



**MANAGEMENT INFORMATION CIRCULAR**  
**AND**  
**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**OF**  
**NEXGEN ENERGY LTD.**

**TO BE HELD ON JUNE 7, 2017**



**NEXGEN ENERGY LTD.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the “**Meeting**”) of shareholders of NexGen Energy Ltd. (the “**Corporation**” or “**NexGen**”) will be held on Wednesday, June 7, 2017 at 2:00 p.m. (Vancouver time) at the Rosewood Hotel Georgia located at 801 West Georgia Street, Vancouver, British Columbia, V6C 1P7, for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2016 together with the report of the independent auditors thereon;
2. to set the number of directors at six (6) members and to elect the directors of the Corporation for the ensuing year;
3. to re-appoint KPMG LLP as independent auditor of the Corporation for the 2017 fiscal year and to authorize the directors to fix their remuneration;
4. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution ratifying, confirming and approving a shareholder rights plan; and
5. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular, which is deemed to form part of this notice of meeting. Please read the management information circular carefully before you vote on the matters being transacted at the Meeting.

Your vote is important regardless of the number of NexGen shares you own. Registered NexGen shareholders who are unable to attend the Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, to vote by telephone, or over the Internet, in each case in accordance with the enclosed instructions. To be used at the Meeting, the completed proxy form must be deposited at the office of Computershare Investor Services Inc., by fax within North America at 1-866-249-7775 or outside North America at (416) 263-9524 or by mail or hand delivery to the 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not later than 2:00 p.m. (Vancouver time) on June 5, 2017 or, if the Meeting is adjourned or postponed, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) prior to the time set for the adjourned or postponed meeting.

Non-registered NexGen shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their broker or intermediary.

**Late proxies may be accepted or rejected by the Chair of the Meeting in his or her discretion.**

**DATED** at Vancouver, British Columbia, this 27<sup>th</sup> day of April, 2017.

**BY ORDER OF THE BOARD**

*“Leigh Curyer”*

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Leigh Curyer  
President & Chief Executive Officer

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## MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of NexGen Energy Ltd. (the “**Corporation**” or “**NexGen**”) for use at the annual and special meeting (the “**Meeting**”) of its shareholders to be held on Wednesday, June 7, 2017 at the time and place and for the purposes set forth in the accompanying notice of annual and special meeting of shareholders (the “**Notice of Meeting**”). Unless otherwise stated, this Circular contains information as at April 27, 2017. References in this Circular to the Meeting include any adjournment or postponement thereof and, unless otherwise indicated, in this Circular all references to “\$” are to Canadian dollars.

The Corporation holds approximately 70% of the issued and outstanding common shares of IsoEnergy Ltd. (TSXV: ISO) (“**IsoEnergy**”). IsoEnergy is a reporting issuer subject to Canadian securities laws, including disclosure regarding compensation of its directors and named executive officers. All directors, other than Mark O’Dea, are also directors of IsoEnergy and receive director fees from IsoEnergy in such capacities and hold stock options and common shares of IsoEnergy. In addition, Craig Parry, a director of the Corporation, is the President and Chief Executive Officer of IsoEnergy and receives compensation from IsoEnergy in that capacity, and Joanna Cameron, the Vice President, Legal & General Counsel of the Corporation, is the Corporate Secretary of IsoEnergy and receives nominal compensation from IsoEnergy in that capacity. Further information regarding the compensation paid by IsoEnergy and stock options and common shares held by those common directors and officers will be available in its management information circular which will be filed under its profile on [www.sedar.com](http://www.sedar.com).

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

It is expected that proxies will be solicited primarily by mail, but proxies may also be solicited personally, by telephone, email or by other means of electronic communication, by directors, officers or employees of the Corporation, to whom no additional compensation will be paid. All costs of solicitation will be borne by NexGen. In addition, the Corporation shall, upon request, reimburse brokerage firms and other custodians for their reasonable expenses in forwarding proxies and related material to beneficial owners of common shares of the Corporation.

### Notice-and-Access

The Corporation has decided to use the notice and access mechanism (the “**Notice-and-Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for the delivery of this Circular to shareholders for the Meeting.

Under the Notice-and-Access Provisions, instead of receiving printed copies of this Circular, shareholders will receive a notice (“**Notice**”) with information on the Meeting as well as information on how they may access this Circular electronically and how they may vote.

The Corporation will not use the procedures known as “stratification” in relation to the use of Notice-and-Access Provisions meaning that all shareholders will receive a Notice in accordance with the Notice-and-Access Provisions.

Shareholders can request that printed copies of this Circular be sent to them by postal delivery, at no cost to them, up to one year after the date this Circular was filed on SEDAR by calling toll-free (in Canada and the United States) 1-800-841-5821 or by emailing [hdevitt@nxe-energy.ca](mailto:hdevitt@nxe-energy.ca). See under the heading “*How to Obtain Paper Copies of the Circular*” in the accompanying Notice and Access Notification to Shareholders.

## **Appointment of Proxyholders**

The persons named in the enclosed form of proxy are executive officers of the Corporation. **You have the right to appoint someone other than the persons designated in the enclosed form of proxy, who need not be a shareholder, to attend and act on your behalf at the Meeting by printing the name of the person you want in the blank space provided or by completing and delivering another suitable form of proxy.**

## **Voting by Proxyholder**

On any ballot, the nominees named in the accompanying proxy form will vote, or withhold from voting or vote against (as applicable), your common shares in accordance with your instructions. In respect of any matter for which a choice is not specified, the persons named in the accompanying proxy form will vote at their own discretion, except where management recommends that shareholders vote in favour of a matter, in which case the nominees will vote FOR the approval of such matter.

The form of proxy confers discretionary authority upon the nominees named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.

As of the date of this Circular, management of NexGen knows of no such amendment, variation or other matter that may come before the Meeting. However, if any amendment, variation or other matter should properly come before the Meeting, each nominee named in the accompanying proxy form intends to vote thereon in accordance with the nominee's best judgment or as stated above.

## **Registered Shareholders**

Registered NexGen shareholders who are unable to attend the Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, to vote by telephone, or over the Internet, in each case in accordance with the enclosed instructions.

To vote by telephone, NexGen shareholders should call Computershare Investor Services Inc. at 1-866-732-VOTE (8683). NexGen shareholders will need to enter the 15-digit control number provided on the form of proxy to identify themselves as shareholders on the telephone voting system.

To vote over the Internet, NexGen shareholders should go to [www.investorvote.com](http://www.investorvote.com). NexGen shareholders will need to enter the 15-digit control number provided on the form of proxy to identify themselves as shareholders on the voting website.

To be used at the Meeting, the completed form of proxy must be deposited at the office of Computershare Investor Services Inc., by fax within North America at 1-866-249-7775 or outside North America at (416) 263-9524 or by mail or hand delivery to the 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not later than 2:00 p.m. (Vancouver time) on June 5, 2017 or, if the Meeting is adjourned or postponed, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in either the Province of Ontario or the Province of British Columbia) prior to the time set for the adjourned or postponed meeting.

**Late proxies may be accepted or rejected by the Chair of the Meeting in his or her discretion.**

## **Non-Registered Shareholders**

Most shareholders of the Corporation are "non-registered" shareholders ("**Non-Registered Shareholders**") because the common shares they own are not registered in their name but are registered in the name of an intermediary such as a bank, trust company, securities dealer or broker, trustee or administrator, of a self-administered RRSP, RRIF, or RESP or a clearing agency (such as CDS Clearing and Depositary Services Inc.) of which the intermediary is a participant.

Applicable regulatory policy requires intermediaries/brokers to whom meeting materials have been sent to seek voting instructions from Non-Registered Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed in order to ensure that the Non-Registered Shareholder's common shares are voted at the Meeting.

The majority of brokers now delegate responsibility for obtaining instructions from Non-Registered Shareholders to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form ("**VIF**"), instead of the form of proxy. Non-Registered Shareholders are requested to complete and return the VIF to Broadridge. Alternatively, Non-Registered Shareholders can call a toll-free telephone number or access Broadridge's dedicated voting website [www.proxyvote.com](http://www.proxyvote.com).

The VIF must be returned as directed by Broadridge well in advance of the Meeting in order to have the common shares voted. Non-Registered Shareholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their common shares at the Meeting.

NexGen may utilize the Broadridge QuickVote™ service to assist Non-Registered Shareholders vote their shares.

