybrid financial instrument comprised of the host debt contract and multiple embedded derivatives. The Company received gross proceeds of \$75,294,000 (US\$60 million) and net proceeds of \$72,482,854 (US\$57,759,864) after deducting \$2,811,146 (US\$2,240,136) in transaction costs from the issue of the 2017 Debentures. A 3% establishment fee of \$2,258,820 (US\$1.8 million) was also paid to the debenture holders through the issuance of 869,271 common shares. The fair value of the 2017 Debentures on issuance date was determined to be \$73,035,180 (US\$58,200,000).

The fair value of the 2017 Debentures increased from \$58,431,560 (US\$44,988,882) on December 31, 2019 to \$86,567,845 (US\$67,992,339) at December 31, 2020, resulting in a loss of \$28,136,285 (US\$23,003,457) for the year ended December 31, 2020. This loss, combined with the loss on the 2016 Debentures (see Note 9(a)), the loss on the 2020 Debentures (see Note 9(c)) and the loss on the IsoEnergy Debentures (see Note 9(d)) for the year ended December 31, 2020 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 income and the remaining amount recognized in loss for the year.

	Year ended December 31, 2020	Year ended December 31, 2019
Fair value of 2017 Debentures, beginning of year	\$ 58,431,560	\$ 65,709,509
Fair value change during the year	28,136,285	(7,277,949)
Interest expense	6,112,513	5,911,455
Interest paid	(5,762,383)	(5,566,552)
2017 Debentures and interest payable	\$ 86,917,975	\$ 58,776,463
Less: interest payable included in accounts payable & accrued liabilities	(350,130)	(344,903)
2017 Debentures, end of year	\$ 86,567,845	\$ 58,431,560

The 2017 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 2017 Debentures pricing model as at December 31, 2020 and December 31, 2019 are as follows:

	December 31, 2020	December 31, 2019
Volatility	38.00%	38.00%
Expected life in years	1.56 years	2.56 years
Risk free interest rate	0.20%	1.69%
Expected dividend yield	0%	0%
Credit spread	19.53%	23.96%
Underlying share price of the Company	\$3.51	\$1.67
Conversion exercise price	US\$2.6919	US\$2.6919
Exchange rate (C\$:US\$)	\$0.7854	\$0.7699

(c) 2020 Debentures

On May 27, 2020, the Company issued US\$15 million principal amount of convertible debentures (the "2020 Debentures") which were also determined to be a hybrid financial instrument comprised of the host debt contract and multiple embedded derivatives. The Company received proceeds of \$20,888,500 (US\$15 million) and a 3% establishment fee of \$627,030 (US\$450,000) was paid to the debenture holders through the issuance of 348,350 common shares and a consent fee of \$355,130 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 \$20,261,470 (US\$14,550,000).

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9. CONVERTIBLE DEBENTURES (continued)

The fair value of the 2020 Debentures increased from \$20,261,470 (US\$14,550,000) on the initial measurement date to \$31,482,817 (US\$24,727,314) at December 31, 2020, resulting in a loss of \$11,221,347 (US\$10,177,314) for the year ended December 31, 2020. This loss, combined with the loss on the 2016 Debentures (see Note 9(a)), the loss on the 2017 Debentures (see Note 9(b)) and the loss on the IsoEnergy Debentures (see Note 9(d)) for the year ended December 31, 2020 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 income and the remaining amount recognized in loss for the year.

	December 31, 2020
Fair value of 2020 Debentures on issuance	\$ 20,261,470
Fair value change during the year	11,221,347
Interest expense	897,129
Interest paid	(809,595)
2020 Debentures and interest payable	\$ 31,570,351
Less: interest payable included in accounts payable & accrued liabilities	(87,534)
2020 Debentures, end of year	\$ 31,482,817

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 2020 Debentures pricing model as at December 31, 2020 and May 27, 2020 are as follows:

	December 31, 2020	May 27, 2020
Volatility	38.00%	38.00%
Expected life in years	4.41 years	5 years
Risk free interest rate	0.74%	0.75%
Expected dividend yield	0%	0%
Credit spread	19.53%	22.31%
Underlying share price of the Company	\$3.51	\$1.93
Conversion exercise price	\$2.34	\$2.34
Exchange rate (C\$:US\$)	\$0.7854	\$0.7257

General Terms of the 2016, 2017, and 2020 Convertible Debentures

At inception, for each of the 2016 Debentures, 2017 Debentures, and 2020 Debentures (collectively, the "Convertible Debentures"), the Company made an irrevocable election to designate the Convertible Debentures as a financial liability at fair value through profit or loss. At their respective initial recognition date, the entire convertible instrument was measured at fair value with associated transaction costs expensed as incurred. Subsequent to initial recognition, the convertible financial instrument is marked to market at each financial reporting date and any change in fair value is recognized in profit or loss with the exception that the change in fair value that is attributable to the change in credit risk is presented in other comprehensive income.

The Convertible Debentures bear 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. For this purpose, the VWAP shall be converted into US dollars on each of the 20 days in the period, using the indicative rate of exchange for such currency as reported by the Bank of Canada.

The 2016 Debentures, 2017 Debentures, and 2020 Debentures are convertible, from time to time, into common shares of the Company at the option of the debenture holders at any time prior to maturity at a price per common share of US\$2.3261, US\$2.6919, and \$2.3400, respectively (the "Conversion Price").

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9. CONVERTIBLE DEBENTURES (continued)

The 2016 Debentures, 2017 Debentures, and 2020 Debentures are not redeemable by the Company prior to June 10, 2019, July 21, 2020, and May 27, 2023, respectively. On or after June 10, 2019 and July 21, 2020 and prior to July 22, 2022, the 2016 Debentures and 2017 Debentures, respectively; and on or after May 27, 2023 and prior to May 27, 2025, the 2020 Debentures, may be redeemed by the Company, in whole or in part, at any time that the 20-day VWAP of the common shares exceeds 130% of the Conversion Price, on not less than 30 days' prior notice to the debenture holders. For this purpose, the VWAP shall be converted into US dollars on each of the 20 days in the period, using the indicative rate of exchange for such currency as reported by the Bank of Canada.

Upon completion of a change of control (which includes in the case of the holders' right to redeem the Convertible Debentures, a change in the Chief Executive Officer of the Company), the holders of the Convertible Debentures or the Company may require the Company to purchase or the holders to redeem, as the case may be, any outstanding Convertible Debentures in cash at: (i) on or prior to June 10, 2019, July 21, 2020, and May 27, 2023 for the 2016 Debentures, 2017 Debentures, and 2020 Debentures respectively, 130% of the principal amount; and (ii) at any time thereafter, 115% of the principal amount, in each case plus accrued but unpaid interest, if any. In addition, upon the public announcement of a change of control that is supported by the Board, the Company may require the holders of the Convertible Debentures to convert the Convertible Debentures into common shares at the Conversion Price provided the consideration payable upon the change of control exceeds the Conversion Price and is payable in cash.

The 2016 Debentures, 2017 Debentures, and 2020 Debentures mature on July 22, 2022, July 22, 2022 and May 27, 2025, respectively.

(d) IsoEnergy Debentures

On August 18, 2020, IsoEnergy entered into an agreement with Queen's Road Capital Investment Ltd. for a US\$6 million private placement of unsecured convertible debentures (the "IsoEnergy Debentures"). The IsoEnergy Debentures are convertible at the holder's option at a conversion price of \$0.88 (the "IsoEnergy Conversion Price") into a maximum of 9,206,311 common shares of IsoEnergy (the "Maximum Conversion Shares"). The IsoEnergy Debentures were also determined to be a hybrid financial instrument comprised of the host debt contract and multiple embedded derivatives. IsoEnergy received gross proceeds of \$7,902,000 (US\$6,000,000). A 3% establishment fee of \$272,414 (US\$180,000) was also paid to the debenture holders through the issuance of 219,689 common shares in IsoEnergy. The fair value of the IsoEnergy Debentures on issuance date was determined to be \$7,629,586 (US\$5,820,000).

The fair value of the IsoEnergy Debentures increased from \$7,629,586 (US\$5,820,000) on the initial measurement date to \$14,033,992 (US\$11,005,326) at December 31, 2020, resulting in a loss of \$6,404,406 (US\$5,185,326) for the year ended December 31, 2020. This loss, combined with the losses on the 2016 Debentures, 2017 Debentures, and 2020 Debentures (see Notes 9(a, b, and c), for the year ended December 31, 2020 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 income and the remaining amount recognized in loss for the year.

	Year ended December 31, 2020
Fair value of IsoEnergy Debentures on issuance	\$ 7,629,586
Fair value change during the year	6,404,406
Interest expense	248,962
Interest paid	(248,962)
IsoEnergy Debentures, end of year	\$ 14,033,992

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9. CONVERTIBLE DEBENTURES (continued)

The 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.

	December 31, 2020	August 18, 2020
Volatility	46.00%	48.00%
Expected life in years	4.65 years	5 years
Risk free interest rate	0.79%	0.76%
Expected dividend yield	0%	0%
Credit spread	21.70%	22.80%
Underlying share price of IsoEnergy	\$1.87	\$1.24
Conversion exercise price	\$0.88	\$0.88
Exchange rate (C\$:US\$)	\$0.7854	\$0.7594

General Terms of the IsoEnergy Debentures

On any conversion of any portion of the principal amount of the IsoEnergy Debentures, if the number of common shares in IsoEnergy to be issued on such conversion, taking into account all common shares issued in respect of all prior conversions would result in the common shares to be issued exceeding the Maximum Conversion Shares, on such conversion the debenture holder shall be entitled to receive a payment (the **"Exchange Rate Fee"**) equal of the number of common shares that are not issued as a result of exceeding the Maximum Conversion Shares, multiplied by the 20-day VWAP of IsoEnergy. IsoEnergy can elect to pay the Exchange Rate Fee in cash or, subject to the TSXV approval, in common shares of IsoEnergy.

The IsoEnergy Debentures carry an 8.5% coupon (the **"Interest"**) over a 5-year term. The Interest is payable semi-annually with 6% payable in cash and 2.5% payable in common shares of IsoEnergy, subject to TSXV approval, at a price equal to the market price of IsoEnergy's common shares on the TSXV on the day prior to the date such Interest is due. The Interest can be reduced to 7.5% per annum on the public dissemination by IsoEnergy of an economically positive preliminary economic assessment study, at which point the cash component of the Interest will be reduced to 5% per annum.

IsoEnergy will be entitled, on or after the third anniversary of the date of issuance of the IsoEnergy Debentures, at any time the IsoEnergy 20-day VWAP on the TSXV exceeds 130% of the IsoEnergy Conversion Price, to redeem the IsoEnergy Debentures at par plus accrued and unpaid Interest.

Upon completion of a change of control (which includes in the case of the holders' right to redeem the IsoEnergy Debentures, a change in the Chief Executive Officer of IsoEnergy), the holders of the IsoEnergy Debentures or IsoEnergy may require IsoEnergy to purchase or the holders to redeem, as the case may be, any outstanding IsoEnergy Debentures in cash at: (i) on or prior to August 18, 2023, 130% of the principal amount; and (ii) at any time thereafter, 115% of the principal amount, in each case plus accrued but unpaid interest, if any. In addition, upon the public announcement of a change of control that is supported by the Board of IsoEnergy, IsoEnergy may require the holders of the IsoEnergy Debentures to convert the IsoEnergy Debentures into common shares of IsoEnergy at the IsoEnergy Conversion Price provided the consideration payable upon the change of control exceeds the IsoEnergy Conversion Price and is payable in cash.

The IsoEnergy Debentures mature on August 19, 2025.

10. SHARE CAPITAL AND RESERVES

Authorized Capital - Unlimited number of common shares with no par value and unlimited number of preferred shares.

Issued

For the year ended December 31, 2020:

- On May 27, 2020, the Company completed a financing that consisted of a US\$15 million private placement of common shares and US\$15 million of the 2020 Debentures (Note 9). In connection with the financing the Company issued 11,611,667 common shares at a price of \$1.80 for the private placement, 348,350 common shares at a price of \$1.80 for the establishment fees of the 2020 Debentures, and 180,270 common shares at a deemed price of \$1.97 for a consent fee to the investors of the 2016 and 2017 Debentures in connection with the 2020 Debenture financing.
- On June 8, 2020, the Company issued 1,092,142 common shares at a fair value of \$2,151,520 to the Convertible Debenture holders for the share portion of the debenture interest payment.

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10. SHARE CAPITAL AND RESERVES (continued)

- (c) On December 10, 2020, the Company issued 856,206 common shares with a fair value of \$2,585,742 to the Convertible Debenture holders for the share portion of the debenture interest payment.

For the year ended December 31, 2019:

- (a) On June 7, 2019, the Company issued 1,041,304 common shares at a fair value of \$2,020,130 to the Convertible Debenture holders for the share portion of the debenture interest payment.
- (b) On December 9, 2019, the Company issued 1,188,872 common shares at a fair value of \$1,854,639 to the Convertible Debenture holders for the share portion of the debenture interest payment.

Stock 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.

Stock option transactions and the number of stock options are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
Outstanding at December 31, 2018	36,237,148	\$ 1.98
Granted	9,438,679	1.79
Exercised	(6,783,333)	0.58
Expired/Forfeited	(2,274,999)	2.77
Outstanding at December 31, 2019	36,617,495	\$ 2.14
Granted	9,555,000	2.54
Exercised	(7,490,999)	0.90
Expired/Forfeited	(2,208,334)	2.75
Outstanding at December 31, 2020	36,473,162	\$ 2.47
Number of Options Exercisable	27,322,378	\$ 2.51

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10. SHARE CAPITAL AND RESERVES (continued)

As at December 31, 2020, the Company has stock options outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
100,000	100,000	2.39	0.25	April 2, 2021
25,000	25,000	3.39	0.25	April 2, 2021
250,000	250,000	2.69	0.44	June 8, 2021
4,125,000	4,125,000	2.65	0.48	June 23, 2021
2,700,000	2,700,000	2.24	0.96	December 15, 2021
250,000	250,000	3.11	1.31	April 22, 2022
3,550,000	3,550,000	3.39	1.95	December 14, 2022
75,000	75,000	2.39	2.28	April 13, 2023
3,750,000	3,750,000	2.85	2.44	June 8, 2023
100,000	100,000	2.66	2.47	June 20, 2023
720,482	720,482	2.49	2.64	August 21, 2023
2,741,667	2,741,667	2.41	3.00	December 31, 2023
500,000	333,333	2.27	3.22	March 21, 2024
250,000	166,667	2.22	3.24	March 27, 2024
3,725,000	2,483,335	1.92	3.45	June 12, 2024
188,679	188,679	1.59	3.63	August 16, 2024
3,867,334	2,578,222	1.59	3.98	December 24, 2024
4,625,000	1,541,666	1.80	4.45	June 12, 2025
<u>4,930,000</u>	<u>1,643,327</u>	3.24	4.95	December 11, 2025
36,473,162	27,322,378			

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options granted. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. The following weighted average assumptions were used to estimate the weighted average grant date fair values for the years ended December 31, 2020 and December 31, 2019:

	December 31, 2020	December 31, 2019
Expected stock price volatility	61.35%	61.75%
Expected life of options	5.00 years	5.00 years
Risk free interest rate	0.44%	1.54%
Expected forfeitures	0%	0%
Expected dividend yield	0%	0%
Weighted average fair value per option granted in year	\$1.29	\$0.96

Share-based payments for options vested for the year ended December 31, 2020 amounted to \$11,263,883 (2019 – \$12,193,245) of which \$9,748,199 (2019 – \$10,867,167) was expensed to the statement of loss and comprehensive loss and \$1,515,684 (2019 – \$1,326,078) was capitalized to exploration and evaluation assets (Note 5).

11. RELATED PARTY TRANSACTIONS

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 executive and non-executive members of the Company's Board of Directors, corporate officers and related companies.

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11. RELATED PARTY TRANSACTIONS (continued)

Remuneration attributed to key management personnel can be summarized as follows:

	For the years ended	
	December 31, 2020	December 31, 2019
Short-term compensation ⁽¹⁾	\$ 4,772,599	\$ 4,041,619
Share-based payments (stock options) ⁽²⁾	8,623,774	9,101,888
Consulting fees ⁽³⁾	129,996	45,499
	<u>\$ 13,526,369</u>	<u>\$ 13,189,006</u>

⁽¹⁾ Short-term compensation to key management personnel for the year ended December 31, 2020 amounted to \$4,772,599 (2019 - \$4,041,619) of which \$4,122,196 (2019 - \$2,985,193) was expensed and included in salaries, benefits and directors' fees on the statement of loss and comprehensive loss. The remaining \$650,403 (2019 - \$1,056,426) was capitalized to exploration and evaluation assets.