**Non-Registered Shareholders are not entitled, as such, to vote at the Meeting in person or to deliver a form of proxy. If you are a Non-Registered Shareholder and wish to appoint yourself as proxyholder to vote in person at the Meeting or appoint someone else to attend the Meeting and vote on your behalf, please see the voting instructions you received or contact your intermediary/broker well in advance of the Meeting to determine how you can do so.**

**Non-Registered Shareholders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their common shares voted at the Meeting.**

The materials for the Meeting are being sent to both registered and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

### **Revocation of Proxies**

Only a registered NexGen shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the NexGen shareholder or such shareholder's legal representative, or if the NexGen shareholder is a corporation, by its duly authorized legal, and deposited at the Corporation's registered office: 25<sup>th</sup> Floor, 700 West Georgia Street, Vancouver, British Columbia V7Y 1B3, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting prior to voting and, upon either of such deposits, the proxy is revoked.

**Non-Registered Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective intermediaries to change their vote and if necessary**

revoke the proxy on their behalf.

## **VOTING SHARES AND PRINCIPAL SHAREHOLDERS**

### **Record Date**

The board of directors of NexGen (the “**Board**”) has fixed April 24, 2017 as the record date, being the date for the determination of the holders of the Corporation’s common shares entitled to notice of, and to vote at, the Meeting and any adjournment or postponement thereof.

### **Shares Outstanding and Principal Holders**

As of April 24, 2017, there were a total of 306,548,620 NexGen common shares issued and outstanding. The holders of the common shares are entitled to receive notice of, and to attend, all meetings of NexGen shareholders and to have one vote for each common share held.

To the knowledge of the directors and executive officers of the Corporation, as of the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, 10% or more of the Corporation’s outstanding common shares.

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

The Corporation is unaware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation’s last financial year, or is a proposed nominee for election as a director (or an associate or affiliate of such director, executive officer or director nominee) in any matter to be acted upon at the Meeting, other than the election of directors.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

The Corporation is unaware of any material interest, direct or indirect, of any informed person or any proposed nominee for election as a director of the Corporation (or an associate or affiliate of such informed person or director nominee) in any transaction since the beginning of the Corporation’s last financial year or any proposed transaction, which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## **BUSINESS TO BE TRANSACTED AT THE MEETING**

### **Financial Statements**

The audited consolidated financial statements of the Corporation for the financial year ended December 31, 2016 and the report of the independent auditors thereon will be presented at the Meeting. These consolidated financial statements and the related management’s discussion and analysis were sent to all shareholders who have requested a copy. The Corporation’s consolidated financial statements and related management’s discussion and analysis for the year ended December 31, 2016 are also available under the Corporation’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Corporation’s website ([www.nexgenenergy.ca](http://www.nexgenenergy.ca)).

### **Setting the Number of Directors**

The Board currently consists of six (6) directors and it is proposed to set the number of directors at six (6) for the ensuing year.

**Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR fixing the number of directors at six (6).**

## **Election of Directors**

The directors of the Corporation are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Corporation to serve until their successors are elected or appointed. All six (6) nominees are currently directors of the Corporation.

**Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR the election of the six (6) director nominees listed in this Circular.** Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table provides information on the six (6) director nominees, including: (i) their province or state and country of residence; (ii) the date when they were appointed a director; (iii) whether they are considered to be independent; (iv) their membership on committees of the Board; (v) their principal occupation, business or employment presently and over the preceding five years; and (vi) the number of common shares and stock options of the Corporation (does not include common shares or stock options of IsoEnergy for the common directors) beneficially owned, controlled, or directed, directly or indirectly.

<p>Leigh Curyer British Columbia, Canada</p> <p>Director since: April 19, 2013</p> <p>Not Independent <sup>(1)</sup></p>	<p>Mr. Curyer has over 20 years' experience in the resources and corporate sector. Mr. Curyer currently serves as the Corporation's 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.). In addition, from 2008 to 2011, Mr. Curyer was Head of Corporate Development for Accord Nuclear Resources Management, assessing uranium projects worldwide for First Reserve Company, a global energy-focused private equity and infrastructure investment firm.</p> <p>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.</p>
<b>Board Committees</b>	
None	
<b>Principal Occupation</b>	
President and Chief Executive Officer of NexGen Energy Ltd.	
<b>Options and Common Shares (as at April 27, 2017)</b>	
<b>Options</b>	<b>Common Shares</b>
9,000,000	1,956,250

(1) Mr. Curyer is not independent on the basis that he is an executive officer of the Corporation.

<p>Christopher McFadden Victoria, Australia</p> <p>Director since: April 19, 2013</p> <p>Independent</p>	<p>Mr. McFadden is a lawyer with 22 years' experience in exploration and mining and currently serves as the President and Chief Executive Officer of NxGold Ltd. Previously, Mr. McFadden was the Manager, Business Development at Newcrest Mining Limited and, before that, the Head of Commercial, Strategy and Corporate Development for Tigers Realm Coal Limited, which is listed on the Australian Stock Exchange. 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.</p> <p>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.</p>
<b>Board Committees</b>	
Chairman of the Board; Audit Committee	
<b>Principal Occupation</b>	
President and Chief Executive Officer of NxGold Ltd.	
<b>Options and Common Shares (as at April 27, 2017)</b>	
<b>Options</b>	<b>Common Shares</b>
2,650,000	500,000

<p>Craig Parry British Columbia, Canada</p> <p>Director since: May 22, 2014</p> <p>Not Independent <sup>(1)</sup></p>	<p>Mr. Parry is currently the President and Chief Executive Officer of IsoEnergy Ltd., a 70%-owned subsidiary of NexGen. Mr. Parry was a founding member of the Tigers Realm Group and was appointed to the Board of Tigers Realm Minerals Pty Ltd., Tigers Realm Metals and NexGen Energy Ltd. in 2011. Mr. Parry was appointed Chief Executive Officer of Tigers Realm Coal Limited in 2012 and acted in that capacity until 2015.</p> <p>Mr. Parry is a geologist and has been responsible for the business development activities of the Tigers Realm Group since inception in 2008. Prior to joining the Tigers Realm Group, Mr. Parry was the Business Development Manager for G-Resources Limited, responsible for mergers and acquisitions, and Principal Geologist - New Business at Oxiana Limited, responsible for strategy and business development initiatives in bulk and energy commodities. Mr. Parry also previously led exploration programs for iron ore, copper, diamonds, coal and bauxite at Rio Tinto in Australia, Asia and South America and was the principal geologist for the Kintyre Uranium project pre-feasibility study. Mr. Parry holds an Honours Degree in Geology and is a Member of the Australian Institute of Mining and Metallurgy.</p>
<b>Board Committees</b>	
None	
<b>Principal Occupation</b>	
President and Chief Executive Officer of IsoEnergy Ltd.	
<b>Options and Common Shares (as at April 27, 2017)</b>	
<b>Options</b>	<b>Common Shares</b>
2,150,000	210,244

(1) Mr. Parry is not independent on the basis that he is an executive officer of an affiliate of the Corporation.

<p>Richard Patricio Ontario, Canada</p> <p>Director since: April 19, 2013</p> <p>Independent</p>	<p>Mr. Patricio is the President and Chief Executive Officer of Mega Uranium Ltd., having previously been its Executive Vice President from 2005 to 2015.</p> <p>Until April 2016, Mr. Patricio was also the Chief Executive Officer of Pinetree Capital Ltd. ("Pinetree"). 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.</p> <p>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 received his law degree from Osgoode Hall and was called to the Ontario bar in 2000.</p>
<b>Board Committees</b>	
Compensation and Governance Committee (Chair); Audit Committee	
<b>Principal Occupation</b>	
President and Chief Executive Officer of Mega Uranium Ltd.	
<b>Options and Common Shares (as at April 27, 2017)</b>	
<b>Options</b>	<b>Common Shares</b>
2,250,000	400,000 <sup>(1)</sup>

(1) In addition, Mega Uranium Ltd. holds 19,376,265 common shares of NexGen. Mr. Patricio is the President and Chief Executive Officer of Mega Uranium Ltd. The common shares of Mega Uranium Ltd. are listed on the TSX.

<p>Trevor Thiele South Australia, Australia</p> <p>Director since: April 19, 2013</p> <p>Independent</p>	<p>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.</p> <p>Mr. Thiele is currently a non-executive director of a number of non-listed Australian entities, and acts as Chairman of two of these entities.</p> <p>Mr. Thiele holds a Bachelor of Arts in Accountancy from the University of South Australia and is a member of Chartered Accountants of Australia and New Zealand.</p>
<b>Board Committees</b>	
Audit Committee (Chair); Compensation and Governance Committee	
<b>Principal Occupation</b>	
Corporate Director	
<b>Options and Common Shares (as at April 27, 2017)</b>	
<b>Options</b>	<b>Common Shares</b>
2,200,000	Nil

<p>Mark O'Dea British Columbia, Canada</p> <p>Director since: November 8, 2016</p> <p>Independent</p>	<p>Since 2001, Dr. O'Dea has played leadership roles in founding, financing and building numerous mining companies including: (i) Fronteer Gold Inc. which was sold in 2011 to Newmont Mining Corporation and which transaction included the spin-out of Pilot Gold Inc.; (ii) Aurora Energy Ltd. which was sold to Paladin Energy Ltd. in 2011; (iii) True North Nickel Corporation which was sold to Royal Nickel Corporation in 2014; and (iv) True Gold Mining Inc. which was sold to Endeavour Mining Corporation in 2016. Dr. O'Dea is the founder of Oxygen Capital Corp., and currently also serves as the Chairman of the Board of Pilot Gold Inc. and as a Director of Pure Gold Mining Inc.</p>
<b>Board Committees</b>	
None	
<b>Principal Occupation</b>	
Founder of Oxygen Capital Corp.	
<b>Options and Common Shares (as at April 27, 2017)</b>	
<b>Options</b>	<b>Common Shares</b>
750,000	330,800

*Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

To the knowledge of management, no proposed director:

- (a) is, as of the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that,
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer; or
- (b) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a

director or an executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (c) has within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

In addition, to the knowledge of management, no proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Appointment of Auditor**

At the Meeting, shareholders will be asked to re-appoint KPMG LLP, 777 Dunsmuir Street, PO Box 10426, Vancouver BC, Canada, as independent auditor of the Corporation for the ensuing year at such remuneration to be fixed by the Board.

**Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR the re-appointment of KPMG LLP as the Corporation's independent auditor to hold office for the ensuing year with remuneration to be fixed by the Board.**

### **Approval of Shareholder Rights Plan**

The Corporation adopted a shareholder rights plan (the "**Old Rights Plan**") effective April 22, 2014. The Old Rights Plan was ratified and approved at an annual and special meeting of shareholders held on May 22, 2014. In accordance with its terms, the Old Rights Plan expired on April 22, 2017.

On April 22, 2017, the Board approved and adopted a shareholder rights plan (the "**Rights Plan**") to replace the Old Rights Plan. Pursuant to section 636 of the TSX Company Manual and the conditional approval letter of the TSX, the Rights Plan must be ratified by shareholders at a meeting of shareholders held on or before October 22, 2017, being six months from the date of adoption of the Rights Plan by the Board.

Accordingly, at the Meeting, shareholders will be asked to consider and, if deemed appropriate, pass, with or without variation, a resolution (the "**Rights Plan Resolution**") approving the Rights Plan. The text of the Rights Plan Resolution is set forth below. If the Rights Plan Resolution is not passed, the Rights Plan will terminate at the termination of the Meeting. If the Rights Plan resolution is passed, the Rights Plan will require reconfirmation by shareholders at the 2020 annual meeting of shareholders and every three years thereafter.

### *Background*

Effective May 9, 2016, the Canadian Securities Administrators (the "**CSA**") implemented amendments to the Canadian take-over bid regime. Among other things, the new take-over bid regime requires that a take-over bid must remain open for deposits for 105 days (historically, 35 days) and that all non-exempt take-over bids must meet a minimum tender requirement of more than 50% of the outstanding securities of the class that are subject to the bid. The new take-over bid regime also requires the bid period to be extended for a period of ten days if the minimum tender requirement is met at the bid's initial expiry date. The minimum bid period may be reduced to a period of not less than 35 days in certain circumstances,

including with the approval of a target issuer's board of directors.

The amendments to the take-over bid regime do not apply to exempt take-over bids, and there continues to be a role for rights plans in protecting issuers and preventing the unequal treatment of shareholders. For instance, the Rights Plan is structured to:

- protect shareholders against “creeping bids” (the accumulation of more than 20% of the common shares through purchases exempt from Canadian take-over bid rules, such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of common shares not available to all shareholders, (iii) acquiring control through the slow accumulation of common shares over a stock exchange without paying a control premium, or (iv) through other transactions outside of Canada not subject to Canadian take-over bid rules), and requiring the bid to be made to all shareholders; and
- prevent a potential acquirer from entering into lock-up agreements with existing shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan.

By applying to all acquisitions of greater than 20% of common shares, except in limited circumstances, including “Permitted Bids” and “Competing Permitted Bids”, the Rights Plan is designed to ensure that all shareholders receive equal treatment.

In light of the foregoing considerations, the Board has determined that it is advisable and in the best interests of the Corporation and its shareholders that the Corporation has in place a shareholder rights plan in the form of the Rights Plan.

#### *The Rights Plan*

The Rights Plan contains substantially the same terms and conditions as the Old Rights Plan, which was previously ratified by the shareholders. The only substantive changes to the Rights Plan, as compared to the Old Rights Plan, are to conform the terms of a “Permitted Bid” to be consistent with the new take-over bid regime and to amend the definition of “Exempt Acquisition”. In this regard, the Rights Plan contains the following:

- A revised definition of “Permitted Bid” that would require a “Permitted Bid” to remain outstanding for a minimum period of 105 days or such shorter period that a take-over bid must remain open for deposits of securities, in the applicable circumstances, pursuant to Canadian securities laws; and
- Certain amendments to the definition of “Exempt Acquisition” and certain additional non-substantive, technical and administrative amendments, including to align the definition of a “Competing Permitted Bid” to the minimum number of days as required under Canadian securities laws.

A summary of the key features of the Rights Plan is attached as Schedule A hereto.

The complete text of the Rights Plan is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on request to [hdevitt@nxe-energy.ca](mailto:hdevitt@nxe-energy.ca).

#### *Approval Required*

The Rights Plan has been conditionally approved by the TSX, subject to shareholder approval at the Meeting. To be effective, the Rights Plan Resolution must be approved by a simple majority of 50% plus one vote of the votes cast by all shareholders, whether in person or by proxy, at the Meeting. If the Rights Plan Resolution is not passed at the Meeting, the Rights Plan will not become effective and the

Rights Plan will terminate at the termination of the Meeting.

BE IT RESOLVED THAT:

1. the Rights Plan of the Corporation be ratified, confirmed and approved, and the Shareholder Rights Plan Agreement dated April 22, 2017 between the Corporation and Computershare Investor Services Inc., be and is hereby ratified, confirmed and approved; and
2. any director or officer of the Corporation is authorized and directed for and on behalf of the Corporation (whether under its corporate seal or otherwise) to enter into, to execute and deliver all such instruments, agreements and documents, including all notices, consents, applications, acknowledgements, certificates and other instruments (herein the "Instruments") and do, or cause to be done, all such other acts and things (herein "Acts") as may be necessary for the purpose of giving effect to the foregoing resolutions or to comply with any Instrument or Act, and such Instruments and Acts authorized and approved by these resolutions shall constitute valid and binding obligations of the Corporation, and the performance by the Corporation under such Instruments and pursuant to such Acts is hereby authorized.

#### *Recommendation of the Board of Directors*

The Board has reviewed the Rights Plan for conformity with current practices of Canadian issuers with respect to shareholder rights plans. Based on its review, the Board has determined that it is advisable and in the best interests of the Corporation and its shareholders that the Corporation has in place a shareholder rights plan in the form of the Rights Plan. Accordingly, the Board recommends a vote FOR the ratification, confirmation and approval of the Rights Plan.

**Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR the Rights Plan Resolution.**

The Board reserves the right to alter any terms of, or not proceed with, the Rights Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Corporation and its shareholders to do so, in light of developments subsequent to the date of this Circular.

### **EXECUTIVE COMPENSATION**

In accordance with the requirements of applicable securities legislation in Canada, the following executive compensation disclosure is provided in respect of each person who served as the Corporation's Chief Executive Officer (the "CEO") or Chief Financial Officer (the "CFO") during the financial year ended December 31, 2016 and each of the three (3) other most highly compensated executive officers of the Corporation for the financial year ended December 31, 2016, whose annual aggregate compensation exceeded \$150,000.