⁽²⁾ Share-based payments to key management personnel for the year ended December 31, 2020 amounted to \$8,623,774 (2019 - \$9,101,888) of which \$8,450,898 (2019 - \$8,834,428) was expensed and \$172,876 (2019 - \$267,460) 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 year ended December 31, 2020 amounting to \$129,996 (2019 - \$45,499).

As at December 31, 2020, there was \$45,499 (December 31, 2019 - \$99,999) included in accounts payable and accrued liabilities owing to its directors and officers for compensation.

12. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of assets. 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 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.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

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

13. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and the Convertible Debentures.

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

Fair Value Measurement

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data.

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13. FINANCIAL INSTRUMENTS (continued)

The Convertible Debentures are re-measured at fair value at each reporting date with any change in fair value recognized in profit or 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 income (Note 9). The Convertible Debentures are classified as Level 2.

As at December 31, 2020, the Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) 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.

(b) 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. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020, NexGen had cash of \$74,021,706 to settle accounts payable and accrued liabilities of \$6,544,448.

(c) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

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13. FINANCIAL INSTRUMENTS (continued)

(i) 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 December 31, 2020. 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 Convertible Debentures and IsoEnergy Debentures, in an aggregate principal amount of US\$141 million, carry fixed interest rates of 7.5% and 8.5% respectively and are not subject to interest rate fluctuations.

(ii) 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, Convertible Debentures and IsoEnergy 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 Convertible Debentures and IsoEnergy Debentures. At maturity the US\$141 million principal amount of the Convertible Debentures and 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 Convertible Debentures and 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 Convertible Debentures more costly to repay.

(iii) 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 the Company's share price may affect the valuation of the 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.

Sensitivity Analysis

As at December 31, 2020, the Company's US dollar net financial liabilities were US\$163,516,140. Thus a 10% change in the Canadian dollar versus the US dollar exchange rates would give rise to a \$20,818,875 change in loss and comprehensive loss.

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

14. SEGMENT INFORMATION

The Company operates in one reportable segment, being the acquisition, exploration and development of uranium properties. All of the Company's non-current assets are located in Canada.

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15. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2020	2019
Net loss for the year	\$ (113,787,802)	\$ (15,615,773)
Statutory rate	27.00%	27.00%
Expected income tax recovery	\$ (30,722,706)	\$ (4,216,259)
Permanent differences	1,757,674	1,350,167
Impact of flow-through shares	921,877	1,114,153
Adjustment to prior years provision versus statutory tax returns	-	165,160
Impact of loss recognized in other comprehensive income	760,208	-
Impact of loss on convertible debt	13,400,579	-
Change in unrecognized deductible temporary differences and other	14,584,695	2,519,062
Deferred income tax expense	\$ 702,327	\$ 932,283

The Company's income tax expense is comprised of the following:

	2020	2019
Deferred income tax expense	\$ 702,327	\$ 932,283
Total	\$ 702,327	\$ 932,283

The Company's deferred tax items recognized in OCI during the year:

	2020	2019
Change in fair value of convertible debentures attributable to the change in credit risk	\$ (760,205)	\$ (867,238)
Total	\$ (760,205)	\$ (867,238)

The tax effects of temporary differences between amounts recorded in the Company's accounts and the corresponding amounts as calculated for income tax purposes give rise to the following deferred tax (assets) and liabilities:

	2020	2019
Exploration and evaluation assets	\$ 15,371,540	\$ 8,464,017
Convertible debentures	96,727	8,565,347
Non-capital losses	(14,449,613)	(16,067,850)
Share issuance costs	(248,892)	(194,576)
Equipment	(58,175)	(41,872)
Net deferred tax liabilities	\$ 711,587	\$ 725,066

Movement in the Company's deferred tax liability balance in the year is as follows:

	2020	2019
Opening balance	\$ 725,066	\$ 199,366
Recognized in income tax expense	929,842	1,488,534
Recognized in OCI/equity	(943,321)	(962,834)
Net deferred tax liability	\$ 711,587	\$ 725,066

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2020	Expiry Date Range	2019	Expiry Date Range
Temporary Differences				
Non-capital losses available for future periods	\$ 100,434,000	2031 to 2039	\$ 42,080,000	2031 to 2039
Net capital losses	355,000	No expiry	355,000	No expiry
Share issuance costs	3,069,000	-	4,288,000	-
Convertible debt	-	-	4,146,000	-
Equipment	987,000	-	894,000	-
Donations	48,000	2025	894,000	-

Tax attributes are subject to review, and potential adjustment, by tax authorities.

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16. NON-CONTROLLING INTERESTS

The Company had four wholly owned subsidiaries in Canada and transferred certain exploration and evaluation assets to three of its wholly owned subsidiaries (Note 1). As at December 31, 2020, NexGen held 100% ownership of the subsidiaries with the exception of IsoEnergy, where it retained 51% of IsoEnergy's outstanding common shares (December 31, 2019 – 52%) (Note 4(b)).

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 earnings of IsoEnergy is reflected in the loss and comprehensive loss attributable to non-controlling interests in the consolidated statements of loss and comprehensive loss.

Summarized financial information for IsoEnergy Ltd. is as follows:

	2020	2019
Cash	\$ 14,035,000	\$ 6,587,000
Other current assets	265,000	209,000
Non-current assets	53,923,000	48,208,000
Total assets	\$ 68,223,000	\$ 55,004,000
Current liabilities	305,000	650,000
Non-current liabilities	14,831,000	867,000
Total liabilities	\$ 15,136,000	\$ 1,517,000
Loss from operations	\$ 9,543,000	\$ 2,097,000
Loss and comprehensive loss	\$ 9,616,000	\$ 2,162,000
Net cash flow from operating activities	(2,532,000)	(1,915,000)
Net cash flow from investing activities	(5,664,000)	(4,236,000)
Net cash flow from financing activities	15,643,000	6,333,000
Net increase (decrease) in cash	\$ 7,447,000	\$ 182,000

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions during the year ended December 31, 2020 included:

- a) At December 31, 2020, \$5,264,334 of exploration and evaluation asset expenditures were included in accounts payable and accrued liabilities.
- b) At December 31, 2020, \$787,793 of interest expense related to the Convertible Debentures was included in the accounts payable and accrued liabilities. During the year the Company issued 1,948,348 shares with a fair value of \$4,737,262 for the non-cash portion of the Convertible Debenture interest payments.

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17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (continued)

- c) Right-of-use lease assets of \$2,100,305 and related lease liabilities of \$2,121,305 recorded in the year were non-cash (Notes 4 & 7).
- d) Share-based payments of \$1,515,684 was included in exploration and evaluation assets (Note 5).
- e) The re-allocation upon exercise of stock options from reserves to share capital was \$4,421,000.

The significant non-cash transactions during the year ended December 31, 2019 included:

- a) At December 31, 2019, \$2,653,508 of exploration and evaluation asset expenditures and \$3,385 of equipment expenditures were included in accounts payable and accrued liabilities.
- b) At December 31, 2019, \$681,870 of interest expense related to the Convertible Debentures was included in the accounts payable and accrued liabilities. During the year the Company issued 2,230,176 shares with a fair value of \$3,874,769 for the non-cash portion of the Convertible Debenture interest payments.
- c) Right-of-use lease assets of \$2,826,512 and related lease liabilities of \$3,222,380 recorded in the year were non-cash (Notes 4 & 7).
- d) Share-based payments of \$1,326,078 was included in exploration and evaluation assets (Note 5).
- e) The re-allocation upon exercise of stock options from reserves to share capital of \$2,263,094.

18. LOSS PER SHARE

Basic loss per share provides a measure of the interests of each ordinary common share in the Company's performance over the year. Diluted loss per share adjusts basic net loss per share for the effect of all dilutive potential common shares.

	2020	2019
Basic loss per share		
Loss attributable to common shareholders	\$ 109,828,218	\$ 15,531,911
Weighted average number of common shares	370,530,748	354,593,084
Basic loss per share	\$ 0.30	\$ 0.04
Diluted loss per share		
Loss attributable to common shareholders	\$ 109,828,218	\$ 15,531,911
Interest expense on convertible debentures	-	(11,822,910)
Mark to market gain on convertible debentures	-	21,821,831
Diluted loss attributable to common shareholders	\$ 109,828,218	\$ 25,530,832
Weighted average number of common shares	370,530,748	354,593,084
Effect on conversion of convertible debentures	-	48,083,337
Weighted average number of common shares (diluted) at December 31	370,530,748	402,676,421
Diluted loss per common share	\$ 0.30	\$ 0.06

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19. SUBSEQUENT EVENTS

(a) Stock Options

Subsequent to December 31, 2020, 633,334 stock options were exercised for proceeds of \$1,643,168 and 250,000 stock options were granted with an exercise price of \$5.16 which expire on February 16, 2026.

(b) Conversion of Debentures

On February 18, 2021, the Company announced that it received notice from the 2016 and 2017 convertible debenture holders that they have elected to convert their debentures, and a portion of accrued interest, into 48,260,380 common shares of the Company.

(c) Feasibility Study

On February 22, 2021, the Company released a Feasibility Study for the Rook I Project (Note 5).

(d) Bought Deal Financing

On February 25, 2021, the Company announced an equity financing on a bought deal basis of 33,400,000 common shares of the Company at a price of \$4.50 per common share (the "Offering Price") for gross proceeds of approximately \$150 million (the "Offering"). The Company has granted the Underwriters an option, exercisable at the Offering Price for a period of 30 days following the closing of the Offering, to purchase up to an additional 5,010,000 common shares to cover over-allotments, if any (the "Over-Allotment Option"). The Offering closed on March 11, 2021 and the Over-Allotment Option closed on March 16, 2021.

Annexure C – Consolidated Financial Statements of NexGen Energy Ltd. December 31, 2019 and 2018



Consolidated Financial Statements of

NEXGEN ENERGY LTD.

December 31, 2019 and 2018

Management's Responsibility for Financial Reporting

The accompanying audited consolidated financial statements, related note disclosure, and other financial information contained in the management's discussion and analysis of NexGen Energy Ltd. (the "Company") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the audited annual consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

The Company maintains adequate systems of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that transactions are properly authorized and recorded, the Company's assets are appropriately accounted for and adequately safe guarded and that the financial information is relevant and reliable.

The Board of Directors is responsible for reviewing and approving the audited annual consolidated financial statements together with the other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and all of its members are non-management directors. The Audit Committee reviews the audited consolidated financial statements, management's discussion and analysis, the external auditors' report, examines the fees and expenses for audit services, and considers the engagement or reappointment of the external auditors. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the consolidated financial statements for issuance to the shareholders. KPMG LLP, the external auditors, have full and free access to the Audit Committee.

/s/ Leigh Curyer

Leigh Curyer
President and Chief Executive Officer

/s/ Rhéal Assié

Rhéal Assié
Acting – Chief Financial Officer

Vancouver, Canada
March 3, 2020



KPMG LLP
Chartered Professional Accountants
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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
NexGen Energy Ltd.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of NexGen Energy Ltd. (the Company) as of December 31, 2019 and 2018, the related consolidated statements of loss (profit) and comprehensive loss (profit), changes in equity, and cash flows for the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in conformity with International Financial Reporting Standards.

Change in Accounting Principle

As discussed in Note 4(n) to the consolidated financial statements, the Company has changed its accounting policy for leases as of January 1, 2019 due to the adoption of IFRS 16, *Leases*.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.



NexGen Energy Ltd.
March 3, 2020

//s// KPMG LLP

We have served as the Company's auditor since 2016.

Chartered Professional Accountants

March 3, 2020

Vancouver, Canada

NEXGEN ENERGY LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at

	Note	December 31, 2019	December 31, 2018
ASSETS			
Current			
Cash and cash equivalents		\$ 52,117,581	\$ 125,059,189
Amounts receivable		610,121	386,939
Prepaid expenses and other assets		734,310	266,353
		53,462,012	125,712,481
Non-current			
Deposits		95,835	514,711
Exploration and evaluation assets	5	252,380,408	194,128,594
Equipment	8	7,587,659	6,511,779
		260,063,902	201,155,084
TOTAL ASSETS		\$ 313,525,914	\$ 326,867,565
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 3,998,313	\$ 5,966,921
Current portion of lease liabilities	4, 6	558,960	-
Flow-through share premium liability	7	227,522	550,392
		4,784,795	6,517,313
Non-current			
Deferred income tax liability		725,066	199,366
Deferred lease inducement		-	33,412
Long-term lease liabilities	4, 6	2,086,007	-
Convertible debentures	9	119,581,192	138,190,884
		122,392,265	138,423,662
TOTAL LIABILITIES		127,177,060	144,940,975
EQUITY			
Share capital	10	218,787,664	208,711,135
Reserves	10	51,559,201	41,629,049
Accumulated other comprehensive income (loss)		(2,247,226)	97,675
Accumulated deficit		(103,400,960)	(85,143,089)
		164,698,679	165,294,770
Non-controlling interests		21,650,175	16,631,820
TOTAL EQUITY		186,348,854	181,926,590
TOTAL LIABILITIES AND EQUITY		\$ 313,525,914	\$ 326,867,565

Nature of operations (Note 2)
Commitments (Note 7)

The accompanying notes are an integral part of the consolidated financial statements
These consolidated financial statements were authorized for issue by the Board of Directors on March 3, 2020

NEXGEN ENERGY LTD.
CONSOLIDATED STATEMENTS OF LOSS (PROFIT) AND COMPREHENSIVE LOSS (PROFIT)
(Expressed in Canadian Dollars)
For the years ended

	Note	December 31, 2019	December 31, 2018
Salaries, benefits and directors' fees	11	\$ 5,624,334	\$ 5,897,494
Office and administrative		1,996,123	1,855,177
Professional fees		3,572,164	2,003,931
Travel		1,142,668	920,834
Depreciation	8	2,383,177	1,533,634
Impairment of exploration and evaluation assets	5	14,354	-
Share-based payments	10, 11	10,867,167	13,736,299
Finance income		(1,815,590)	(2,486,565)
Rental Income		(30,305)	-
Mark to market gain on convertible debentures	9	(21,821,831)	(32,578,261)
Interest expense	9	11,822,910	11,954,146
Interest on lease liabilities	6	206,986	-
Foreign exchange loss (gain)		1,653,616	(4,025,062)
Loss on disposal of equipment		-	6,065
Loss (profit) from operations		\$ 15,615,773	\$ (1,182,308)
Deferred income tax expense (recovery)	15	932,283	(309,298)
Loss (profit) for the year		\$ 16,548,056	\$ (1,491,606)
Other Comprehensive Income			
Items that will not reclassify subsequently to profit or loss			
Change in fair value of convertible debentures attributable to the change in credit risk	9	3,212,139	(600,821)
Deferred income tax recovery	15	(867,238)	-
Other Comprehensive Income		2,344,901	(600,821)
Total comprehensive loss (profit) for the year		\$ 18,892,957	\$ (2,092,427)

The accompanying notes are an integral part of the consolidated financial statements

NEXGEN ENERGY LTD.
CONSOLIDATED STATEMENTS OF LOSS (PROFIT) AND COMPREHENSIVE LOSS (PROFIT) (continued)
(Expressed in Canadian Dollars)
For the years ended

	Note	December 31, 2019	December 31, 2018
Loss (profit) attributable to:			
Shareholders of NexGen Energy Ltd.		\$ 15,531,911	\$ (2,269,689)
Non-controlling interests in IsoEnergy Ltd.		1,016,145	778,083
Loss (profit) for the year		\$ 16,548,056	\$ (1,491,606)
Total comprehensive loss (profit) attributable to:			
Shareholders of NexGen Energy Ltd.		\$ 17,876,812	\$ (2,870,510)
Non-controlling interests in IsoEnergy Ltd.		1,016,145	778,083
Total comprehensive loss (profit) for the year		\$ 18,892,957	\$ (2,092,427)
Loss (profit) per common share attributable to the Company's common shareholders			
Basic Loss (profit) per common share	18	\$ 0.04	\$ (0.01)
Diluted Loss (profit) per common share	18	\$ 0.06	\$ 0.05
Weighted average number of common shares outstanding			
Basic	18	354,593,084	345,868,725
Diluted	18	402,676,421	393,952,062

The accompanying notes are an integral part of the consolidated financial statements

NEXGEN ENERGY LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Non-controlling Interests	Total
Balance as at December 31, 2017		339,339,356	\$ 196,311,184	\$ 28,050,059	\$ -	\$ (88,038,390)	\$ 12,017,852	\$ 148,340,705
Exercise of options	10	10,458,334	8,351,206	(3,276,872)	-	-	-	5,074,334
Issue of shares on convertible debenture interest payment	10	1,439,372	4,048,745	-	-	-	-	4,048,745
Share-based payments	10	-	-	16,855,862	-	-	-	16,855,862
Issue of shares of subsidiary to non-controlling interests		-	-	-	-	122,466	5,392,051	5,514,517
Loss for the period		-	-	-	-	2,269,689	(778,083)	1,491,606
Other comprehensive income		-	-	-	600,821	-	-	600,821
Impact of adopting IFRS 9		-	-	-	(503,146)	503,146	-	-
Balance as December 31, 2018		351,237,062	\$ 208,711,135	\$ 41,629,049	\$ 97,675	\$ (85,143,089)	\$ 16,631,820	\$ 181,926,590
Balance at December 31, 2018		351,237,062	\$ 208,711,135	\$ 41,629,049	\$ 97,675	\$ (85,143,089)	\$ 16,631,820	\$ 181,926,590
Exercise of options	10	6,783,333	6,201,760	(2,263,094)	-	-	-	3,938,666
Exercise of warrants of subsidiary to non-controlling interests		-	-	-	-	(14,153)	40,287	26,134
Issue of shares on convertible debenture interest payments	10	2,230,176	3,874,769	-	-	-	-	3,874,769
Share-based payments	10	-	-	12,193,246	-	-	-	12,193,246
Issue of shares of subsidiary to non-controlling interests		-	-	-	-	(2,711,807)	5,994,213	3,282,406
Loss for the period		-	-	-	-	(15,531,911)	(1,016,145)	(16,548,056)
Other comprehensive loss		-	-	-	(2,344,901)	-	-	(2,344,901)
Balance as at December 31, 2019		360,250,571	\$ 218,787,664	\$ 51,559,201	\$ (2,247,226)	\$ (103,400,960)	\$ 21,650,175	\$ 186,348,854

The accompanying notes are an integral part of the consolidated financial statements

NEXGEN ENERGY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the years ended

	December 31, 2019	December 31, 2018
Cash flows (used in) from operating activities		
Profit (loss) for the period	\$ (16,548,056)	\$ 1,491,606
Items not involving cash:		
Depreciation	2,383,177	1,533,634
Share-based payments	10,867,167	13,736,299
Amortization of deferred lease inducement	-	(40,097)
Impairment of exploration and evaluation assets	14,354	-
Unrealized foreign exchange loss (gain) on cash and cash equivalents	1,048,218	(3,905,624)
Deferred income tax expense (recovery)	932,283	(309,298)
Mark to market gain on convertible debentures	(21,821,831)	(32,578,261)
Interest expense	11,822,910	11,954,146
Accretion expense	206,986	-
Gain on disposal of equipment	-	6,065
Changes in non-cash working capital items:		
Amounts receivable	28,355	161,130
Prepaid expenses	(467,957)	(107,478)
Deposits	418,876	(481,784)
Accounts payable and accrued liabilities	(1,690,368)	87,594
	(12,805,886)	(8,452,068)
Cash flows (used in) investing activities		
Exploration and evaluation asset expenditures	(57,050,294)	(34,813,614)
Acquisition of equipment	(629,160)	(2,954,028)
	(57,679,454)	(37,767,642)
Cash flows (used in) from financing activities		
Cash from exercise of options and warrants, net of share issuance costs	3,964,800	5,074,334
Payment of lease liabilities	(784,399)	-
Shares of subsidiary issued to non-controlling interests for cash, net of share issuance costs	3,420,191	5,273,624
Interest paid on convertible debentures	(8,008,642)	(7,918,533)
	(1,408,050)	2,429,425
Change in cash and cash equivalents	(71,893,390)	(43,790,285)
Cash and cash equivalents, beginning of period	125,059,189	164,943,850
Effect of exchange rate fluctuations on cash held	(1,048,218)	3,905,624
Cash and cash equivalents, end of period	\$ 52,117,581	\$ 125,059,189
 Cash and cash equivalents consist of:		
Cash	\$ 52,117,581	\$ 125,059,189
Cash equivalents	-	-
Cash and cash equivalents	\$ 52,117,581	\$ 125,059,189

Supplemental disclosure with respect to cash flows (Note 17)

The accompanying notes are an integral part of the consolidated financial statements

NEXGEN ENERGY LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31, 2019 & 2018

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.

On April 19, 2013, the Company (as it was then called, Clermont Capital Inc. ("Clermont")) completed its qualifying transaction, which was effected pursuant to an amalgamation agreement dated December 31, 2012 (the "Amalgamation Agreement") amongst Clermont, 0957633 B.C. Ltd., a wholly owned subsidiary of Clermont, and NexGen Energy Ltd. ("Old NexGen"). Pursuant to the Amalgamation Agreement, the shareholders of Old NexGen were issued one common share of Clermont (on a post-share consolidation basis) for every one Old NexGen common share held immediately prior to the completion of the amalgamation. In connection with the Qualifying Transaction, Clermont also completed a consolidation of its common shares on a 2.35:1 basis and changed its name to "NexGen Energy Ltd.". The Company's acquisition of Old NexGen was accounted for as a reverse takeover.

The Company commenced trading on the TSX Venture Exchange ("TSX-V") as a Tier 2 Issuer under the symbol "NXE" on April 23, 2013. On August 7, 2015, the Company became a Tier 1 Issuer. On July 15, 2016, NexGen graduated and commenced trading on the Toronto Stock Exchange ("TSX") under its existing symbol. The Company's common shares ceased trading on the OTCQX Best Market under the symbol "NXGEF" upon the commencement of trading on the NYSE American LLC ("NYSE American") under the symbol "NXE" on May 17, 2017.

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 the three months ended June 30, 2016, certain exploration and evaluation assets were transferred to each of IsoEnergy Ltd. ("IsoEnergy"), NXE Energy SW1 Ltd. and NXE Energy SW3 Ltd. (Note 5). Subsequent to the transfer, IsoEnergy shares were issued to third parties pursuant to external financings and listed its common shares on the TSX-V, with NexGen retaining 52.03% of IsoEnergy's outstanding common shares as at December 31, 2019 (December 31, 2018 – 53.35%).

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 December 31, 2019, the Company had an accumulated deficit of \$103,400,960 and working capital of \$48,677,217. The Company will be required to obtain additional funding in order to continue with the exploration and development of its mineral properties and to repay its convertible debentures (Note 9), if required.

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 PRESENTATION

Statement of Compliance

These consolidated financial statements for the year ended December 31, 2019, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The consolidated financial statements were authorized for issue by the Board of Directors on March 3, 2020.

Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value, including the convertible debentures issued by the Company (Note 9). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All monetary references expressed in these notes are references to Canadian dollar amounts ("\$"), except as otherwise noted. These financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

NEXGEN ENERGY LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31, 2019 & 2018

3. BASIS OF PRESENTATION (continued)

Critical accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in a material adjustment to the carrying amount of the asset or liability affected in future periods.

Where the fair value of financial assets and financial liabilities recorded in the financial statements cannot be derived from active markets, their fair value is determined using valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

(i) Impairment

At the end of each financial reporting period the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss or reversal of previous impairment. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. With respect to exploration and evaluation assets, the Company is required to make estimates and judgments about the future events and circumstances regarding whether the carrying amount of intangible exploration assets exceeds its recoverable amount. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets properties.

(ii) Share-based payments

The Company uses the Black-Scholes option pricing model to determine the fair value of options and warrants in order to calculate share-based payments expense and the fair value of broker warrants. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. Refer to Note 10 for further details.

(iii) Convertible debentures

The Company uses a model based on a system of two coupled Black-Scholes equations to determine the fair value of the convertible debentures. This model involves five key inputs to determine the fair value of the convertible debentures: risk-free interest rate, credit spread, market price at valuation date, expected dividend yield and historical volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. Refer to Note 9 for further details.

The information about significant areas of judgment considered by management in preparing the financial statements is as follows:

(i) Deferred tax assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies. Refer to Note 15 for further details.

NEXGEN ENERGY LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31, 2019 & 2018

3. BASIS OF PRESENTATION (continued)

(ii) Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue its business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

(iii) Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been applied consistently to all years presented in these financial statements:

(a) Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

Translation of transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange in effect at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Translation gains or losses are recognized in profit or loss.

(b) Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries: NXE Energy Royalty Ltd., NXE Energy SW1 Ltd., NXE Energy SW3 Ltd. and IsoEnergy. Shares of IsoEnergy were issued to third parties as part of financings since its inception, thereby resulting in the recognition of non-controlling interests. The financial results of the subsidiaries are included in these consolidated financial statements from the date of incorporation. Intercompany balances and transactions are eliminated on consolidation. The following table sets forth the Company's ownership percentage in each of its subsidiaries as of December 31, 2019:

Name of Subsidiary	% Ownership as of December 31, 2019
NXE Energy Royalty Ltd.	100%
NXE Energy SW1 Ltd.	100%
NXE Energy SW3 Ltd.	100%
IsoEnergy Ltd.	52.03%

(c) Cash and cash equivalents

Cash and cash equivalents include deposits held with banks that are available on demand and guaranteed investment certificates with original maturities of three months or less or that are readily convertible into cash.

(d) Exploration and evaluation assets

Once the legal rights to explore a property have been obtained, exploration and evaluation costs are capitalized as exploration and evaluation assets on an area of interest basis pending determination of the technical feasibility and the commercial viability of the project. Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. When a claim is relinquished or a project is abandoned, the related costs are recognized in profit or loss immediately.

Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the acquisition and deferred exploration costs will be written off to operations.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. A property may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

Management regularly assesses exploration and evaluation assets for events or circumstances that may indicate possible impairment.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining assets and development assets within property, plant and equipment.

(e) Equipment

(i) Recognition and measurement

Items of equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

(ii) Subsequent costs

The cost of replacing a part of an item in the carrying amount of equipment is recognized when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably.

(iii) Depreciation

The carrying amounts of equipment (including initial and subsequent capital expenditures) are amortized to their estimated residual value over the estimated useful lives of the specific assets concerned. Depreciation is calculated over the estimated useful lives of each significant component as follows:

- Computing equipment	55% declining balance basis
- Software	55% declining balance basis
- Field equipment	20% declining balance basis
- Leasehold improvements	Lease term
- Road	5-year straight-line basis
- Lease right-of-use assets	Lease term straight-line basis

Depreciation methods, useful lives, and residual values are reviewed at least annually and adjusted if appropriate.

(iv) Disposal

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of the item of equipment and are recognized in profit or loss.

(f) Impairment

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Decommissioning and Restoration Provisions

Decommissioning and restoration provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation and discount rates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows discounted at the market discount rate.

Over time the carrying value of the liability is increased for the changes in the present value based on the current market discount rates and liability risks. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

Changes in reclamation estimates are accounted for prospectively as a change in the corresponding capitalized cost.

The Company did not have any decommissioning and restoration provisions for the years presented.

(h) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

(i) Share-based payments

The Company's stock option plan allows Company employees, directors, officers and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based payments expense with a corresponding increase in equity reserves. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest.

At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment, otherwise share-based payment awards to non-employees are measured at the fair value of goods or services received. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

(j) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and ii) share capital. Upon qualifying expenditures being incurred, the Company recognizes a deferred tax liability for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as exploration and evaluation assets and its tax base and the premium liability is reduced and recognized as a reduction of deferred tax expense. Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years. Failure to expend such funds as required under the Canadian income tax legislation will result in a Part XII.6 tax to the Company on flow-through proceeds renounced under the "Look-back" Rule. When applicable, this tax is classified as a financial expense.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Loss (profit) per Share

Basic loss (profit) per share is calculated by dividing the loss (profit) attributable to the Company's common shareholders for the year by the weighted average number of common shares outstanding during the year.

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and other similar instruments. Under this method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

(l) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Financial Instruments

(i) Classification

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as at FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL (such as the Convertible Debentures).

The Company has the following financial instruments, which are classified under IFRS 9 in the table below:

<i>Financial assets/liabilities</i>	<i>Classification</i>
<i>Cash and cash equivalents</i>	<i>Amortized cost</i>
<i>Amounts receivable</i>	<i>Amortized cost</i>
<i>Accounts payable and accrued liabilities</i>	<i>Amortized cost</i>
<i>Convertible debentures</i>	<i>FVTPL</i>

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

As the Company has taken an exemption not to restate prior periods with respect to classification and measurement, it has recognized the cumulative effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period that includes the date of initial application. Therefore, the adoption of IFRS 9 resulted in a decrease to opening accumulated deficit on January 1, 2018 of \$503,146 with a corresponding adjustment to accumulated other comprehensive (loss) income, arising due to the changed classification on the accumulated fair value gain (loss) due to the change in the Company's own credit risk as at January 1, 2018.

(ii) Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive (loss) income. The Company's Convertible Debentures have been recognized at FVTPL.

(iii) Impairment of financial assets at amortized cost

Under IFRS 9, the Company recognizes a loss allowance using the expected credit loss model on financial assets that are measured at amortized cost.

The adoption of the expected credit loss impairment model under IFRS 9 had no impact on the carrying amounts of our financial assets on the transition date given the Company transacts exclusively with large international financial institutions and amounts receivable are comprised of value-added tax receivable from the government of Canada.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within the accumulated other comprehensive (loss) income.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) New standards adopted:

Change in accounting policy:

The Company has adopted all of the requirements of IFRS 16 Leases ("IFRS 16"), as of January 1, 2019, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 Leases ("IAS 17"). IFRS 16 specifies how to recognize, measure, present and disclose leases. IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all major leases. The impact of the transition is shown in Note 4(n) below.

The following is the Company's new accounting policy for leases under IFRS 16:

(i) Classification

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specific explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefit from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

(ii) Measurement

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of the property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrow rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

(iii) Remeasurement

The lease liability is measured at amortized costs using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss in the carrying amount of the right-of-use asset has been reduced to zero.

(iv) Short-term leases and leases of low-value assets

The Company has elected to apply the recognition exemption not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Impact of transition to IFRS 16

On initial application, the Company has elected to record right-of-use assets based on the corresponding lease liability. Right-of-use assets and lease obligations of \$2,826,512 and \$3,222,380, respectively, were recorded as of January 1, 2019, with no net impact on retained earnings. When measuring lease liabilities, the Company discounted lease payments using an incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 7.40%.

The transition to IFRS 16 from IAS 17 is shown in the reconciliation table below, starting with the lease commitments below as at December 31, 2018 and adjusting for the operating expenses included in the lease commitments and the discounted portion of the lease commitment to equal the Lease liability as at January 1, 2019.

IFRS 16 – Leases Standard Reconciliation		
Lease Commitments as at December 31, 2018 under IAS 17	\$	4,501,376
Less: Operating expenses of Leases		(1,611,366)
Less: Impact of Discounting on Lease liability		(701,187)
Lease liability as at January 1, 2019 under IFRS 16	\$	3,222,380

5. EXPLORATION AND EVALUATION ASSETS

(a) Rook I Property

The Rook I Project is located in Northern Saskatchewan, approximately 40 kilometres (km) east of the Saskatchewan – Alberta border, approximately 150 km north of the town of La Loche and 640 km northwest of the City of Saskatoon and consists of 32 contiguous mineral claims totalling 35,065 hectares.

The Rook I Project hosts the Arrow deposit discovered in February 2014, the Bow discovery in March 2015, the Harpoon discovery in August 2016 and the Arrow South discovery in July 2017. The Company released an updated mineral resource estimate and the results of a pre-feasibility study in November 2018, in each case, in respect of the Arrow deposit.

NexGen has a 100% interest in the claims subject only to: (i) a 2% net smelter return royalty ("NSR"); and (ii) a 10% production carried interest, in each case, only on claims S-113928 to S-113933 (the Arrow deposit is not located on any of these claims). The NSR may be reduced to 1% upon payment of \$1 million. The 10% production carried interest provides for the owner to be carried to the date of commercial production.

(b) Other Athabasca Basin Properties

The Other Athabasca Basin Properties are a portfolio of early stage mineral properties in the Athabasca Basin. The properties are grouped geographically as "SW1", "SW2" and "SW3". The SW2 properties are held directly by NexGen. The SW1 and SW3 properties are held by NXE Energy SW1 Ltd. and NXE Energy SW3 Ltd., respectively, each a wholly owned subsidiary.

(c) IsoEnergy Properties

The IsoEnergy Properties consist of (i) a 100% interest in the Radio Project, Saskatchewan (subject to a 2% net smelter return royalty and 2% gross overriding royalty); (ii) a 100% interest in the Thorburn Lake Project, Saskatchewan (subject to a 1% net smelter return royalty and a 10% carried interest which can be reduced to 1% at the holder's option upon completion of a bankable feasibility study); (iii) a 100% interest, in each of the Madison, 2Z, Carlson Creek and North Thorburn properties, Saskatchewan; (iv) a 100% interest in the Mountain Lake property, Nunavut; (v) a 100% interest in the Geiger property, Saskatchewan; (vi) a 100% interest in the Larocque East property, Saskatchewan that consists of 6 mineral claims constituting 3,200 hectares; and (vi) a portfolio of newly staked claims in Saskatchewan, all of which are early stage exploration properties.

In 2019, IsoEnergy decided not to incur expenditure limits required to maintain their Fox mineral claims in good standing and accordingly has impaired the amounts related to that property totalling \$14,354.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

The following is a summary of the capitalized costs on the projects described above.