#### **Compensation and Governance Committee**

The Board is responsible for overseeing the Corporation's compensation program. The Board has however delegated certain oversight responsibilities in this regard to the Corporation's Compensation and Governance Committee (the "**Compensation Committee**"), but retains final authority over the Corporation's compensation program and process.

The Compensation Committee is comprised of two independent members of the Board: Richard Patricio (Chair) and Trevor Thiele. The Compensation Committee has a written mandate which was approved by the Board in 2013. However, in connection with the Corporation's application to list its common shares on the NYSE MKT LLC (the "**NYSE MKT**"), the Compensation Committee will be bifurcated into a Compensation Committee and separate Nomination and Governance Committee and will be governed by new and separate mandates, in each case, effective upon the Corporation's listing on the NYSE MKT.

Both committees will continue to be comprised of the same independent directors: Richard Patricio (Chair) and Trevor Thiele.

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 his 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 has extensive experience as an officer and/or director of several mining companies including as a member of the compensation committee thereof and Mr. Thiele has extensive financial experience. In addition, each of Messrs. Patricio and Thiele have been involved with the Corporation 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 Corporation's compensation policies and practices.

The responsibilities, powers and operation of the Compensation Committee are set out in its written charter. As of the date of this Circular (and pursuant to both its current and proposed mandate), the Compensation Committee is generally responsible for, among other things:

- establishing the Corporation's general compensation philosophy and overseeing the development and implementation of the Corporation's compensation programs;
- reviewing and approving corporate 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 Corporation 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 in being a director.

## **Compensation Discussion and Analysis**

### *Objectives*

The objective of the Corporation's executive compensation program is to provide total compensation that:

- (i) ensures external competitiveness by developing and maintaining compensation levels that reflect current market rates;
- (ii) rewards consistently high performance levels;
- (iii) attracts, retains and motivates qualified and experienced executives;
- (iv) aligns the interests of executives with the interests of the Corporation's shareholders; and
- (v) reflects the respective duties and responsibilities of senior executives.

The Corporation's executive compensation program is based on a pay-for-performance philosophy. It is designed to retain, encourage, compensate and reward executives on the basis of individual and corporate performance, both in the short-term and long-term. More specifically, the Corporation's program is designed to provide the Corporation with maximum flexibility in determining executive compensation and allows it to ensure that a material percentage of total compensation is based on performance (as opposed to base salary) thereby aligning the interests of executive officers with

shareholders and ensuring compensation is merit based, while conserving the Corporation's cash by not committing to significant base salaries.

In addition and in particular, the Corporation's compensation program reflects the fact that, notwithstanding the Corporation's rapid growth, its staffing complement at the executive level has not increased and remains comparatively small. The Corporation believes that compensating its executive officers during this transitional growth period with cash bonuses (as opposed to substantial increases in base salary or additions to the management team) is in the best interests of the Corporation's financial resources and permits a measured and strategic approach to hiring additional senior management while motivating and rewarding the additional commitment and effort required of its current senior management team.

#### *Elements of Executive Compensation*

Compensation of the Corporation's current executive officers consists of a base salary, annual incentive compensation in the form of a discretionary performance bonus and/or special bonus and a longer term incentive 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).

Base salaries are based on a number of factors and designed to best position the Corporation to compete for, and retain, executives critical to the Corporation's long-term success. Performance bonuses and special bonuses (in the form of cash bonuses) are directly tied to corporate and individual performance. Long-term incentive awards consist of stock options and are designed to align the interests of executive officers with the longer term interests of shareholders.

The Chairman of the Compensation Committee meets with the Chief Executive Officer periodically to discuss corporate goals and performance and to discuss the performance of executive officers individually. The Compensation Committee works 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 then makes recommendations relating to the compensation of executive officers to the Board. Based on these recommendations, the Board makes decisions concerning the nature and scope of the compensation to be paid to the Corporation's executive officers. The Compensation Committee bases its recommendations to the Board on its compensation philosophy and the Compensation Committee's assessment of corporate and individual performance, recruiting and retention needs.

For the 2016 fiscal year, aggregate compensation was based, in part, on a report prepared by the Harlon Group ("**Harlon**") in September 2015 which included an evaluation against peer group comparators (see below). The comparator group consisted of the following companies:

Aureus Mining Inc.	Peninsula Energy Limited
Dalradian Resources Inc.	Platinum Group Metals
Denison Mines Corp.	PolyMet Mining Corp.
Energy Fuels, Inc.	Seabridge Gold Inc.
Gold Resource Corporation	Taseko Mines Limited
Golden Star Resources Ltd.	Ur-Energy Inc.
Kaminak Gold Corporation	Uranium Energy Corp.
Largo Resources Ltd.	Toro Energy Limited
Nautilus Minerals Inc.	

A compensation consultant was not retained in the 2016 fiscal year. Compensation for the 2016 fiscal year was based upon deliberations by the Compensation Committee, the previous report prepared by Harlon which was updated with publicly filed information regarding the compensation practices of the comparator group set out above (to the extent still in existence).

In establishing base salaries, the Compensation Committee considers factors such as experience, individual performance, length of service, contribution towards the achievement of corporate objectives 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.

Bonuses are based on the achievement of pre-determined, measurable corporate and/or individual performance objectives. Bonuses are 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 is determined for each executive officer as a percentage of salary. The maximum performance bonus for 2016 was 75% of base salary for the CEO and 50% for all other executive officers. The key performance indicators and maximum bonus percentage are determined by the Compensation Committee (after discussion with the CEO) annually for the ensuing financial year and recommended to the Board for approval, on an individual basis for each executive officer.

The corporate performance objectives for 2016 included share appreciation, completion of a financing or other similar transaction, management of operations within budget, and the Corporation's health and safety record. Individual performance objectives relate to the particular executive's role and expected contribution to the Corporation and its objectives and a discretionary assessment of overall job performance.

Special Bonuses are awarded on an ad hoc basis during the year based on the completion of material corporate transactions and/or other milestones. Special Bonuses are not based on pre-determined objectives and are intended to award extraordinary effort and achievement without financial incentive. Special Bonuses are determined by the Compensation Committee based on discussions, to the extent appropriate, with the CEO.

Stock options are granted on a discretionary basis, based on the Board and the Compensation Committee's assessments of responsibilities and achievements, recognizing that at the earlier stage of development stock option awards can help preserve cash resources. Generally, the number of stock options granted to any executive officer is a function of the level of authority and responsibility of the executive officer, the contribution of the executive officer to the business and affairs of the Corporation, the number of stock options the Corporation has already granted to the executive officer, and such other factors as the Compensation Committee may consider relevant.

Stock options are governed by the Corporation's amended and restated incentive stock option plan (the "**Option Plan**"), and awards are generally made semi-annually. 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.

### *Risk Management*

The Compensation Committee is responsible for identifying any risks associated with the Corporation'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. Given the current stage of development, at this time, the Board has not formally assessed the implications of the risk associated with its compensation policies and practices. However, 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.

### *Hedging*

Pursuant to the Corporation's Code of Business Ethics, the Corporation'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.

### *Outside Consultants*

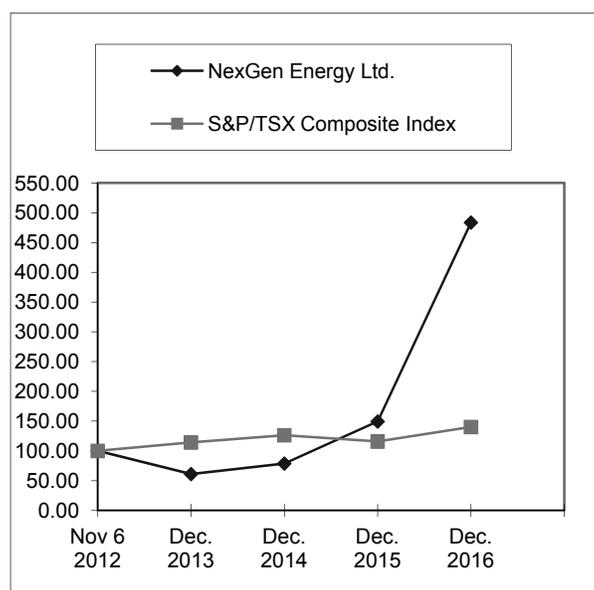
The Compensation Committee did not engage an independent human resource consultant or advisor during the year ended December 31, 2016. Accordingly, no executive compensation-related fees or other fees were paid to compensation consultants or advisors during the 2016 fiscal year. The Compensation Committee has recently engaged Lane Caputo Compensation Inc. to advise the Compensation Committee and the Board on executive and director compensation, including benchmarking and other equity compensation structures such as restricted share units and performance share units.