	Rook I	Other Athabasca Basin Properties	IsoEnergy Properties	Total
	\$	\$	\$	\$
Acquisition costs:				
Balance, December 31, 2018	235,077	1,457,607	26,622,545	28,315,229
Additions	-	-	14,077	14,077
Impairment	-	-	(847)	(847)
Balance, December 31, 2019	235,077	1,457,607	26,635,775	28,328,459
Deferred exploration costs:				
Balance, December 31, 2018	148,658,925	6,530,533	10,623,907	165,813,365
Additions:				
Drilling	17,596,099	1,508,527	1,921,903	21,026,529
General exploration	5,453,717	4,126	665,140	6,122,983
Geological and geophysical	19,859,997	1,042,071	844,448	21,746,516
Labour and wages	6,099,402	78,110	825,860	7,003,372
Share-based payments (Note 10)	1,227,604	-	98,474	1,326,078
Travel	888,515	-	138,098	1,026,613
Impairment	-	-	(13,507)	(13,507)
	51,125,334	2,632,834	4,480,416	58,238,584
Balance, December 31, 2019	199,784,259	9,163,367	15,104,323	224,051,949
Total costs, December 31, 2019	200,019,336	10,620,974	41,740,098	252,380,408
	Rook I	Other Athabasca Basin Properties	IsoEnergy Properties	Total
	\$	\$	\$	\$
Acquisition costs:				
Balance, December 31, 2017	235,077	1,457,607	24,737,248	26,429,932
Additions	-	-	1,885,297	1,885,297
Balance, December 31, 2018	235,077	1,457,607	26,622,545	28,315,229
Deferred exploration costs:				
Balance, December 31, 2017	112,937,959	4,942,297	8,102,367	125,982,623
Additions:				
Drilling	16,761,145	-	1,103,960	17,865,105
General exploration	2,885,003	(23,200)	142,069	3,003,872
Geological and geophysical	7,650,358	1,611,436	256,224	9,518,018
Labour and wages	5,008,846	-	693,611	5,702,457
Share-based payments (Note 10)	2,883,711	-	235,852	3,119,563
Travel	531,903	-	89,824	621,727
	35,720,966	1,588,236	2,521,540	39,830,742
Balance, December 31, 2018	148,658,925	6,530,533	10,623,907	165,813,365
Total costs, December 31, 2018	148,894,002	7,988,140	37,246,452	194,128,594

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6. LEASES

Right-of-use asset summary of adoption of IFRS 16 on January 1, 2019

	Office Lease Assets	Vehicle Lease Assets	Total Right-of-use Assets
Right-of-use assets created on adoption of IFRS 16 on January 1, 2019	\$ 2,472,349	\$ 354,163	\$ 2,826,512
Depreciation of right-of-use assets	(485,602)	(123,985)	(609,587)
Right-of-use assets balance, December 31, 2019	\$ 1,986,747	\$ 230,178	\$ 2,216,925

Office and vehicle lease right-of-use assets are included in equipment in the office, furniture and leasehold improvements, and field equipment categories, respectively (Note 8).

Lease obligation adoption summary of IFRS 16 on January 1, 2019

	Year ended December 31, 2019
Lease obligation created on adoption of IFRS 16 on January 1, 2019	\$ 3,222,380
Interest on lease liabilities	206,986
Lease payments	(784,399)
Balance, end of the period	\$ 2,644,967
Less: Current portion	(558,960)
Long-term lease liability	\$ 2,086,007

On January 1, 2019 the Company adopted IFRS 16 – Leases retrospectively with the cumulative effect on initially applying the standard recognized at the date of initial application (see Note 4).

The leases are for office space and vehicle leases that extend to 2025 and 2022, respectively. The discount rates applied to the leases for office spaces and vehicles are 7.50% and 6.74%, respectively. In addition to the lease payments the Company pays \$422,185 annually related to operating costs and realty taxes of the leased office spaces. The amount is reassessed annually based on actual costs incurred.

In addition to the leased asset above the Company engages drilling companies to carry out its drilling programs on its 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 apply the requirements of IFRS 16 to these payments. Payments to the drilling companies in the year ended December 31, 2019 were \$16,239,540.

The Company and its subsidiary, IsoEnergy, have total office lease commitments at their Vancouver and Saskatoon offices and vehicle leases as follows:

2020	\$ 926,772
2021	\$ 814,754
2022	\$ 702,349
2023	\$ 661,863
2024	\$ 634,053
2025	\$ 634,053

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7. COMMITMENTS

Flow-through expenditures:

IsoEnergy has raised funds through the issuance of flow-through shares. Based on Canadian tax law, IsoEnergy is required to spend this amount on eligible exploration expenditures by December 31 of the year after the year in which the shares were issued.

The premium paid for a flow-through share, which is the price paid for the share over the market price of the share, is recorded as a flow-through share premium liability. This liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of flow-through premium is then recorded as a reduction in the deferred tax expense.

As of December 31, 2019, IsoEnergy is obligated to spend \$3,412,807 on eligible exploration expenditures by the end of 2020. As the commitment is satisfied, the remaining balance of the flow-through premium liability will be recognized as income.

A continuity of the flow-through share premium liability is as follows:

	Year ended December 31, 2019	Year ended December 31, 2018
Balance, beginning of the period	\$ 550,392	\$ 109,251
Liability incurred on flow-through shares issued	233,340	784,892
Settlement of flow-through share liability on expenditure made	(556,210)	(343,751)
Balance, end of the period	\$ 227,522	\$ 550,392

8. EQUIPMENT

	Computing Equipment	Software	Field Equipment	Office, Furniture and Leasehold Improvements	Road	Total
Cost						
Balance at December 31, 2017	\$ 235,586	\$ 378,733	\$ 4,218,220	\$ 215,172	\$ 1,773,585	\$ 6,821,296
Additions	69,863	371,281	2,333,896	16,685	305,810	3,097,535
Disposals	-	-	(54,075)	-	-	(54,075)
Balance at December 31, 2018	305,449	750,014	6,498,041	231,857	2,079,395	9,864,756
Assets recognized on adoption of IFRS 16 (Notes 4 and 6)	-	-	354,163	2,472,349	-	2,826,512
Additions	111,281	189,171	38,841	302,475	-	641,768
Balance at December 31, 2019	\$ 416,730	\$ 939,185	\$ 6,891,045	\$ 3,006,681	\$ 2,079,395	\$ 13,333,036
Accumulated Depreciation						
Balance at December 31, 2017	\$ 127,923	\$ 235,944	\$ 1,121,800	\$ 90,530	\$ 262,025	\$ 1,838,222
Depreciation	79,703	180,188	842,944	45,198	409,982	1,558,015
Disposals	-	-	(43,260)	-	-	(43,260)
Balance at December 31, 2018	207,626	416,132	1,921,484	135,728	672,007	3,352,977
Depreciation	84,405	235,159	1,042,981	574,357	455,498	2,392,400
Balance at December 31, 2019	\$ 292,031	\$ 651,291	\$ 2,964,465	\$ 710,085	\$ 1,127,505	\$ 5,745,377
Net book value:						
At December 31, 2018	\$ 97,823	\$ 333,882	\$ 4,576,557	\$ 96,129	\$ 1,407,388	\$ 6,511,779
At December 31, 2019	\$ 124,699	\$ 287,894	\$ 3,926,580	\$ 2,296,596	\$ 951,890	\$ 7,587,659

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9. CONVERTIBLE DEBENTURES

	December 31, 2019	December 31, 2018
2016 Debentures (a)	\$ 61,149,632	\$ 72,481,375
2017 Debentures (b)	58,431,560	65,709,509
Convertible Debentures	\$ 119,581,192	\$ 138,190,884

The fair value of the Debentures decreased from \$138,190,884 on December 31, 2018 to \$119,581,192 at December 31, 2019, resulting in a gain of \$18,609,692 for the year ended December 31, 2019. This gain for the year ended December 31, 2019 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 income (loss of \$3,212,139) and the remaining amount recognized in loss for the period (gain of \$21,821,831).

(a) 2016 Debentures

On June 10, 2016, the Company issued US\$60 million principal amount of convertible debentures (the "2016 Debentures") which were determined to be a hybrid financial instrument comprised of the host debt contract and multiple embedded derivatives. The Company received gross proceeds of \$76,416,000 (US\$60 million) and net proceeds of \$72,363,602 (US\$56,852,383) after deducting \$4,052,398 (US\$3,147,617) in transaction costs from the issue of the 2016 Debentures. A 3% establishment fee of \$2,292,480 (US\$1.8 million) was also paid to the debenture holders through the issuance of 1,005,586 common shares. The fair value of the 2016 Debentures on issuance date was determined to be \$74,123,520 (US\$58.2 million).

Pursuant to an amended and restated trust indenture dated July 21, 2017, the maturity date of the 2016 Debentures was extended to July 22, 2022.

The fair value of the 2016 Debentures decreased from \$72,481,375 (US\$53,131,047) on December 31, 2018 to \$61,149,632 (US\$47,081,639) at December 31, 2019, resulting in a gain of \$11,331,743 (US\$6,049,408) for the year ended December 31, 2019. This gain, combined with the gain on the 2017 Debentures (see Note 9(b)) for the year ended December 31, 2019 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 income and the remaining amount recognized in loss for the period.

	Year ended December 31, 2019	Year ended December 31, 2018
Fair value of 2016 Debentures, beginning of year	\$ 72,481,375	\$ 90,742,373
Fair value adjustment during the year	(11,331,743)	(18,260,998)
Interest expense	5,911,455	5,977,073
Interest paid	(5,566,552)	(5,622,593)
2016 Debentures and interest payable	\$ 61,494,535	\$ 72,835,855
Less: interest payable included in accounts payable and accrued liabilities	(344,903)	(354,480)
2016 Debentures, end of year	\$ 61,149,632	\$ 72,481,375

The 2016 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 2016 Debentures pricing model as at December 31, 2019 and December 31, 2018 are as follows:

	December 31, 2019	December 31, 2018
Volatility	38.00%	38.00%
Expected life in years	2.56 years	3.56 years
Risk free interest rate	1.69%	2.58%
Expected dividend yield	0%	0%
Credit spread	23.96%	25.79%
Underlying share price of the Company	\$1.67	\$2.41
Conversion exercise price	US\$2.3261	US\$2.3261
Exchange rate (C\$:US\$)	\$0.7699	\$0.7330

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9. CONVERTIBLE DEBENTURES (continued)

(b) 2017 Debentures

On July 21, 2017, the Company issued US\$60 million principal amount of convertible debentures (the "2017 Debentures") which were also determined to be a hybrid financial instrument comprised of the host debt contract and multiple embedded derivatives. The Company received gross proceeds of \$75,294,000 (US\$60 million) and net proceeds of \$72,482,854 (US\$57,759,864) after deducting \$2,811,146 (US\$2,240,136) in transaction costs from the issue of the 2017 Debentures. A 3% establishment fee of \$2,258,820 (US\$1.8 million) was also paid to the debenture holders through the issuance of 869,271 common shares. The fair value of the 2017 Debentures on issuance date was determined to be \$73,035,180 (US\$58,200,000).

The fair value of the 2017 Debentures decreased from \$65,709,509 (US\$48,167,064) on December 31, 2018 to \$58,431,560 (US\$44,988,882) at December 31, 2019, resulting in a gain of \$7,277,949 (US\$3,178,182) for the year ended December 31, 2019. This gain, combined with the gain on the 2016 Debentures (see Note 9(a)) for the year ended December 31, 2019 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 income and the remaining amount recognized in loss for the period.

	Year ended December 31, 2019	Year ended December 31, 2018
Fair value of 2017 Debentures, beginning of year	\$ 65,709,509	\$ 80,627,593
Fair value adjustment during the year	(7,277,949)	(14,918,084)
Interest expense	5,911,455	5,977,073
Interest paid	(5,566,552)	(5,622,593)
2017 Debentures and interest payable	\$ 58,776,463	\$ 66,063,989
Less: interest payable included in accounts payable and accrued liabilities	(344,903)	(354,480)
2017 Debentures, end of year	\$ 58,431,560	\$ 65,709,509

The 2017 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 2017 Debentures pricing model as at December 31, 2019 and December 31, 2018 are as follows:

	December 31, 2019	December 31, 2018
Volatility	38.00%	38.00%
Expected life in years	2.56 years	3.56 years
Risk free interest rate	1.69%	2.58%
Expected dividend yield	0%	0%
Credit spread	23.96%	25.79%
Underlying share price of the Company	\$1.67	\$2.41
Conversion exercise price	US\$2.6919	US\$2.6919
Exchange rate (C\$:US\$)	\$0.7699	\$0.7330

General Terms

At inception, for each of the 2016 Debentures and 2017 Debentures (collectively, the "Convertible Debentures"), the Company made an irrevocable election under IAS 39 to designate the Convertible Debentures as a financial liability at fair value through profit or loss. At their respective initial recognition date, the entire convertible instrument was measured at fair value with associated transaction costs expensed as incurred. Subsequent to initial recognition, the convertible financial instrument is marked to market at each financial reporting date and any change in fair value is recognized in profit or loss with the exception that the change in fair value that is attributable to change in credit risk is presented in other comprehensive income.

The Convertible Debentures bear 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. For this purpose, the VWAP shall be converted into US dollars on each of the 20 days in the period, using the indicative rate of exchange for such currency as reported by the Bank of Canada.

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9. CONVERTIBLE DEBENTURES (continued)

The 2016 Debentures and 2017 Debentures are convertible, from time to time, into common shares of the Company at the option of the debenture holders at any time prior to maturity at a price per common share of US\$2.3261 and US\$2.6919, respectively (the "Conversion Price").

The 2016 Debentures and 2017 Debentures are not redeemable by the Company prior to June 10, 2019 and July 21, 2020, respectively. On or after June 10, 2019 and July 21, 2020 and prior to July 22, 2022, the 2016 Debentures and 2017 Debentures, respectively, may be redeemed by the Company, in whole or in part, at any time that the 20-day VWAP of the common shares exceeds 130% of the Conversion Price, on not less than 30 days' prior notice to the debenture holders. For this purpose, the VWAP shall be converted into US dollars on each of the 20 days in the period, using the indicative rate of exchange for such currency as reported by the Bank of Canada.

Upon completion of a change of control (which includes in the case of the holders' right to redeem the Convertible Debentures, a change in the Chief Executive Officer of the Company), the holders of the Convertible Debentures or the Company may require the Company to purchase or the holders to redeem, as the case may be, any outstanding Convertible Debentures in cash at: (i) on or prior to June 10, 2019 and July 21, 2020 for the 2016 Debentures and 2017 Debentures, respectively, 130% of the principal amount; and (ii) at any time thereafter, 115% of the principal amount, in each case plus accrued but unpaid interest, if any. In addition, upon the public announcement of a change of control that is supported by the Board, the Company may require the holders of the Convertible Debentures to convert the Convertible Debentures into common shares at the Conversion Price provided the consideration payable upon the change of control exceeds the Conversion Price and is payable in cash.

A "change of control" of the Company is defined as consisting of: (a) the acquisition by a person or group of persons acting jointly or in concert of voting control or direction over 50% or more of the Company's outstanding common shares; (b) the amalgamation, consolidation or merger of the Company with or into another entity as a result of which the holders of the common shares immediately prior to such transaction, directly or indirectly, hold less than 50% of voting control or direction over the entity carrying on the business of the Company following such transaction; (c) the sale, assignment, transfer or other disposition of all or substantially all of the property or assets of the Company to another entity in which the holders of the common shares immediately prior to such transaction, directly or indirectly, hold less than 50% of voting control or direction over the other entity following such transaction; or (d) the removal by resolution of the shareholders of the Company, of more than 51% of the then incumbent directors of the Company which removal has not been recommended in the Company's management information circular, or the failure to elect to the Company's board of directors a majority of the directors proposed for election by management in the Company's management information circular.

10. SHARE CAPITAL AND RESERVES

Authorized Capital - Unlimited number of common shares with no par value and unlimited number of preferred shares.

Issued

For the period ended December 31, 2019:

- (a) During the year ended December 31, 2019, the Company issued a total of 6,783,333 common shares on the exercise of 2,450,000 options at a price of \$0.40, 3,300,000 options at a price of \$0.46, 200,000 options at a price of \$0.50, 325,000 options at a price of \$0.64 and 508,333 options at a price of \$ 2.24 for total proceeds of \$3,938,666. As a result of the exercises, \$2,263,094 was reclassified from reserves to share capital.
- (b) On June 7, 2019, the Company issued 1,041,304 common shares at the then fair value of \$2,020,130 to the convertible debenture holders for the share portion of the debenture interest payment.
- (c) On December 9, 2019, the Company issued 1,188,872 common shares at the then fair value of \$1,854,639 to the convertible debenture holders for the share portion of the debenture interest payment.