### *Performance Graph*

The Corporation 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 Corporation 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 Corporation's common shares commenced trading on the TSXV under the symbol "NXE". On July 15, 2016, the Corporation commenced trading on the TSX under the symbol "NXE".

The following graph compares the Corporation's cumulative total shareholder return to the capital markets over the five most recently completed financial years ending December 31, 2016. It shows the change in value of \$100 invested in common shares of the Corporation on November 6, 2012 to December 31, 2016 compared to \$100 invested in the S&P/TSX Composite Index for the same time period, assuming the reinvestment of all dividends (if applicable).

Cumulative Value of \$100 investment from November 6, 2012 to December 31, 2016



	<u>Nov. 6 2012<sup>(1)</sup></u>	<u>Dec. 2013</u>	<u>Dec. 2014</u>	<u>Dec. 2015</u>	<u>Dec. 2016</u>
<b>NexGen Energy Ltd.</b>	100.00	61.24	78.88	149.46	483.65
<b>S&amp;P/TSX Composite Index</b>	100.00	114.28	126.35	115.84	140.26

**Note:**

(1) Last trading day of financial year ended December 31, 2012.

The trend shown in the above graph does not necessarily correspond to the Corporation's compensation to its executive officers for the financial year ended December 31, 2016 or for any prior fiscal periods. The Corporation's executive compensation is based on a number of factors including, but not limited to, the demand for and supply of skilled professionals in the resource industry generally, individual performance, the Corporation's performance (which is not necessarily tied exclusively to the trading price of the common shares on the TSX) and other factors discussed above. 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 Corporation and its executive officers. These include, among other things, market perception of the Corporation's ability to achieve planned growth or results, trading volume in the Corporation's common shares, and changes in general conditions in the economy and financial markets. In general, executive cash compensation has increased significantly less than the price of the Corporation's common shares over that same period. The Corporation's philosophy is to reward the achievement of tangible objectives, not capital market speculation which may or may not be related to the performance of the executive officer.

## Summary Compensation Table

For the financial year ended December 31, 2016, the Corporation had four named executive officers: Leigh Curyer, Grace Marosits, Garrett Ainsworth and Joanna Cameron (collectively, the “**Named Executive Officers**”). The following table sets forth the compensation paid to each of the Named Executive Officers for each of the Corporation’s three most recently completed financial years (2014, 2015 and 2016).

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$) <sup>(3)</sup>	Long-term incentive plans (\$)			
<b>Leigh Curyer</b> President, Chief Executive Officer & Director <sup>(4)</sup>	2016	400,000	Nil	2,802,393	950,000 <sup>(8)</sup>	Nil	Nil	Nil	4,152,393
	2015	300,000	Nil	675,555	200,000	Nil	Nil	Nil	1,175,555
	2014	300,000	Nil	317,074	175,000	Nil	Nil	Nil	792,074
<b>Grace Marosits</b> Chief Financial Officer <sup>(5)</sup>	2016	135,000	Nil	322,961	50,000 <sup>(9)</sup>	Nil	Nil	Nil	507,961
	2015	120,000	Nil	99,195	30,000	Nil	Nil	Nil	249,195
	2014	12,500	Nil	22,188	Nil	Nil	Nil	Nil	34,688
<b>Garrett Ainsworth</b> Vice President, Exploration & Development <sup>(6)</sup>	2016	250,000	Nil	652,862	350,000 <sup>(10)</sup>	Nil	Nil	Nil	1,252,862
	2015	180,000	Nil	426,313	85,000	Nil	Nil	Nil	691,313
	2014	105,000	58,131 <sup>(1)</sup>	161,333	70,000	Nil	Nil	Nil	394,464
<b>Joanna Cameron</b> Vice President, Legal & General Counsel <sup>(7)</sup>	2016	200,000	Nil	377,382	100,000 <sup>(11)</sup>	Nil	Nil	Nil	677,382
	2015	51,644	Nil	115,113	15,000	Nil	Nil	Nil	181,757
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Notes:

- (1) Share-based award was issued in partial consideration for services rendered.
- (2) 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 15, 2016: \$1.50; June 23, 2016: \$1.80; December 16, 2015: \$0.42; September 22, 2015: \$0.43; May 27, 2015: \$0.35; December 24, 2014: \$0.26; June 2, 2014: \$0.20; May 23, 2014: \$0.19.
- (3) Includes bonus amounts paid to Named Executive Officers by the end of each financial year, comprising a Performance Bonus and/or Special Bonus.
- (4) Mr. Curyer did not receive any remuneration in his role as a Director of NexGen.
- (5) Ms. Marosits commenced as Chief Financial Officer on November 24, 2014.
- (6) Mr. Ainsworth commenced as Vice President, Exploration & Development on June 2, 2014.
- (7) Ms. Cameron commenced as Vice President, Legal & General Counsel on September 28, 2015.
- (8) Represents aggregate bonus amounts paid during 2016 and consists of an annual Performance Bonus (\$400,000) for meeting or exceeding pre-determined performance goals (including share price performance) and a Special Bonus in respect of the announcement of a maiden resource estimate at the Rook 1 Project and completion of a US\$60,000,000 financing. There is no assurance that one or more Special Bonuses will be paid in the future.
- (9) Represents aggregate bonus amounts paid during 2016 and consists of an annual Performance Bonus (\$30,000) for meeting or exceeding pre-determined performance goals and a Special Bonus in respect of the completion of a US\$60,000,000 financing. There is no assurance that one or more Special Bonuses will be paid in the future.
- (10) Represents aggregate bonus amounts paid during 2016 and consists of an annual Performance Bonus (\$125,000) for meeting or exceeding pre-determined performance goals and a Special Bonus in respect of the announcement of a maiden resource estimate at the Rook 1 Project. There is no assurance that one or more Special Bonuses will be paid in the future.
- (11) Represents aggregate bonus amounts paid during 2016 and consists of an annual Performance Bonus (\$50,000) for meeting or exceeding pre-determined performance goals and a Special Bonus in respect of the completion of a US\$60,000,000 financing. 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, 2016 for each Named Executive Officer. 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 <sup>(1)</sup> (\$)	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	1,200,000	0.40	31-Jan-18	2,316,000	Nil	Nil
	300,000	0.40	30-Jul-18	579,000	Nil	Nil
	200,000	0.30	19-Dec-18	406,000	Nil	Nil
	500,000	0.40	23-May-19	965,000	Nil	Nil
	1,500,000	0.46	24-Dec-19	2,805,000	Nil	Nil
	1,000,000	0.50	27-May-20	1,830,000	Nil	Nil
	1,500,000	0.64	16-Dec-20	2,535,000	Nil	Nil
	1,800,000	2.65	23-Jun-21	Nil	Nil	Nil
Grace Marosits	1,000,000	2.24	15-Dec-21	90,000	Nil	Nil
	250,000	0.46	24-Dec-19	467,500	Nil	Nil
	250,000	0.50	27-May-20	457,500	Nil	Nil
	100,000	0.64	16-Dec-20	169,000	Nil	Nil
	250,000	2.65	23-Jun-21	Nil	Nil	Nil
Garrett Ainsworth	25,000	2.24	15-Dec-21	2,250	Nil	Nil
	750,000	0.40	03-Jun-19	1,447,500	Nil	Nil
	750,000	0.46	24-Dec-19	1,402,500	Nil	Nil
	750,000	0.50	27-May-20	1,372,500	Nil	Nil
	750,000	0.64	16-Dec-20	1,267,500	Nil	Nil
	250,000	2.65	23-Jun-21	Nil	Nil	Nil
Joanna Cameron	300,000	2.24	15-Dec-21	27,000	Nil	Nil
	500,000	0.62	22-Sep-20	855,000	Nil	Nil
	100,000	0.64	16-Dec-20	169,000	Nil	Nil
	250,000	2.65	23-Jun-21	Nil	Nil	Nil
	100,000	2.24	15-Dec-21	9,000	Nil	Nil

#### Notes:

- (1) The value of unexercised in-the-money options is calculated by multiplying the difference between the December 31, 2016 closing price of the common shares on the TSX of \$2.33 and the option exercise price, by the number of outstanding options. Where the difference is negative, the options are not in-the-money and no value is reported. 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, 2016, no incentive plan awards vested or were earned for the Named Executive Officers except as follows:

Name	Option-based awards - Value vested during the year <sup>(1)</sup> (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Leigh Curyer	2,618,333	Nil	Nil
Grace Marosits	351,000	Nil	Nil
Garrett Ainsworth	1,817,500	Nil	Nil
Joanna Cameron	294,333	Nil	Nil

#### 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.

## Termination and Change of Control Benefits

Each of the Named Executive Officers is party to an employment agreement with the Corporation (each, an “**Executive Employment Agreement**”).

The Executive Employment Agreements establish base compensation comprised of base salary and eligibility for an annual performance-based cash incentive. Named Executive Officers are also eligible to participate in the Corporation’s equity-based long-term incentive compensation plans in the form of stock options, 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 Named Executive Officer’s employment is terminated without cause (including constructive dismissal), or (ii) within 12 months of a “change of control”, the Named Executive Officer is terminated without cause or resigns.

In each case, the terminated Named Executive Officer is entitled to a termination payment equal to the product by multiplying: (i) the sum of (a) his or her annual base salary; and (b) 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 (ii) a period of between 6 and 36 months, with longer periods being applicable only in the case of a change of control (the “**Severance Period**”). The Named Executive Officer is also entitled to the continuation of benefits during the Severance Period, or in the event the Corporation is unable to continue such benefits, payment in lieu equal to the cost of such benefits to the Corporation.

In addition, the terminated Named Executive Officer is entitled to a payment equal to the sum of: (i) all earned but unpaid salary, earned but unpaid bonus, outstanding but untaken vacation pay, and outstanding expenses; and (ii) the terminated Named Executive Officer’s highest Performance Bonus and Special Bonus over the preceding three years, prorated to the date of termination (the “**Final Wages**”).

All outstanding options held by the terminated Named Executive Officer 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) payable by the Corporation to each Named Executive Officer upon termination without cause or related to a change of control, assuming the triggering event occurred on December 31, 2016, are as follows.

Name	Triggering Event	Estimated Incremental Payment (\$)
Leigh Curyer <sup>(1)</sup> President & Chief Executive Officer	Termination Without Cause Change of Control	2,025,000 4,050,000
Grace Marosits <sup>(2)</sup> Chief Financial Officer	Termination Without Cause Change of Control	46,250 138,750
Garrett Ainsworth <sup>(3)</sup> Vice President, Exploration & Development	Termination Without Cause Change of Control	600,000 1,200,000
Joanna Cameron <sup>(4)</sup> Vice President, Legal & General Counsel	Termination Without Cause Change of Control	75,000 300,000

**Notes:**

- (1) Mr. Curyer holds an aggregate of 9,000,000 stock options, having an aggregate in-the-money value, as of December 31, 2016, of \$11,526,000.
- (2) Ms. Marosits holds an aggregate of 875,000 stock options, having an aggregate in-the-money value, as of December 31, 2016, of \$1,096,250.
- (3) Mr. Ainsworth holds an aggregate of 3,550,000 stock options, having an aggregate in-the-money value, as of December 31, 2016, of \$5,517,000.
- (4) Ms. Cameron holds an aggregate of 950,000 stock options, having an aggregate in-the-money value, as of December 31, 2016, of \$1,033,000.

There are no significant conditions or obligations that apply to the receipt of the foregoing incremental payments.

### Director Compensation

The following table sets forth the compensation provided to the directors of the Corporation for the financial year ended December 31, 2016.

Compensation paid to Leigh Curyer for the financial year ended December 31, 2016 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 Corporation.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Christopher McFadden	60,000	Nil	580,738	Nil	Nil	Nil	640,738
Mark O'Dea	5,870	Nil	326,887	Nil	Nil	Nil	332,757
Craig Parry	40,000	Nil	578,336	Nil	Nil	Nil	618,336
Richard Patricio	45,000	Nil	576,943	Nil	Nil	Nil	621,943
Trevor Thiele	50,000	Nil	576,943	Nil	Nil	Nil	626,943

**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 the following option value on each of the following dates:  
 December 15, 2016: \$1.50; November 8, 2016: \$0.96; June 23, 2016: \$1.80; December 16, 2015: \$0.42; May 27, 2015: \$0.35; December 24, 2014: \$0.26; May 23, 2014: \$0.19.

## 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, 2016 for each of the Corporation'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 <sup>(1)</sup> (\$)	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	250,000	2.24	15-Dec-21	22,500	Nil	Nil
	350,000	2.65	23-Jun-21	Nil	Nil	Nil
	250,000	0.64	16-Dec-20	422,500	Nil	Nil
	300,000	0.50	27-May-20	549,000	Nil	Nil
	300,000	0.46	24-Dec-19	561,000	Nil	Nil
	350,000	0.40	23-May-19	675,500	Nil	Nil
	250,000	0.40	30-Jul-18	482,500	Nil	Nil
Mark O'Dea	600,000	0.40	31-Jan-18	1,158,000	Nil	Nil
	250,000	2.24	15-Dec-21	22,500	Nil	Nil
Craig Parry	500,000	1.51	08-Nov-21	410,000	Nil	Nil
	250,000	2.24	15-Dec-21	22,500	Nil	Nil
	350,000	2.65	23-Jun-21	Nil	Nil	Nil
	250,000	0.64	16-Dec-20	422,500	Nil	Nil
	300,000	0.50	27-May-20	549,000	Nil	Nil
	200,000	0.46	24-Dec-19	374,000	Nil	Nil
	500,000	0.40	23-May-19	965,000	Nil	Nil
Richard Patricio	300,000	0.40	31-Jan-18	579,000	Nil	Nil
	250,000	2.24	15-Dec-21	22,500	Nil	Nil
	350,000	2.65	23-Jun-21	Nil	Nil	Nil
	250,000	0.64	16-Dec-20	422,500	Nil	Nil
	300,000	0.50	27-May-20	549,000	Nil	Nil
	200,000	0.46	24-Dec-19	374,000	Nil	Nil
	350,000	0.40	23-May-19	675,500	Nil	Nil
Trevor Thiele	250,000	0.40	30-Jul-18	482,500	Nil	Nil
	300,000	0.40	31-Jan-18	579,000	Nil	Nil
	250,000	2.24	15-Dec-21	22,500	Nil	Nil
	350,000	2.65	23-Jun-21	Nil	Nil	Nil
	250,000	0.64	16-Dec-20	422,500	Nil	Nil
	300,000	0.50	27-May-20	549,000	Nil	Nil
	200,000	0.46	24-Dec-19	374,000	Nil	Nil

**Notes:**

(1) The 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, 2016, which was \$2.33, and the option exercise price, by the number of outstanding options. Where the difference is negative, the options are not in-the-money and no value is reported. 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, 2016, no incentive plan awards vested or were earned for the directors except as follows:

<b>Name</b>	<b>Option-based awards - Value vested during the year <sup>(1)</sup> (\$)</b>	<b>Shared-based awards - Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation - Value earned during the year (\$)</b>
Christopher McFadden	719,500	Nil	Nil
Mark O'Dea	Nil	Nil	Nil
Craig Parry	756,667	Nil	Nil
Richard Patricio	658,167	Nil	Nil
Trevor Thiele	658,167	Nil	Nil

**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.

### **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the “**Disclosure Instrument**”) requires that the Corporation annually disclose its corporate governance practices with reference to a series of corporate governance practices outlined in National Policy 58-201 – *Corporate Governance Guidelines* (the “**Guidelines**”).

The following is a discussion of each of the Corporation’s corporate governance practices for which disclosure is required by the Disclosure Instrument. Unless otherwise indicated, the Board believes that its corporate governance practices are consistent with those recommended by the Guidelines.

As stated above, the Corporation has applied to list its common shares on the NYSE MKT. In that regard, the Board has approved, conditional upon such listing, new detailed and comprehensive terms of reference for its Board, committees and governance policies and procedures, including a new Code of Ethics, a Disclosure Policy, an Auditor Services Pre-Approval Policy, Whistleblower Policy and an Insider Trading and Reporting Policy. Such listing is not yet completed, and therefore the following discussion is based on the Corporation’s governance practices and procedures as of the date hereof.