For the period ended December 31, 2018:

- (a) During the year ended December 31, 2018, the Company issued a total of 10,458,334 common shares on the exercise of 250,000 options at a price of \$0.30, 5,975,000 options at a price of \$0.40, 1,100,000 options at a price of \$0.46, 1,300,000 options at a price of \$0.50, 500,000 options at a price of \$0.62, 1,000,000 options at a price of \$0.64 and 333,334 options at a price of \$1.51 for total proceeds of \$5,074,334. As a result of the exercises, \$3,276,872 was reclassified from reserves to share capital.

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10. SHARE CAPITAL AND RESERVES (continued)

- (b) On June 11, 2018, the Company issued 745,378 common shares at the then fair value of \$2,154,142 to the convertible debenture holders for the share portion of the debenture interest payment.
- (c) On December 6, 2018, the Company issued 693,994 common shares at the then fair value of \$1,894,603 to the convertible debenture holders for the share portion of the debenture interest payment.

Stock 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.

Stock option transactions and the number of stock options are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
Outstanding at December 31, 2017	37,858,334	\$ 1.42
Granted	9,045,482	2.64
Exercised	(10,458,334)	0.49
Forfeited	(208,334)	3.23
Outstanding at December 31, 2018	36,237,148	\$ 1.98
Granted	9,438,679	1.79
Exercised	(6,783,333)	0.58
Expired/Forfeited	(2,274,999)	2.77
Outstanding at December 31, 2019	36,617,495	\$ 2.14
Number of options exercisable	27,706,487	\$ 2.17

As at December 31, 2019, the Company has stock options outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
2,850,000	2,850,000	\$ 0.500	0.41	May 27, 2020
1,000,000	1,000,000	\$ 2.930	0.92	November 29, 2020
500,000	333,334	\$ 2.850	0.92	November 29, 2020
166,667	166,667	\$ 2.410	0.92	November 29, 2020
166,667	83,333	\$ 1.920	0.92	November 29, 2020
3,250,000	3,250,000	\$ 0.640	0.96	December 16, 2020
250,000	250,000	\$ 2.690	1.44	June 8, 2021
4,425,000	4,425,000	\$ 2.650	1.48	June 23, 2021
2,750,000	2,750,000	\$ 2.240	1.96	December 15, 2021
250,000	250,000	\$ 3.110	2.31	April 22, 2022
125,000	125,000	\$ 2.930	2.87	November 13, 2022
3,725,000	3,725,000	\$ 3.390	2.96	December 14, 2022
475,000	316,666	\$ 2.390	3.28	April 13, 2023
4,025,000	2,683,333	\$ 2.850	3.44	June 8, 2023
100,000	66,667	\$ 2.660	3.47	June 20, 2023
720,482	520,482	\$ 2.490	3.64	August 21, 2023
2,800,000	1,866,664	\$ 2.410	4.00	December 31, 2023
500,000	166,667	\$ 2.270	4.22	March 21, 2024
250,000	83,334	\$ 2.220	4.24	March 27, 2024
3,800,000	1,266,667	\$ 1.920	4.45	June 12, 2024
188,679	94,340	\$ 1.590	4.63	August 16, 2024
<u>4,300,000</u>	<u>1,433,333</u>	<u>\$ 1.590</u>	<u>4.99</u>	<u>December 24, 2024</u>
36,617,495	27,706,487			

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10. SHARE CAPITAL AND RESERVES (continued)

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options granted. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. The following weighted average assumptions were used to estimate the weighted average grant date fair values for the years ended December 31, 2019 and December 31, 2018:

	December 31, 2019	December 31, 2018
Expected stock price volatility	61.75%	83.41%
Expected life of options	5.00 years	5.00 years
Risk free interest rate	1.54%	2.08%
Expected forfeitures	0%	0%
Expected dividend yield	0%	0%
Weighted average fair value per option granted in period	\$0.96	\$1.76

Share-based payments for options vested for the year ended December 31, 2019 amounted to \$12,193,245 (2018 – \$16,855,862) of which \$10,867,167 (2018 – \$13,736,299) was expensed to the statement of loss and comprehensive loss and \$1,326,078 (2018 - \$3,119,563) was capitalized to exploration and evaluation assets (Note 5).

11. RELATED PARTY TRANSACTIONS

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 executive and non-executive members of the Company's Board of Directors, corporate officers and related companies.

Remuneration attributed to key management personnel can be summarized as follows:

	For the years ended	
	December 31, 2019	December 31, 2018
Short-term compensation ⁽¹⁾	\$ 4,041,619	\$ 3,961,649
Share-based payments (stock options) ⁽²⁾	9,101,888	12,377,331
Consulting fees ⁽³⁾	45,499	-
	<u>\$ 13,189,006</u>	<u>\$ 16,338,980</u>

⁽¹⁾ Short-term compensation to key management personnel for the year ended December 31, 2019 amounted to \$4,041,619 (2018 - \$3,961,649) of which \$2,985,193 (2018 - \$3,320,106) was expensed and included in salaries, benefits and directors' fees on the statement of loss and comprehensive loss. The remaining \$1,056,426 (2018 - \$641,543) was capitalized to exploration and evaluation assets.

⁽²⁾ Share-based payments to key management personnel for the year ended December 31, 2019 amounted to \$9,101,888 (2018 - \$12,377,331) of which \$8,834,428 (2018 - \$11,534,811) was expensed and \$267,460 (2018 - \$842,520) 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 year ended December 31, 2019 amounting to \$45,499 (2018 - \$nil).

As at December 31, 2019, there was \$99,999 (December 31, 2018 - \$1,415,900) included in accounts payable and accrued liabilities owing to its directors and officers for compensation.

12. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of assets. 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 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.

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12. CAPITAL MANAGEMENT (continued)

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

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.

13. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and the Convertible Debentures.

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

Fair Value Measurement

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data.

The Convertible Debentures are re-measured at fair value at each reporting date with any change in fair value recognized in profit or 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 income (Note 9). The Convertible Debentures are classified as Level 2.

As at December 31, 2019, the Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) 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 cash equivalents and amounts receivable. The Company holds cash and cash equivalents with large Canadian and Australian banks. Credit risk is concentrated as a large portion of the Company's cash and cash equivalents is held at one financial institution. Management believes the risk of loss to be remote. The Company's amounts receivable consists of input tax credits receivable from the Government of Canada and interest accrued on cash equivalents. Accordingly, the Company does not believe it is subject to significant credit risk.

(b) 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 and cash equivalent balances. 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 December 31, 2019, NexGen had cash and cash equivalents of \$52,117,581 to settle accounts payable and accrued liabilities of \$3,998,313.

(c) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

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13. FINANCIAL INSTRUMENTS (continued)

(i) 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 and cash equivalents 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 and cash equivalent balances as of December 31, 2019. 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 Convertible Debentures, in an aggregate principal amount of US\$120 million, carry a fixed interest rate of 7.5% and hence, are not subject to interest rate fluctuations.

(ii) 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 include US dollar denominated cash and US dollar accounts payable and accrued liabilities. The Company maintains Canadian and US dollar bank accounts in Canada.

The Company is exposed to foreign exchange risk on its US dollar denominated Convertible Debentures. At maturity the US\$120 million principal amount of the Convertible Debentures is due in full, and prior to then at a premium upon the occurrence of certain events, including a change of control. The Company holds sufficient US dollars to make all cash interest payments due under the Convertible 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 Convertible Debentures more costly to repay.

(iii) 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 the Company's share price may affect the valuation of the 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.

Sensitivity Analysis

As at December 31, 2019, the Company's US dollar net financial liabilities were \$76,019,307. Thus a 10% change in the Canadian dollar versus the US dollar exchange rates would give rise to a \$9,871,617 change in loss and comprehensive loss.

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

14. SEGMENT INFORMATION

The Company operates in one reportable segment, being the acquisition, exploration and development of uranium properties. All of the Company's non-current assets are located in Canada.

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15. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2019	2018
Net profit (loss) for the year	\$ (15,615,773)	\$ 1,182,308
Statutory rate	27.00%	27.00%
Expected income tax (recovery)	\$ (4,216,259)	\$ 319,224
Permanent differences	1,350,167	5,165,153
Impact of flow-through shares	1,114,153	496,463
Share issuance costs	-	-
Adjustment to prior years provision versus statutory tax returns	165,160	(7,689)
Change in unrecognized deductible temporary differences and other	2,519,062	(6,282,449)
Total	\$ 932,283	\$ (309,298)

The Company's income tax (recovery) expense is comprised of the following:

	2019	2018
Deferred income tax expense (recovery)	\$ 932,283	\$ (309,298)
Total	\$ 932,283	\$ (309,298)

The Company's deferred tax items recognized in OCI during the year:

	2019	2018
Change in fair value of convertible debentures attributable to the change in credit risk	\$ (867,238)	\$ -
Total	\$ (867,238)	\$ -

The tax effects of temporary differences between amounts recorded in the Company's accounts and the corresponding amounts as calculated for income tax purposes give rise to the following deferred tax (assets) and liabilities:

	2019	2018
Exploration and evaluation assets	\$ 8,464,017	\$ 5,997,824
Convertible debentures	8,565,347	4,040,500
Non-capital losses	(16,067,850)	(9,638,615)
Share issuance costs	(194,576)	(177,234)
Equipment	(41,872)	(24,109)
Net deferred tax liabilities	\$ 725,066	\$ 199,366

Movement in the Company's deferred tax liability balance in the year is as follows:

	2019	2018
Opening balance	\$ 199,366	\$ 280,740
Recognized in income tax expense	1,488,534	34,454
Recognized in OCI/equity	(962,834)	(115,828)
Net deferred tax liability	\$ 725,066	\$ 199,366

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2019	Expiry Date Range	2018	Expiry Date Range
Temporary Differences				
Non-capital losses available for future periods	\$ 42,080,000	2031 to 2039	\$ 31,030,000	2031 to 2038
Net capital losses	355,000	No expiry	355,000	No expiry
Share issuance costs	4,288,000	-	8,179,000	-
Convertible debt	4,146,000	-	-	-
Equipment	894,000	-	424,000	-

Tax attributes are subject to review, and potential adjustment, by tax authorities.

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16. NON-CONTROLLING INTERESTS

During the year ended December 31, 2016, the Company incorporated four new wholly owned subsidiaries in Canada and transferred certain exploration and evaluation assets to three of its wholly owned subsidiaries (Note 5). As at December 31, 2019, NexGen held 100% ownership of the subsidiaries with the exception of IsoEnergy, where it retained 52.03% of IsoEnergy's outstanding common shares (December 31, 2018 – 53.35%) (Note 4(b)).

During the year ended December 31, 2017, IsoEnergy issued 999,999 of its flow-through common shares to unrelated third parties in exchange for gross proceeds of \$1,100,000. A further 3,000,000 and 1,000,000 of its common shares were issued for the acquisition of the Radio and Geiger properties, respectively.

During the year ended December 31, 2018, IsoEnergy issued 10,848,200 of its flow-through common shares to unrelated third parties, 102,600 common shares to related parties and 7,022,520 to the Company in exchange for gross proceeds of \$7,710,764. IsoEnergy issued a further 3,330,000 common shares for the acquisition of Dawn Lake North Block which is contiguous with IsoEnergy's Geiger property and 1,000,000 of its common shares for the acquisition of the Laroque East uranium exploration property (see Note 5(c)).

During the year ended December 31, 2019, IsoEnergy issued 8,403,000 of its common shares to unrelated third parties, 60,000 common shares to related parties and 7,371,858 to the Company in exchange for gross proceeds of \$6,748,977. IsoEnergy issued a further 68,774 common shares to outsiders related to exercised warrants.

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 earnings of IsoEnergy is reflected in the loss and comprehensive loss attributable to non-controlling interests in the consolidated statements of loss and comprehensive loss.

Summarized financial information for IsoEnergy Ltd. is as follows:

	2019	2018
Cash and cash equivalents	\$ 6,587,000	\$ 6,405,000
Other current assets	209,000	155,000
Non-current assets	48,208,000	43,511,000
Total assets	\$ 55,004,000	\$ 50,071,000
Current liabilities	650,000	817,000
Non-current liabilities	867,000	199,000
Total liabilities	\$ 1,517,000	\$ 1,016,000
Loss from operations	\$ 2,097,000	\$ 2,142,000
Loss and comprehensive loss	2,162,000	1,832,000
Net cash flow from operating activities	(1,915,000)	(1,679,000)
Net cash flow from investing activities	(4,236,000)	(2,522,000)
Net cash flow from financing activities	6,333,000	7,282,000
Net increase (decrease) in cash and cash equivalents	\$ 182,000	\$ 3,081,000

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions during the year ended December 31, 2019 included:

- a) At December 31, 2019, \$2,653,508 of exploration and evaluation asset expenditures and \$3,385 of equipment expenditures were included in accounts payable and accrued liabilities.
- b) At December 31, 2019, \$681,870 of interest expense related to the convertible debentures was included in the accounts payable and accrued liabilities. On June 7, 2019, the Company issued 1,041,304 shares valued at \$2,020,130 for the non-cash portion of the convertible debenture interest payment. On December 9, 2019, the Company issued 1,188,872 shares valued at \$1,854,639 for the non-cash portion of the convertible debenture interest payment.

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17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (continued)

- c) The right-of-use lease assets of \$2,826,512 and related lease liabilities of \$3,222,380 recorded in the year ended December 31, 2019 were non-cash (see Notes 4 & 6).
- d) Share-based payments of \$1,326,078 was included in exploration and evaluation assets (Note 5).
- e) The re-allocation upon exercise of stock options from reserves to share capital of \$2,263,094.

The significant non-cash transactions during the year ended December 31, 2018 included:

- a) At December 31, 2018, \$2,763,713 of exploration and evaluation asset expenditures and \$114,376 of equipment expenditures were included in accounts payable and accrued liabilities.
- b) At December 31, 2018, \$708,960 of interest expense related to the convertible debentures was included in the accounts payable and accrued liabilities. On June 10, 2018, the Company issued 745,378 shares valued at \$2,154,142 for the non-cash portion of the convertible debenture interest payment. On December 11, 2018 the Company issued 693,994 common shares valued at \$1,894,603 for the non-cash portion of the convertible debenture interest payment.
- c) Share-based payments of \$3,119,563 was included in exploration and evaluation assets (Note 5).
- d) The re-allocation upon exercise of stock options from reserves to share capital of \$3,276,872.
- e) In the year ended December 31, 2018 IsoEnergy issued 3,330,000 shares valued at \$1,282,050 and a partial payment to expand its interest in the Geiger property (see Note 5(c)).
- f) In the year ended December 31, 2018 IsoEnergy issued 1,000,000 shares valued at \$350,000 as a partial payment to acquire Laroque East uranium exploration property (see Note 5(c)).

18. LOSS PER SHARE

Basic net income per share provides a measure of the interests of each ordinary common share in the Company's performance over the year. Diluted net income per share adjusts basic net income per share for the effect of all dilutive potential common shares.

	2019	2018
Basic loss (profit) per share		
Loss (profit) attributable to common shareholders	\$ 15,531,911	\$ (2,269,689)
Weighted average number of common shares	354,593,084	345,868,725
Basic loss (profit) per share	\$ 0.04	\$ (0.01)
Diluted loss (profit) per share		
Loss (profit) attributable to common shareholders	\$ 15,531,911	\$ (2,269,689)
Interest expense on convertible debentures	(11,822,910)	(11,954,146)
Mark to market gain on convertible debentures	21,821,831	32,578,261
Diluted Loss attributable to common shareholders	\$ 25,530,832	\$ 18,354,426
Weighted average number of common shares	354,593,084	345,868,725
Effect on conversion of convertible debentures	48,083,337	48,083,337
Weighted average number of common shares (diluted) at December 31	402,676,421	393,952,062
Diluted loss (profit) per common share	\$ 0.06	\$ 0.05

NEXGEN ENERGY LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31, 2019 & 2018

19. SUBSEQUENT EVENTS

In February 2020, the Company signed a lease agreement extension for the Vancouver office at 6 years for a total lease agreement costs of approximately \$3,650,000.

20. COMPARATIVE FIGURES

Certain amounts have been reclassified to conform with current period presentation.

Annexure D – Compensation Discussion and Analysis



COMPENSATION DISCUSSION AND ANALYSIS

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INTRODUCTION

This section provides information on our executive compensation program for 2020. For 2020, our Named Executive Officers, as defined in Form 51-102F6 – *Statement of Executive Compensation* were as follows:

- Leigh Curyer - President and Chief Executive Officer (President and CEO)
- Anthony (Tony) George – Chief Project Officer
- Travis McPherson – Senior Vice President, Corporate Development
- Troy Boisjoli - Vice President, Operations & Project Development
- Gillian A. McCombie - Vice President, Human Resources

We refer to our Named Executive Officers as Executives in the Circular.