#### **Director Independence**

For the purposes of the Disclosure Instrument, a director is independent if he or she has no direct or indirect material relationship with the Corporation. A “material relationship” is one which could, in the view of the Board, reasonably be expected to interfere with his or her ability to exercise independent judgment. Certain specified relationships will, in all circumstances, be considered, for the purposes of the Disclosure Instrument, to be material relationships.

As of the date of this Circular, the Board consists of six (6) individuals, four (4) of whom are independent. It is proposed that the Board remain at six (6) members for the current fiscal year. If the Board remains at six (6) members and all of management’s nominees are elected as directors at the Meeting, the Board will consist of six (6) individuals, four (4) of whom are independent. Accordingly, a majority of the Board is independent.

The current independent directors are: Christopher McFadden, Mark O'Dea, Richard Patricio and Trevor Thiele. These directors are also independent for the purposes of the NYSE MKT Company Guide.

Mr. McFadden has been appointed as the Chairman of the Board and is responsible for, among other things, providing leadership to ensure that the Board functions independently of management and overseeing the governance obligations of the Board and its committees generally.

Messrs. Curyer and Parry are not independent for the purposes of the Disclosure Instrument. Mr. Curyer

is the Corporation's President and Chief Executive Officer and, as of April 1, 2016, Mr. Parry was appointed as the President and Chief Executive Officer of IsoEnergy, an affiliate of the Corporation (with the Corporation holding approximately 70% of the outstanding shares of IsoEnergy).

In-camera sessions of the independent directors are scheduled for the conclusion of each meeting of the Board. Additional meetings for the independent directors are held as considered necessary. Moreover, the independent directors have the opportunity to hold discussions in the absence of management through their participation in the Compensation Committee and the Audit Committee. During the financial year ended December 31, 2016, no meetings of the independent directors were convened.

### Other Directorships

Currently, the following directors serve as directors of the following reporting issuers or reporting issuer equivalents:

Name of Director	Reporting Issuer(s) or Equivalent(s)
Leigh Curyer	IsoEnergy Ltd. <sup>(1)</sup> NxGold Ltd.
Christopher McFadden	IsoEnergy Ltd. <sup>(1)</sup> NxGold Ltd.
Craig Parry	IsoEnergy Ltd. <sup>(1)</sup> Skeena Resources Limited
Mark O'Dea	Pilot Gold Inc. Pure Gold Mining Inc.
Richard Patricio	IsoEnergy Ltd. <sup>(1)</sup> Latin American Minerals Inc. NxGold Ltd. Toro Energy Limited <sup>(2)</sup>
Trevor Thiele	IsoEnergy Ltd. <sup>(1)</sup> NxGold Ltd.

**Notes:**

- (1) NexGen holds approximately 70% of the outstanding common shares of IsoEnergy. Accordingly, IsoEnergy is an affiliate of NexGen.
- (2) Mr. Patricio's directorship at Toro Energy Limited is a result of his management role at Mega Uranium Ltd. Latin American Minerals Inc. and NxGold are Mr. Patricio's only directorships which are distinct from his principal occupation.

### Attendance

The Board is committed to scheduling regular meetings of the Board and its committees and encouraging attendance by directors. The Board and its committees held the following number of meetings in the financial year ended December 31, 2016:

	Year Ended December 31, 2016
Board	6
Audit Committee	4
Compensation and Governance Committee	2

The attendance of the current directors at such meetings was as follows:

Director	Board Meetings Attended	Audit Committee Meetings Attended	Compensation and Governance Committee Meetings Attended
Leigh Curyer	6 of 6	N/A	N/A
Christopher McFadden	6 of 6	4 of 4	N/A
Craig Parry <sup>(1)</sup>	6 of 6	N/A	2 of 2
Mark O'Dea <sup>(2)</sup>	N/A	N/A	N/A
Richard Patricio	6 of 6	4 of 4	2 of 2
Trevor Thiele	6 of 6	4 of 4	N/A

**Notes:**

- (1) Mr. Parry was replaced with Mr. Thiele on the Compensation and Governance Committee subsequent to the year ended December 31, 2016.

- (2) Mr. O'Dea was appointed to the Board on November 8, 2016, subsequent to the last meeting of the Board or any committee thereof convened in the financial year ended December 31, 2016.

Due to the small size of the Compensation Committee, only two formal meetings were convened, however, many informal meetings and discussions were held in advance of those meetings to discuss compensation-related matters.

### **Charter of the Board of Directors**

The Board is responsible for the overall stewardship of the Corporation. The Board discharges this responsibility directly and through delegation of selected and specific responsibilities to committees of the Board, and the Chairman of the Board, all as more particularly described in the Charter of the Board of Directors (the “**Charter**”) attached to this Circular as Schedule B.

### **Position Descriptions**

The Board has adopted a written position description for the roles of the Chairman of the Board and the CEO. The Chairman of the Board’s role is set out in the Charter as being responsible for the management, development and effective performance of the Board and ensuring the Board fulfils its duties as required by law and as set forth in the Charter.

The CEO is responsible for leading the Corporation in meeting its short-term operational and long-term strategic goals. The CEO is expected to report to the Board on a regular basis concerning the Corporation’s progress towards its goals, strategies and objectives.

Although the Board has developed written mandates for each of the Board committees, the Board has not yet developed written position descriptions for the chairs of each Board committee. The written mandate of each committee however delineates the role and responsibilities of each committee chair.

### **Orientation and Continuing Education**

The Corporation has prepared a Board of Directors’ manual which provides a comprehensive overview of the Corporation and the responsibilities of its directors, as well as the role of the Board and committees, and the nature and operation of the Corporation’s business. Given the current size of the Corporation and its stage of development, and as each new director will have a different skill set and professional background, specific orientation and training activities are tailored to the particular needs and experience of each director and consist primarily of meetings with members of the executive management team.

The Board provides continuing education for directors on an *ad hoc* basis in respect of issues that are necessary for them to meet their obligations as directors. All of the directors are actively involved in their respective areas of expertise and have full access to management. Directors are periodically provided with the opportunity to visit the Corporation’s properties to become familiar with the Corporation’s operations. Presentations by management and the Corporation’s advisors are also organized, as needed, to provide ongoing director education.

### **Ethical Business Conduct**

As part of its responsibility for the stewardship of the Corporation, the Board seeks to foster a culture of ethical conduct by requiring the Corporation to carry out its business in accordance with high business and moral standards and applicable legal and financial requirements. The Board has formalized this in its Code of Business Ethics (the “**Code**”). A copy of the Code is available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Corporation’s Corporate Secretary is responsible for communicating the Code to directors, officers and employees. Compliance with the Code is maintained primarily through the reporting process within the Corporation’s organizational structure. The Audit Committee monitors overall compliance with the

Code and the Chief Financial Officer reports any alleged breaches of the Code to the Audit Committee. The Corporation's Chief Financial Officer and the Audit Committee Chair then report to the Board at regular quarterly meetings of the Board on any issues or concerns that have been raised.

In addition, the Corporation has adopted a "whistleblower" policy (the "**Whistleblower Policy**") so that any employee of the Corporation or its subsidiaries may submit confidential or anonymous concerns regarding accounting or auditing matters without fear of dismissal or retaliation of any kind. The Whistleblower Policy allows employees to direct their concerns to the Chair of the Audit Committee.

Both the code and the whistleblower policy to be adopted upon, and subject to, the NYSE MKT listing will be substantively similar to the existing Code and Whistleblower Policy, but more comprehensive to reflect the increasing complexity and size of the Corporation's operations.

Certain members of the Board are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting such participation. Where such a conflict of interest involves a particular Board member (i.e. where a Board member has an interest in a material contract or material transaction involving the Corporation), such Board member will be required to disclose his or her interest to the Board and refrain from voting at any Board meeting of the Corporation which considers such contract or transaction, in accordance with applicable law. To ensure a consistent process for addressing actual and potential conflicts of interest, the Corporation has adopted a policy governing conflicts of interest and related party transactions which prescribes a formal procedure and internal reporting process for addressing potential conflicts in a timely fashion.