COMPANY OVERVIEW

NexGen Energy Ltd. was founded in 2011 to acquire, discover and develop the world's next major uranium project in Saskatchewan's Athabasca Basin. Today, NexGen is a well-funded development company, holding 209,738 hectares of exploration tenements strategically located along the edge of the Athabasca Basin, which includes the wholly-owned world class Arrow Deposit - the largest to be developed uranium deposit in Canada.

NexGen's team of mining and uranium industry professionals bring together a world of leading-edge experience and expertise across the entire mining life cycle, all backed by a global base of long-term capital. Built on the highest industry standards, NexGen is well positioned to bring the Arrow deposit into production and maintain momentum as the future uranium market leader.

In 2018, NexGen was awarded the PDAC Bill Dennis Award for a Canadian Discovery. The award honours those who have made a significant mineral discovery. In 2019, NexGen was awarded the PDAC Environmental and Social Responsibility Award. This award honours global companies for outstanding leadership in environmental protection and/or good community relations. In 2020, NexGen was recognized by the Cannes Corporate Media & TV Awards with a gold medal for its role in the documentary "Dëne Sųłiné – Our People" which explored the Dëne Sųłiné language in La Loche and the Clearwater River Dene Nation. Also, in 2020, NexGen was awarded the Paragon Award from the Regina Chamber of Commerce recognizing the Company's community involvement.

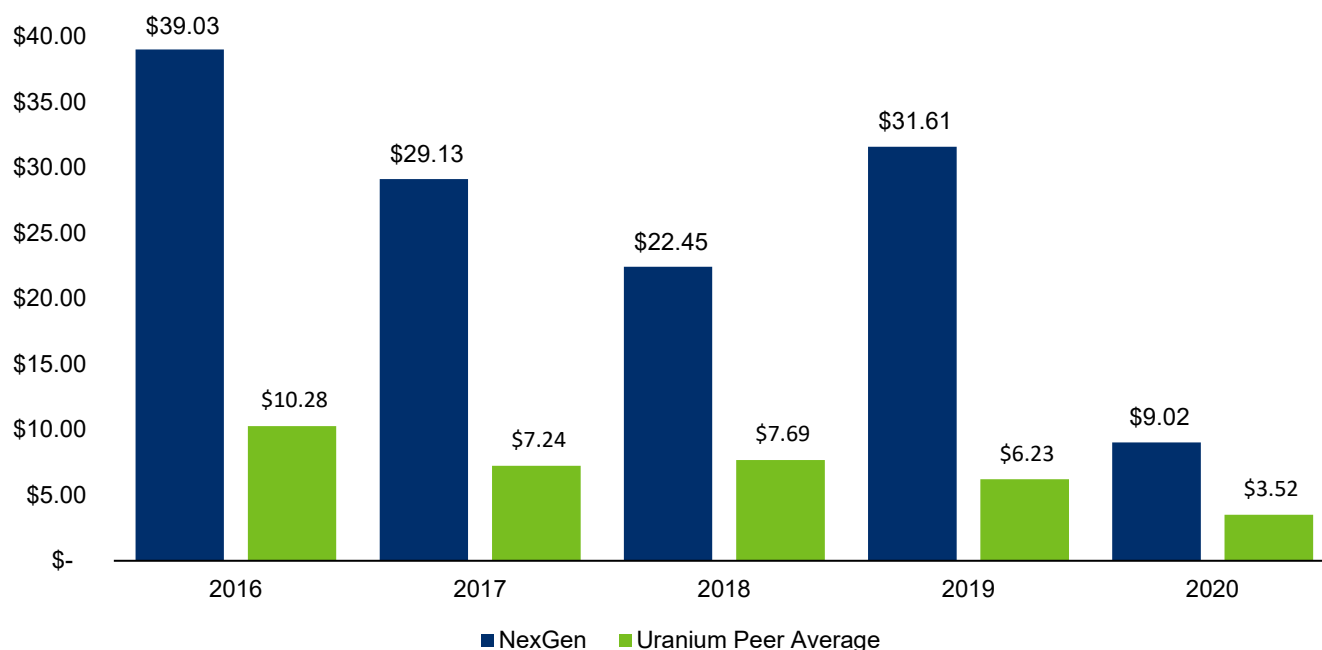
NexGen's mission is to build a long-lasting energy legacy in the interests of all stakeholders. The Company's ethos is centered in the premise of elite standards in everything the organization does. This translates into a culture of constant evolution and continuous improvement as well as the most efficient use of capital and driving innovation across the industry. That includes the environment and land itself, as well as the people who bring the projects to life. Safe, beneficial, and sustainable development is the only thing the organization will accept.

NexGen is dedicated to both sustainably developing the Arrow project in the most efficient manner and community advancement at the same time, all while safeguarding the environment for generations to come.



COMPANY PERFORMANCE

Project Development Spend Per Dollar of Executive Salary (\$C)⁽¹⁾

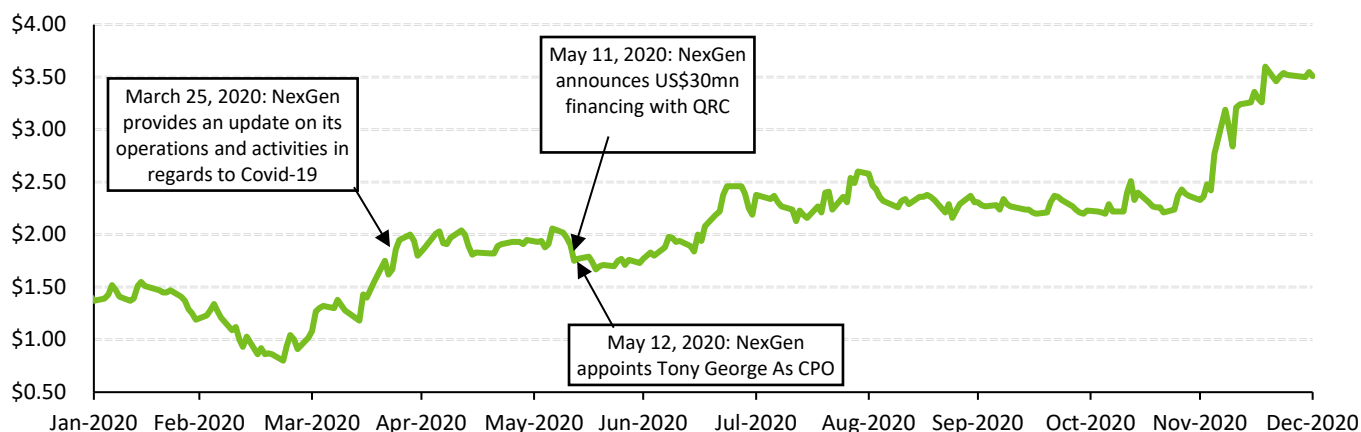


Note:

- (1) Project Development spend includes costs related to exploration, drilling, environmental and permitting, engineering and design, direct labour and associated costs. Source: Publicly filed Management Information Circular of Uranium Peer companies.

Since its listing in 2013, NexGen has continuously demonstrated that it leads the sector in the efficient use of capital in terms of the ratio of expenditure incurred on “exploration & development” of its projects relative to named executive officers salaries. Further, the cost per pound of U_3O_8 discovered for a uranium resource over 100Mlbs is significantly the lowest in history. 2020 saw a temporary reduction in this ratio which was expected due to the stage of the project transitioning from resource definition, technical and environmental studies throughout 2016-2109 into final feasibility and permitting during 2020, plus the temporary suspension of activities due to Covid-19.

2020 Share Price Performance

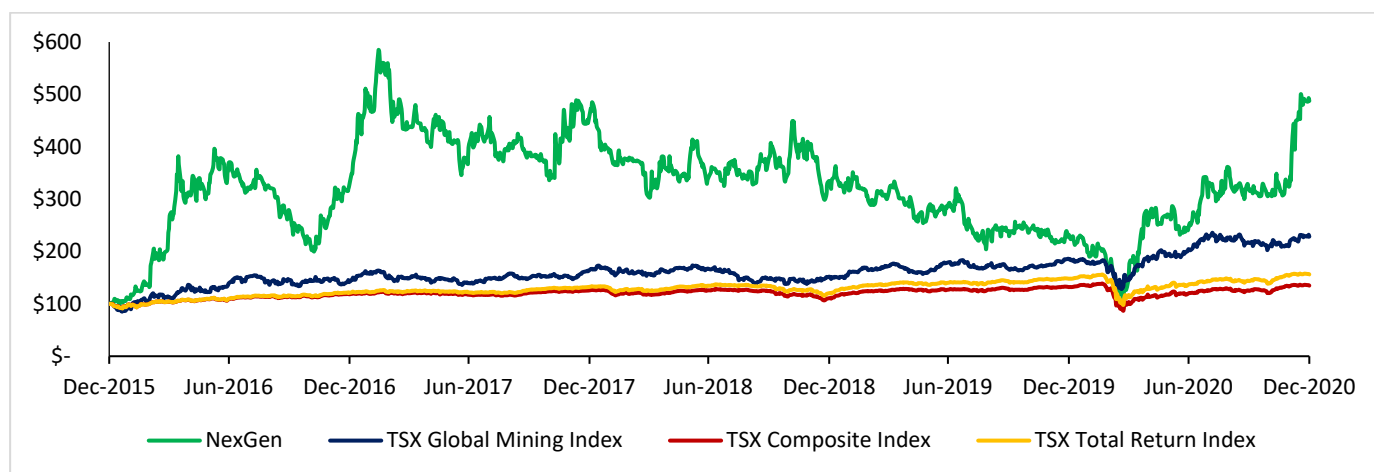




Performance Graph

The Company first commenced trading on the TSXV as “Clermont Capital Inc.”, a “capital pool company” within the meaning of Policy 2.4 – Capital Pool Companies (the “**CPC Policy**”) of the TSXV, on August 29, 2012 under the symbol “XYZ.P”. 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.” On April 22, 2013, the Company’s common shares commenced trading on the TSXV under the symbol “NXE”. As NexGen continued to grow it graduated from the TSXV and commenced trading on TSX on July 15, 2016 under the symbol “NXE”. On May 17th, 2017 NexGen commenced trading on the NYSE American (formerly NYSE MKT) under the symbol “NXE”.

The following graph compares the Company’s cumulative total shareholder return over the five most recently completed financial years ending December 31, 2020. It portrays the five year growth of \$100 invested in the common shares of NexGen from December 31, 2015 to December 31, 2020 compared to \$100 invested in the S&P/TSX Composite Index, the S&P/TSX Total Return Index, or the S&P/TSX Global Mining Index for the same time period, assuming the reinvestment of all dividends (if applicable).



As indicated by the stock chart above, NexGen outperformed its peers, who are represented by the S&P/TSX Global Mining Index, and it also outperformed the S&P/TSX Composite Index and the S&P/TSX Total Return Index. Over the course of fiscal year 2020 and over the past five years ending Dec 31st, 2020 NexGen Returned ~117% and ~388%, respectively to its shareholders.

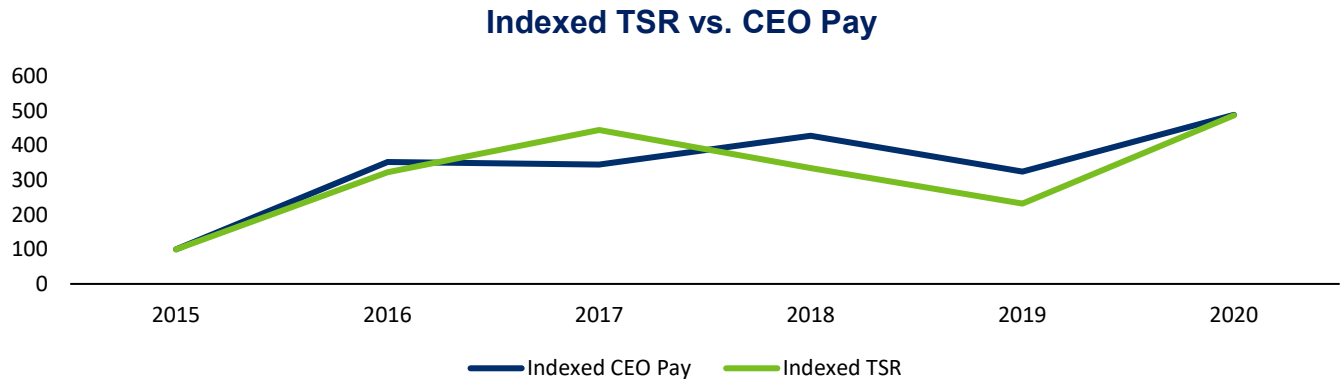
	01-Jan-16	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20
NXE	100.0	323.61	454.83	334.72	231.94	487.50
S&P/TSX Composite Index	100.0	118.26	125.39	110.80	132.00	134.86
S&P/TSX Total Return Index	100	121.08	132.09	120.36	147.89	156.17
S&P/TSX Global Mining Index	100.0	141.46	162.25	152.05	184.88	228.36

The Company’s Executive compensation is based on several factors including, but not limited to, the demand for and supply of skilled professionals in the resource industry generally, individual performance, the Company’s performance and other factors. The trading price of the common shares on the TSX is subject to fluctuation based on several factors, many of which are beyond the control of the Company and its Executives. These include, among other things, market perception of the Company’s ability to achieve planned growth or results, trading volume in the Company’s common shares, and changes in general conditions in the economy and financial markets.



Total Shareholder Return (TSR) vs. CEO Pay

The CEO's pay is in line with the performance of NexGen's common shares. This helps align management interests with that of shareholders. In every year, over the past five years, CEO pay has moved in the same direction as the annual change in TSR.



COMPENSATION GOVERNANCE

The Board is responsible for overseeing the Company's compensation program. The Board has however delegated certain oversight responsibilities in this regard to the Company's Compensation Committee (the "**Compensation Committee**") but retains final authority over the Company's compensation program and process.

The Role of the Compensation Committee

The Compensation Committee assists the Board in fulfilling its responsibilities relating to the human resources and compensation issues. The Compensation Committee meets through a combination of formal and informal meetings at least four times per year and holds in-camera sessions, without the presence of management, as needed.

The Compensation Committee consults with management on Executive compensation related to:

- establishing the Company's general compensation philosophy and overseeing the development and implementation of the Company's compensation programs;
- reviewing and approving Company goals and objectives relevant to the compensation of the CEO, evaluating the performance of the CEO in light of those goals and objectives, and setting the CEO's compensation level based on this evaluation, subject to the approval of the Board;
- reviewing and approving compensation, incentive plans, and equity-based plans for all other senior officers of the Company after considering recommendations of the CEO, all within the compensation policies and guidelines approved by the Board; and
- reviewing the adequacy and form of the compensation of directors and ensuring that the compensation realistically reflects the responsibilities and risks involved.

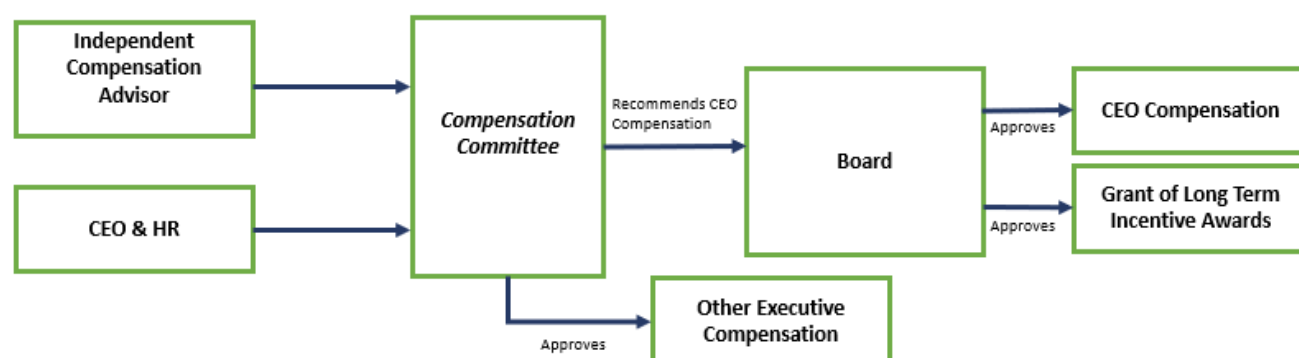


Composition of the Compensation Committee

The Compensation Committee is comprised of three (3) independent members of the Board: Richard Patricio (Chair), Trevor Thiele and Sybil Veenman. The Compensation Committee has a written mandate which was approved by the Board in 2018.

By virtue of their respective experience as executives and their exposure to capital markets, corporate governance and regulatory matters, each member possesses the relevant decision-making skills that make them suitable members of the Compensation Committee. A general description of the education and experience of each Compensation Committee member which is relevant to the performance of their responsibilities as a Compensation Committee member is contained in their respective biographies set out under “Election of Directors” in this Circular. In particular, Mr. Patricio and Ms. Veenman are qualified lawyers with extensive experience as officers and directors of mining companies including as members of compensation committees thereof and Mr. Thiele has extensive financial experience. In addition, each of Messrs. Patricio and Thiele have been involved with the Company since inception and hence are intimately familiar with its operations and senior management team. As a result, each of them is qualified to make decisions on the suitability of the Company’s compensation policies and practices.

Executive Compensation Decision Making Process



Independent Compensation Consultant

In September 2019, the compensation committee decided to change compensation advisors and engage the services of Global Governance Advisors (“GGA”) as its independent compensation consultant to assist in determining the compensation for our Executives. GGA is an internationally recognized, independent advisory firm that provides counsel to boards of directors on matters relating to executive compensation and governance. In 2019, GGA performed a review of the Company’s compensation philosophy, a detailed review of executive and director compensation including a proposed updated Comparator Group for the Company and a detailed compensation review for the Company’s executives, key personnel and directors to the peer companies’ executive and independent director pay levels and practices, which informed the Company’s compensation design and decisions for 2020.

Due to the comprehensive review completed at the end of 2019, the Company did not engage an independent compensation consultant during 2020. The Company expects to engage the services of an independent compensation advisor in 2021.

A summary of fees paid to our compensation consultant for 2019 and 2020 are outlined in the following table:

Year	Consultant	Executive Compensation Related Fees	All Other Fees
2020	N/A	Nil	Nil
2019	Global Governance Advisors	\$60,000	Nil

Under the engagement agreement with GGA, the Compensation Committee Chair approves all work plans and works with management as needed to complete work assignments, but work products are delivered directly to the Compensation Committee chair, with distribution to management as required.



Executive Compensation Philosophy

Our compensation is designed to be competitive with other North American mining development and operating companies in the uranium and resources sector, but that also have similar scope and growth trajectories.

NexGen provides a market competitive base salary and incentive opportunity that targets within a competitive range of market median with the ability to achieve higher compensation in the case of superior performance.

Each position is evaluated to establish skill requirements and level of responsibility to provide a basis for internal and external comparisons. The Board and the Compensation Committee assess a number of aspects when structuring compensation policies and programs and individual compensation levels. These include:

- Internal and external comparisons
- Values and culture
- Long-term interests of our shareholders
- Recommendations made by independent compensation consultants retained by the Compensation Committee, and
- Each Executive's individual performance and contribution towards meeting the Company goals

Executive Compensation Objectives

The goal of Executive compensation at NexGen is to attract, motivate, retain and reward a knowledgeable, driven management team and to encourage them to attain and exceed performance expectations.

NexGen's compensation practices are based on a pay-for-performance philosophy in which assessment of performance is based on the Company's financial and operational performance as well as individual contributions.

The compensation program is designed to reward each executive based on corporate and individual performance and is also designed to incent such executives to drive the organization's growth in a sustainable and prudent way.

The following key principals guide the Company's overall compensation philosophy:

- Attract, retain, motivate and engage high caliber talent whose expertise, skills, performance are critical to the organization's success
- Align employees interests with the strategic visions and business objectives of NexGen
- Focus employees on the key business factors that affect long-term shareholder value
- Align compensation with NexGen's corporate strategy and financial interests as well as the long-term interests of NexGen shareholders through a belief in equity ownership at all levels of the organization.
- Compensation should be fair and reasonable to shareholders and be set with reference to the local market and similar positions in comparable companies

The Company has recently been increasing the size and changing the composition of its senior management team to reflect the Company's focus on pre-development activities and is continually assessing its compensation philosophy and practices as the Company grows to development.

Executive Compensation Peer Group and Benchmarking

The Compensation Committee uses a variety of data sources, including guidance from our independent compensation advisors when retained from time to time, published compensation surveys, and other market data to identify peer groups for salary comparisons. There is a smaller group of publicly traded, operating, primary uranium mining companies the Compensation Committee evaluates. This group is limited to make appropriate comparisons of exploration and development mining companies that closely align with NexGen. As a result, we have supplemented our primary peer group with other peers we consider appropriate for benchmarking executive compensation and following good governance practices.



Our peer group selection was based on the following

- Companies within the same industry segment as NexGen
- Companies with uranium as a primary metal/mineral
- Companies with a similar business strategy and scope of operations to NexGen
- Companies based and primarily operating within North America

The table below summarizes the 2019 and 2020 Peer Group:

Peer Group	
Alamos Gold Inc	Largo Resources Limited
Cameco Company	Osisko Mining Inc.
Denison Mines Corp	PolyMet Mining Corp
Energy Fuels Inc	Pretium Resources Inc.
Wesdome Gold Mines Ltd.	Seabridge Gold Inc.
Fission Uranium Corp	Uranium Energy Corp.
Gold Resource Corporation	Ur-Energy Inc.
Ivanhoe Mines Limited	

Risk Management

The Compensation Committee is responsible for identifying any risks associated with the Company's compensation policies and practices and considering the implications of any such risks and then ensuring such risks are mitigated, particularly those arising from policies and practices that encourage or may encourage excessive risk-taking by executive officers. The Compensation Committee maintains sufficient discretion and flexibility in implementing compensation decisions such that unintended consequences in remuneration can be minimized, while still allowing the Compensation Committee to be responsive to market conditions.

Incentive compensation is paid in relation to milestones regarding the advancement of our projects which are subject to considerable review, contestability, and assessment. As such, the Compensation Committee considers that its compensation practices are unlikely to encourage any Executive from taking inappropriate risks.

The Board's oversight of our strategic direction, budgetary process and expenditure limits are used to mitigate compensation policy risks.

Key risk-mitigating features in our compensation structure include:

- Engagement of an independent compensation advisor
- Annual review of compensation programs
- Establishing annual Corporate and Individual Performance Objectives
- Fixed and variable Compensation
- Short-term and long-term incentives
- Board discretion
- Control features and plan governance
- Appointment of a Human Resources (HR) executive in 2019

Hedging

Pursuant to the Company's Code of Business Ethics, the Company's executive officers and directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.



ELEMENTS OF EXECUTIVE COMPENSATION

During the financial year ended December 31, 2020, compensation of the Company's executive officers consisted of a base salary, an annual short-term incentive award in the form of a discretionary performance bonus and/or special bonus and a long-term incentive award in the form of stock options, all of which is intended to be competitive in the aggregate while delivering an appropriate balance between annual compensation (base salary and cash bonuses) and long-term compensation (stock options).

Compensation Element	Form	Purpose of Element	Determination
Base Salary	Cash	Forms a baseline level of compensation for role fulfillment commensurate with the experience, skills, and market demand for the executive role and/or incumbent.	Salaries are determined from analysis of similar positions within similar companies, as benchmarked against various independent information sources. Individual experience, individual performance, level of responsibility and the emphasis on other compensation program elements are also considered when setting salary levels.
Short-Term Incentive Award (STI)	Cash	To recognize short-term (typically annual) efforts and milestone achievements that are designed to link the achievement of personal and annual performance objectives to the Company's business strategy and to the enhancement of shareholder value.	STI opportunity for each Executive is set based both with reference to competitive market practice, the seniority of the Executive's position and his or her industry experience. Actual bonus payments can range from 0% - 100% of the target bonus opportunity, based upon the achievement of corporate and individual performance targets, with the opportunity to be awarded more based on extraordinary achievements. Each Executive's annual performance is measured against corporate and individual performance objectives, the weighting of each being dependent upon his or her role in the organization and relative influence over corporate performance objectives.
Long-Term Incentive Award (LTI)	Stock Options & Cash	Designed to motivate executives and employees to create and grow sustainable shareholder total return over medium- to long-term performance periods and to facilitate key employee retention.	Option award levels are granted at such levels that total compensation can achieve above-market levels provided that the Company's share price achieves superior returns relative to the competitive market. The Board sets the term and vesting of options under the LTI. Cash award levels payable on the achievement of significant long-term milestones that are determined to be in line with the Company's strategic outlook and long-term shareholder interests.
Benefits and Perquisites	Indirect cash through broad-based plan	Provided to attract and retain the key talent required to manage the organization but are not intended to make-up a significant portion of an Executive's total compensation.	Benefits are provided on a broad basis to the Company's Executives and other eligible employees with limited perquisites to remain market competitive with the peer group. A specific perquisite will only be provided when the perquisite provides competitive value and promotes retention of key executives.



Base Salaries

In establishing base salaries, the Compensation Committee considered factors such as experience, changes to roles and responsibilities, corporate growth, length of service, and compensation compared to other employment opportunities for executives. Base salaries are also intended to be internally equitable. Salaries are reviewed annually by the Board based on recommendations of the Compensation Committee.

Short-Term Incentive (STI) Awards

Short-term incentive awards are based on the achievement of pre-determined, measurable corporate and/or individual performance objectives. During the financial year ended December 31, 2020, STI awards were either based on performance over the year (a “**Performance Bonus**”) and/or based on the achievement of a particular and extraordinary corporate transaction or other milestone (a “**Special Bonus**”).

A maximum Performance Bonus was determined for each executive officer as a percentage of salary. The maximum performance bonus for 2020 was 100% of base salary for the CEO and between 30-50% for all other Executives, with the opportunity to be awarded more based on extraordinary achievements. The key performance indicators and maximum bonus percentage are determined by the Compensation Committee in collaboration with the CEO and HR annually for the ensuing financial year and recommended to the Board for approval, on an individual basis for each Executive.

2020 COMPANY OBJECTIVES

2020 was an unprecedented year for our industry, stakeholders, partners and the global community, with the impacts of a global pandemic changing the way corporations, businesses and communities operate and interact. Built on a foundation of resilience, NexGen successfully drove the project forward during this challenging period for our global community and industry, and significantly progressed the corporate strategy for the development of the Rook I Project.

Feasibility and Environmental Studies

NexGen continued its advancement of work programs on the Feasibility Study (“FS”) and Environmental Assessment (“EA”) in line with the Federal and Provincial Health Authorities guidelines. Results from the various work programs were incorporated into the NI43-101 Feasibility Study.

These key achievements and milestones from 2020 meet the Company’s objectives of setting a new elite standard in global mine and environmental management and community advancement, and NexGen is well positioned to advance to the next stage of this exciting project.

Covid 19 Response

During the spring of 2020, NexGen implemented a Community Pandemic Response program to aid the communities of La Loche and Clearwater River Dene Nation (“CRDN”) who were heavily impacted with a Covid-19 outbreak that resulted in town closure. NexGen partnered with the local Chief and Community Leaders to mitigate further transmission and risk with the following measures:

- implemented a modified Breakfast Program by working with local school administration and grocery stores to ensure over 1,000 students continued to receive healthy and nutritious breakfasts during school closures.
- Actively supported the community through the employment of local Pandemic Coordinators to assist in key efforts in containing the pandemic and community safety coordination.
- Partnered with the Saskatchewan Mining Association (“SMA”) to ensure residents of La Loche and CRDN had necessary Personal Protection Equipment (“PPE”) to reduce the spread of Covid-19.



Financial

A key milestone for NexGen was the US\$30 Million Financing and Investor Rights Agreement with Queens Road Capital ("QRC"). QRC is a leading financier to the global resources sector and holds a portfolio of companies that represent elite ESG standards, including NexGen. The partnership with QRC further strengthens NexGen's commitment to the optimal delivery of the Rook I Project.

Talent Acquisition

In the Summer of 2020, NexGen was pleased to announce the appointment of Anthony (Tony) George as Chief Project Officer. Mr. George is a well-respected and highly regarded mining professional who has extensive experience in project execution through all aspects of the mining life cycle. The addition of Mr. George to the Executive Leadership Team cemented NexGen's commitment to developing a Canadian energy project that will deliver significant benefits to Canada and the global community.

Community

In addition to pandemic planning, NexGen remained focused on important community initiatives that set the stage for deeper engagement and recognition for the communities where we operate.

- NexGen continued meaningful and genuine consultation with local communities in the Rook I Project area. The Study Agreements entered into in 2019 enabled NexGen to formally engage with the communities to identify potential impacts to Aboriginal and treaty rights and socio-economic interests and to identify potential avoidance and accommodation measures in relation to the Project.
- NexGen sponsored and produced the documentary Dëne Sųliné – Our People which explored the Dëne Sųliné language in La Loche and the Clearwater River Dene Nation and was recognized by the Cannes Corporate Media & TV Awards with a gold medal in 2020
- NexGen was awarded the Paragon Award from the Regina Chamber of Commerce in recognition for its community involvement.

2020 Assessment of Objectives

During the financial year ended December 31, 2020, the Chairman of the Compensation Committee met with the Chief Executive Officer periodically to discuss Company goals and performance and to discuss the performance of executive officers individually. The Compensation Committee works in conjunction with the Chief Executive Officer to set compensation, including proposed salary adjustments, performance and/or special bonuses and stock option awards for executive officers.

The Compensation Committee made recommendations relating to the compensation of Executives to the Board. Based on these recommendations, the Board made decisions concerning the nature and scope of the compensation to be paid to the Executives. The Compensation Committee based its recommendations to the Board on its compensation philosophy and the Compensation Committee's assessment of corporate and individual performance, recruiting and retention needs.

In 2021 the Compensation Committee established a set of criteria and objectives which will be the basis for the 2021 performance rewards.



Long-Term Incentive (LTI) Awards

Incentive Stock Options

Stock options are used by the Company to provide alignment between long-term share price performance and remuneration for Executives. Recognizing that the Company is at a relatively early stage of development, the reliance on stock option awards can help preserve cash resources which allows the Company greater flexibility in executing its strategy. Stock options are granted on a discretionary basis, based on the Board and the Compensation Committee's assessment of each individual's performance. Generally, the number of stock options granted to any Executive is a function of the contribution and achievements of the Executive to the business and affairs of the Company, the level of authority and responsibility of the Executive, the number of stock options the Company has already granted to the Executive, and such other factors that the Compensation Committee may consider relevant.

Stock options are governed by the Company's amended and restated incentive stock option plan and awards are generally considered and made annually following the Company's annual shareholder meeting and at fiscal year-end. Existing stock options have a five-year term and are exercisable at the price determined by the Board, subject to applicable regulatory requirements at the time of grant.

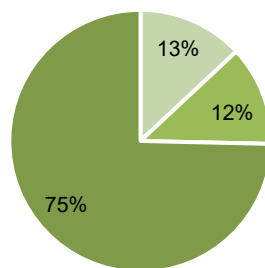
Long-Term Retention Incentive Program

In 2020 NexGen introduced a Long-Term Retention Cash Based Incentive program. The program was put in place to retain select executives and technical talent material to the achievement of significant long-term milestones in line with the Company's strategic outlook and long-term shareholder interests. The rewards are payable on the achievement of specific milestones.

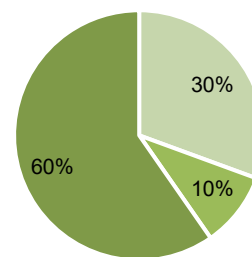
2020 Compensation Mix

In 2020, the Company's executive compensation program emphasized at risk performance-based compensation. For the CEO, 87% of the overall compensation award is performance based, with 75% of his total compensation being at risk in the form of stock options which are linked to long-term share performance. For the remaining Executives, on average, 70% of the overall compensation is performance based, with 60% of their total compensation being at risk in the form of stock options which are linked to long-term share performance. The pie charts below illustrate the executive compensation mix in 2020.

CEO Compensation Mix



Avg Executive Compensation Mix



■ Base Salary ■ Annual Incentive Awards ■ Option Based Awards ■ Base Salary ■ Annual Incentive Awards ■ Option Based Awards

The CEO held stock options equal to 1.05% of the total common shares outstanding, as of December 31, 2020.



Summary Compensation Table

For the financial year ended December 31, 2020, the Company had five Named Executive Officers: Leigh Curyer, Tony George, Travis McPherson, Troy Boisjoli and Gillian McCombie (collectively, the “**Executives**”). Mr. George joined the company as Chief Project Officer on June 22, 2020. The following table sets forth the compensation paid to each of the Executives for each of the Company’s three most recently completed financial years (2018, 2019 and 2020).

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$) ⁽²⁾	Long-term incentive plans (\$) ⁽³⁾			
Leigh Curyer President, Chief Executive Officer & Director ⁽⁴⁾	2020	750,000	Nil	4,294,052	708,750	Nil	Nil	Nil	5,752,802
	2019	695,000	Nil	2,001,192	622,500	Nil	Nil	Nil	3,826,010
	2018	625,000	Nil	3,668,725	850,000 ⁽⁷⁾	Nil	Nil	Nil	5,040,741
Tony George Chief Project Officer ⁽⁵⁾	2020	175,000	Nil	611,587	63,875	Nil	Nil	Nil	850,462
	2019	N/A	N/A	N/A	Nil	Nil	Nil	Nil	N/A
	2018	N/A	N/A	N/A	Nil	Nil	Nil	Nil	N/A
Travis McPherson Vice President, Corporate Development	2020	300,000	Nil	1,235,954	140,250	Nil	Nil	Nil	1,676,204
	2019	200,000	Nil	770,514	150,000	Nil	Nil	Nil	1,182,404
	2018	175,000	Nil	970,997	185,000 ⁽⁸⁾	Nil	Nil	Nil	1,266,828
Troy Boisjoli Vice President, Operations & Project Development	2020	200,000	Nil	N/A	33,000	Nil	Nil	Nil	233,000
	2019	167,500	Nil	103,450	49,266	Nil	Nil	Nil	379,374
	2018	160,000	Nil	78,084	57,500 ⁽⁹⁾	Nil	Nil	Nil	549,333
Gillian McCombie Vice-President, Human Resources ⁽⁶⁾	2020	270,000	Nil	337,662	114,750	Nil	Nil	Nil	722,412
	2019	163,942	Nil	484,608	75,000	Nil	Nil	Nil	501,613
	2018	N/A	N/A	N/A	N/A	Nil	Nil	Nil	N/A

Notes:

- (1) Option-based compensation is valued using the Black-Scholes option pricing model. This model was selected as it is widely used in estimating option-based compensation values by Canadian public companies. The Black-Scholes model resulted in a value of an option on each of the following dates as follows:
December 11, 2020 - \$1.66; June 12, 2020 - \$0.89; December 24, 2019 - \$0.82; June 12, 2019 - \$1.03; December 31, 2018 - \$1.58; June 8, 2018 - \$1.92; April 13, 2018 - \$1.62.
- (2) Includes bonus amounts paid to Executives by the end of each financial year, comprising a Performance Bonus and/or Special Bonus.
- (3) The Company has a Long-Term Incentive Retention Program to retain and award key executives. For the financial year referenced, milestones are still in progress and not yet payable.
- (4) Mr. Curyer does not receive any remuneration in his role as a Director of NexGen.
- (5) Mr. George was appointed Chief Project Officer on June 22, 2020. His bonus for 2020 was pro-rated based on his start date.
- (6) Ms. McCombie was appointed Vice President, Human Resources on May 6, 2019. Her bonus for 2019 was pro-rated based on her start date.
- (7) Represents aggregate bonus amounts paid during 2018 and consists of an annual Performance Bonus (\$500,000) awarded for meeting or exceeding pre-determined performance goals and a Special Bonus in respect of the announcement of an updated resource estimate at the Rook I Project and completion of the Pre-feasibility Study. There is no assurance that one or more Special Bonuses will be paid in the future.
- (8) Represents aggregate bonus amounts paid during 2018 and consists of an annual Performance Bonus (\$60,000) awarded for meeting or exceeding pre-determined performance goals and a Special Bonus in respect of the announcement of an updated resource estimate at the Rook I Project and completion of the Pre-feasibility Study. There is no assurance that one or more Special Bonuses will be paid in the future.
- (9) Represents aggregate bonus amounts paid during 2018 and consists of an annual Performance Bonus (\$27,500) awarded for meeting or exceeding pre-determined performance goals and a Special Bonus in respect of the announcement of an updated resource estimate at the Rook I Project and completion of the Pre-feasibility Study. There is no assurance that one or more Special Bonuses will be paid in the future.



Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all share-based and option-based awards outstanding at December 31, 2020 for each Executive Officer. All option-based awards vest in one-third increments annually, based on the anniversary of the date of grant and have five (5) year terms.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Leigh Curyer	1,800,000	2.65	23-Jun-21	1,548,000	Nil	Nil
	1,000,000	2.24	15-Dec-21	1,270,000	Nil	Nil
	1,000,000	3.39	14-Dec-22	120,000	Nil	Nil
	1,500,000	2.85	8-Jun-23	990,000	Nil	Nil
	500,000	2.41	31-Dec-23	550,000	Nil	Nil
	750,000	1.92	12-Jun-24	1,192,500	Nil	Nil
	1,500,000	1.59	24-Dec-24	2,880,000	Nil	Nil
	1,100,000	1.80	12-Jun-25	1,881,000	Nil	Nil
Tony George	2,000,000	3.24	11-Dec-25	540,000	Nil	Nil
	500,000	1.80	12-Jun-25	855,000	Nil	Nil
	100,000	3.24	11-Dec-25	27,000	Nil	Nil
Travis McPherson	250,000	2.65	23-Jun-21	215,000	Nil	Nil
	300,000	2.24	15-Dec-21	381,000	Nil	Nil
	300,000	3.39	14-Dec-22	36,000	Nil	Nil
	300,000	2.85	8-Jun-23	198,000	Nil	Nil
	250,000	2.41	31-Dec-23	275,000	Nil	Nil
	350,000	1.92	12-Jun-24	556,500	Nil	Nil
	500,000	1.59	24-Dec-24	960,000	Nil	Nil
	550,000	1.80	12-Jun-25	940,500	Nil	Nil
Troy Boisjoli	450,000	3.24	11-Dec-25	121,500	Nil	Nil
	500,000	2.65	23-Jun-21	430,000	Nil	Nil
	200,000	2.24	15-Dec-21	254,000	Nil	Nil
	200,000	3.39	14-Dec-22	24,000	Nil	Nil
	50,000	2.41	31-Dec-23	55,000	Nil	Nil
Gillian McCombie	100,000	1.92	12-Jun-24	159,000	Nil	Nil
	350,000	1.92	12-Jun-24	556,500	Nil	Nil
	150,000	1.59	24-Dec-24	288,000	Nil	Nil
	100,000	1.80	12-Jun-25	171,000	Nil	Nil
	150,000	3.24	11-Dec-25	40,500	Nil	Nil

Note:

- (1) The value of unexercised in-the-money options is calculated by multiplying the difference between the December 31, 2020 closing price of the common shares on the TSX of \$3.51 and the option exercise price, by the number of outstanding options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.



Incentive Plan Awards – Value Vested or Earned During the Year

During the financial year ended December 31, 2020, the following incentive plan awards vested or were earned for the Executive Officers:

Name	Option-based awards - Value vested during the year⁽¹⁾ (\$)	Shared-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Leigh Curyer	1,148,334	Nil	708,750
Tony George	Nil	Nil	63,875 ⁽²⁾
Travis McPherson	413,334	Nil	140,250
Troy Boisjoli	18,334	Nil	33,000
Gillian McCombie	96,500	Nil	114,750

Notes:

- (1) The aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date.
- (2) Mr. George was appointed Chief Project Officer on June 21, 2020. His bonus for 2020 was pro-rated based on his start date.

Termination and Change of Control Benefits

The Executive Employment Agreements establish base compensation comprised of base salary and eligibility for an annual performance-based cash short-term incentive award. Executives are also eligible to participate in the Company's equity-based long-term incentive compensation plans in the form of stock options and long-term retention incentive program in the form of cash payments based off milestone achievements, at the discretion of the Board. The Executive Employment Agreements are effective until such time as they are terminated in accordance with their terms.

The Executive Employment Agreements also provide for termination payments in the event that (i) the Executive's employment is terminated without cause (including constructive dismissal), or (ii) within 12 months of a "change of control", the Executive is terminated without cause, resigns, or resigns with good reason.

In each case, the terminated Executive is entitled to (i) reimbursement of any outstanding expenses, (ii) accrued annual salary and vacation pay to the date of termination, (iii) any Annual Bonus earned but not paid at the date of termination, and (iv) a termination payment equal to the product by multiplying: (a) the sum of (1) his or her annual base salary; and (2) his or her highest bonus (including both Performance Bonuses and Special Bonuses) paid or payable in the preceding three years, in each case, calculated on a monthly basis, by (b) a period of between three (3) and 36 months, with longer periods being applicable only in the case of a change of control (the "**Severance Period**"). Those executives eligible for the long-term retention incentive award will also be payable in the event of a change of control. The Executive is also entitled to the continuation of benefits during the Severance Period, or in the event the Company is unable to continue such benefits, payment in lieu equal to the cost of such benefits to the Company.

All outstanding options held by the terminated Executive would also vest immediately and continue to be exercisable until the earlier of the expiry of their term or such period imposed by an applicable regulatory body.

The estimated incremental payments (excluding the Final Wages and payment in lieu of the cost of benefits) payable by the Company to each Executive upon termination without cause or related to a change of control, assuming the triggering event occurred on December 31, 2020, are as follows.



Name	Triggering Event	Estimated Incremental Payment (\$)
Leigh Curyer ⁽¹⁾ President & Chief Executive Officer	Termination Without Cause Change of Control	2,400,000 9,800,000
Tony George ⁽²⁾ Chief Project Officer	Termination Without Cause Change of Control	238,875 358,313
Travis McPherson ⁽³⁾ Senior Vice President, Corporate Development	Termination Without Cause Change of Control	485,000 2,170,000
Troy Boisjoli ⁽⁴⁾ Vice President, Operations & Project Development	Termination Without Cause Change of Control	50,000 100,000
Gillian McCombie ⁽⁵⁾ Vice-President, Human Resources	Termination Without Cause Change of Control	384,750 924,750

Notes:

- (1) Mr. Curyer holds an aggregate of 11,150,000 stock options, having an aggregate in-the-money value, as of December 31, 2020, of \$10,971,500. Mr. Curyer's Change of Control benefit includes the LTI retention incentive payable for specific long-term milestones achieved over a stipulated sliding scale timeline.
- (2) Mr. George holds an aggregate of 600,000 stock options, having an aggregate in-the-money value, as of December 31, 2020, of \$882,000.
- (3) Mr. McPherson holds an aggregate of 3,250,000 stock options, having an aggregate in-the-money value, as of December 31, 2020, of \$3,683,500. Mr. McPherson's Change of Control benefit include a LTI retention incentive payable for specific milestones achieved over a stipulated long-term sliding scale timeline.
- (4) Mr. Boisjoli holds an aggregate of 1,050,000 stock options, having an aggregate in-the-money value, as of December 31, 2020, of \$222,000.
- (5) Ms. McCombie holds an aggregate of 750,000 stock options, having an aggregate in-the-money value, as of December 31, 2020, of \$1,056,000. Ms. McCombie's Change of Control benefit include a LTI retention incentive payable for specific long-term milestones achieved over a stipulated sliding scale timeline.

There are no significant conditions or obligations that apply to the receipt of the foregoing incremental payments.

Director Compensation

The following section pertains to the compensation arrangements the Company had with each director, namely Warren Gilman, Karri Howlett, Christopher McFadden, Brad Wall, Richard Patricio, Trevor Thiele and Sybil Veenman during the year ended December 31, 2020. Director fees were comprised of an annual retainer for serving on the Board and Board Committees. Executives do not receive additional compensation for serving as directors. Leigh Curyer is a director but also an Executive and receives no additional compensation for his role as a director.

Board Position	Annualized Retainer (\$)
Board Chair Retainer	90,000
Board Member Retainer	70,000
Audit Committee Chair	20,000
Compensation Committee Chair	15,000
Nomination and Governance Committee Chair	5,000
Sustainability Committee Chair	5,000

In addition to the annualized fees disclosed in the table above, each non-executive director was granted Options, under NexGen's Stock Option Plan. The value of these grants for 2020 is provided in the table below. The board also adopted a Director Share Ownership Guideline and the details are set out under Share Ownership Guideline.

The following table sets forth the compensation provided to the directors of the Company for the financial year ended December 31, 2020.

Compensation paid to Leigh Curyer for the financial year ended December 31, 2020 is set out above under the heading "Summary Compensation Table". Mr. Curyer did not receive any remuneration in his role as a director of the Company.



Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Warren Gilman	70,000	Nil	637,092	Nil	Nil	Nil	697,092
Karri Howlett	75,000	Nil	637,092	Nil	Nil	Nil	702,092
Christopher McFadden	90,000	Nil	637,092	Nil	Nil	Nil	727,092
Richard Patricio	90,000	Nil	637,092	Nil	Nil	Nil	717,092
Trevor Thiele	90,000	Nil	637,092	Nil	Nil	Nil	717,092
Sybil Veenman	70,000	Nil	637,092	Nil	Nil	Nil	697,092
Brad Wall	70,000	Nil	637,092	Nil	Nil	Nil	697,092

Note:

- (1) Option-based compensation is valued using the Black-Scholes option pricing model. This model was selected as it is widely used in estimating option-based compensation values by Canadian public companies. The Black-Scholes model resulted in the following option value on each of the following dates: December 11, 2020 - \$1.66; June 12, 2020 - \$0.89

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all share-based and option-based awards outstanding at December 31, 2020 for each of the Company's directors. All option-based awards vest in one-third increments annually, based on the anniversary of the date of grant and have five-year terms.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in- the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Christopher McFadden	350,000	2.65	23-Jun-21	301,000	Nil	Nil
	250,000	2.24	15-Dec-21	317,500	Nil	Nil
	250,000	3.39	14-Dec-22	30,000	Nil	Nil
	300,000	2.85	08-Jun-23	198,000	Nil	Nil
	200,000	2.41	31-Dec-23	220,000	Nil	Nil
	250,000	1.92	12-Jun-24	397,500	Nil	Nil
	100,000	1.59	24-Dec-24	192,000	Nil	Nil
	250,000	1.80	12-Jun-25	427,500	Nil	Nil
Warren Gilman	250,000	3.24	11-Dec-25	67,500	Nil	Nil
	250,000	3.39	14-Dec-22	30,000	Nil	Nil
	300,000	2.85	08-Jun-23	198,000	Nil	Nil
	200,000	2.41	31-Dec-23	220,000	Nil	Nil
	250,000	1.92	12-Jun-24	397,500	Nil	Nil
	200,000	1.59	24-Dec-24	384,000	Nil	Nil
	250,000	1.80	12-Jun-25	427,500	Nil	Nil
Richard Patricio	250,000	3.24	11-Dec-25	67,500	Nil	Nil
	350,000	2.65	23-Jun-21	301,000	Nil	Nil
	250,000	2.24	15-Dec-21	317,500	Nil	Nil
	250,000	3.39	14-Dec-22	30,000	Nil	Nil
	450,000	2.85	08-Jun-23	297,000	Nil	Nil
	200,000	2.41	31-Dec-23	220,000	Nil	Nil
	250,000	1.92	12-Jun-24	397,500	Nil	Nil
	100,000	1.59	24-Dec-24	192,000	Nil	Nil
	250,000	1.80	12-Jun-25	427,500	Nil	Nil
	250,000	3.24	11-Dec-25	67,500	Nil	Nil



Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Trevor Thiele	350,000	2.65	23-Jun-21	301,000	Nil	Nil
	250,000	2.24	15-Dec-21	317,500	Nil	Nil
	250,000	3.39	14-Dec-22	30,000	Nil	Nil
	450,000	2.85	08-Jun-23	297,000	Nil	Nil
	200,000	2.41	31-Dec-23	220,000	Nil	Nil
	250,000	1.92	12-Jun-24	397,500	Nil	Nil
	100,000	1.59	24-Dec-24	192,000	Nil	Nil
	250,000	1.80	12-Jun-25	427,500	Nil	Nil
Karri Howlett	250,000	3.24	11-Dec-25	67,500	Nil	Nil
	300,000	2.49	21-Aug-23	306,000	Nil	Nil
	200,000	2.41	31-Dec-23	220,000	Nil	Nil
	250,000	1.92	12-Jun-24	397,500	Nil	Nil
	200,000	1.59	24-Dec-24	384,000	Nil	Nil
	250,000	1.80	12-Jun-25	427,500	Nil	Nil
Sybil Veenman	250,000	3.24	11-Dec-25	67,500	Nil	Nil
	300,000	2.49	21-Aug-23	306,000	Nil	Nil
	200,000	2.41	31-Dec-23	220,000	Nil	Nil
	250,000	1.92	12-Jun-24	397,500	Nil	Nil
	200,000	1.59	24-Dec-24	384,000	Nil	Nil
	250,000	1.80	12-Jun-25	427,500	Nil	Nil
Brad Wall	250,000	3.24	11-Dec-25	67,500	Nil	Nil
	500,000	2.27	21-Mar-24	620,000	Nil	Nil
	250,000	1.92	12-Jun-24	397,500	Nil	Nil
	200,000	1.59	24-Dec-24	384,000	Nil	Nil
	250,000	1.80	12-Jun-25	427,500	Nil	Nil

Note:

- (1) The pre-tax value of unexercised in-the-money options is calculated by multiplying the difference between the closing price of the common shares on the TSX on December 31, 2020, which was \$3.51, and the option exercise price, by the number of outstanding options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.

Incentive Plan Awards – Value Vested or Earned During the Year

During the financial year ended December 31, 2020, the following incentive plan awards vested or were earned for the directors:

Name	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Shared-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Christopher McFadden	137,666	Nil	Nil
Warren Gilman	202,001	Nil	Nil
Richard Patricio	137,666	Nil	Nil
Trevor Thiele	137,666	Nil	Nil
Karri Howlett	202,001	Nil	Nil
Sybil Veenman	202,001	Nil	Nil
Brad Wall	128,667	Nil	Nil

Note:

- (1) The aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date.