In rare circumstances, if deemed appropriate, the Corporation may establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

### **Nomination of Directors**

The Compensation Committee is responsible for assisting the Board in respect of the nomination of directors and identifying new candidates for appointment to the Board.

The Compensation Committee establishes criteria for Board membership and composition, and makes recommendations to the Board thereon. The Compensation Committee also makes recommendations for the assignment of Board members to Board committees and oversees a process for director succession. In that regard, the Compensation Committee is also responsible for assessing the competencies and skills of existing directors and those required for nominees to the Board, with a view to ensuring that the Board is comprised of directors with the necessary skills and experience to facilitate effective decision-making. The Compensation Committee may retain external consultants or advisors to conduct searches for appropriate potential director candidates if necessary.

However, as previously stated, the nomination function of the current Compensation Committee will be transferred to a separate Nomination and Governance Committee upon, and subject to, the Corporation's common shares being listed on the NYSE MKT.

### *Advance Notice Provisions*

On May 21, 2015, shareholders approved an amendment to the Corporation's articles to implement advance notice provisions for the nomination of directors (the "**Advance Notice Provisions**"). Under the Advance Notice Provisions, a director nomination must be made, in the case of an annual meeting of shareholders, not less than 30 days nor more than 65 days prior to the date of the annual meeting of shareholders, and in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. The Advance Notice

Provisions also set forth the information that a shareholder must include in the notice to the Corporation. See the Corporation's amended articles which are available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) for full details (filed on May 26, 2015). No director nominations have been made by shareholders in connection with the Meeting under the terms of the Advance Notice Provisions, and as such the only nominations for directors at the Meeting are the nominees set forth above under "Business to be Transacted at the Meeting – Election of Directors".

### *Majority Voting Policy*

The Corporation has adopted a majority voting policy which requires that each director nominee of the Corporation must be elected by at least a majority (50% + 1 vote) of the votes cast with regard to his or her election. Any director nominee 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 Compensation Committee will make a determination as to whether or not to accept the tendered resignation and make a recommendation to the Board thereon. The Board, in turn, will determine whether or not to accept the tendered resignation within 90 days of the shareholder meeting. The Compensation Committee will accept the tendered resignation absent exceptional circumstances and the resignation will be effective when accepted by the Board. The Corporation 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 corporate law restrictions, the Board may fill any resulting vacancy through the appointment of a new director. The director nominee in question may not participate in any committee or Board votes concerning his or her resignation. This policy will not apply in circumstances involving contested director elections.

### **Compensation**

In the 2016 fiscal year, directors received an annual fee of \$40,000. The Chairman of the Board received an additional annual fee of \$20,000, the Chairman of the Audit Committee received an additional annual fee of \$10,000, and the Chairman of the Compensation Committee received an additional annual fee of \$5,000. These annual fees included meeting attendance fees. Effective January 1, 2017, the annual fee was increased to \$55,000, the premium for the Chairman of the Audit Committee was increased to \$15,000 and an additional \$5,000 is now payable for committee membership. The Corporation believes the additional fees reflect the time commitment and dedication required of its Board, particularly, given its relatively small size compared to the Corporation's size and growth trajectory.

Members of the Board are also eligible for the grant of stock options as and when appropriate. As previously stated, the Compensation Committee will periodically review the adequacy and form of the compensation of directors to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director, and will report and make recommendations to the Board accordingly.

For details regarding the Corporation's approach to the compensation of executive officers, including the CEO and the role of the Compensation Committee, see "*Executive Compensation – Compensation Discussion and Analysis*", above.

### **Board Committees**

The Board delegates certain responsibilities to the following two committees of the Board: (i) the Audit Committee; and (ii) the Compensation Committee. The Board has adopted a written charter for each of the Audit Committee and the Compensation Committee. From time to time, the Board also appoints *ad hoc* committees to assist in specific matters. The Board delegates specific mandates to such *ad hoc* committees if and when they are established.

As previously stated, in connection with the Corporation's application to list its common shares on the NYSE MKT, the Compensation Committee will be bifurcated into a Compensation Committee and separate Nomination and Governance Committee and will be governed by new and separate mandates,

in each case effective, upon the Corporation's listing on the NYSE MKT. Both committees will continue to be comprised of the same independent directors: Richard Patricio (Chair) and Trevor Thiele. Similarly, there will be no change in the composition of the Audit Committee as a result of the Corporation's listing on the NYSE MKT.

### **Assessments**

In 2015, the Compensation Committee established a formal process for assessing the effectiveness of the Board as a whole, its committees and individual directors. As part of this process, directors completed a questionnaire which provided for quantitative and qualitative ratings of their and the Board's performance in key areas and provided subjective comment in each of those areas.

The Chair of the Compensation Committee reviewed the results of the self-assessment process, identified areas requiring follow-up and reported to the Board on the results of the assessment process. Action plans to follow-up on specific issues are monitored by the Compensation Committee.

An assessment was not completed for the year ended December 31, 2016, however, deficiencies identified from the assessment completed in the previous fiscal year were addressed in 2016 with changes to the compensation of the Board. It was therefore determined that the next assessment would be deferred to 2017 to allow those changes to take full effect. In the meantime, the Board is confident that the Corporation's recent accomplishments and general shareholder sentiment are a testament to the Board's efficiency during 2016.

### **Term Limits and Diversity**

In the fall of 2014, the Canadian Securities Administrators introduced "comply or explain" policies requiring companies to either adopt or explain why they have not adopted (a) policies with respect to term limits for directors; and (b) policies and targets designed to increase participation by woman in board matters and in executive positions. The Corporation has not yet adopted formal policies or targets on either term limits or diversity.

The Board recognizes the valuable contributions made to board deliberations and management by people of different gender, experience and background, and the Board believes that it currently focuses on hiring the best quality individuals for the position, while also encouraging diversity on the Board and in executive officer positions. The Corporation has not set a targeted number or percentage of female representation on its Board or for executive officer positions; however, the Board is mindful of the benefit of diversity in the Corporation's leadership positions and the need to maximize the effectiveness of the Board and management in their decision making abilities. In searches for new directors or officers, the Board is committed to conducting a search for suitable candidates and will consider the level of female representation and diversity within its leadership ranks in its search process. While the Corporation does not have any female Board members, 50% of its senior management team is female. In aggregate, two of the nine members of the Corporation's Board and senior management team are female.

The Compensation Committee annually reviews the composition of the Board, including the age and tenure of individual directors. The Board strives to achieve a balance between depth of experience and the need for renewal and new perspectives. The Compensation Committee has determined that the Board is highly effective and well composed and that no appreciable benefit would be derived from the introduction of term or retirement age limits at this time.

In considering the recently adopted CSA Guidelines, the Compensation Committee has determined to monitor developments in this area while reviewing the Corporation's own practices in order to adopt a policy that is meaningful for the Corporation. The Corporation is committed to nominating the best individuals to fulfil director roles and executive officer positions.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the Corporation's most recently completed financial year, being December 31, 2016, with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans <sup>(2)</sup>
Equity compensation plans approved by securityholders <sup>(1)</sup>	33,466,112	\$1.06	27,771,945
Equity compensation plans not approved by securityholders	Nil	n/a	n/a
<b>Total</b>	<b>33,466,112</b>		<b>27,771,945</b>

**Notes:**

- (1) Numbers in this row refer to stock options to purchase securities of the Corporation pursuant to the Option Plan.  
 (2) The maximum number of shares reserved for issuance under the Option Plan at any time is currently 20% of the Corporation's issued and outstanding shares at that time, less any common shares reserved for issuance under other security-based compensation arrangements.

As of the date hereof, there are 33,507,779 options outstanding. If all such options were exercised for common shares, the common shares which would be issued upon such exercise would total approximately 10.9% of the issued and outstanding common shares at the date hereof on a non-diluted basis.

### Particulars of the Option Plan

As of July 15, 2016, the Corporation adopted an amended and restated option plan (the "Option Plan"). The following is a summary of the principal terms of the Option Plan.

The purpose of the Option Plan is to provide incentives to attract, retain and motivate the Corporation's directors, officers, employees and other eligible persons whose contributions are important to the future success of the Corporation.

*Number of Securities Issuable.* A maximum of 20% of the number of issued and outstanding common shares of the Corporation at the time of grant may be reserved for issuance, less any common shares reserved for issuance under other security based compensation arrangements.

*Insider Participation Limit.* A maximum of 10% of the number of issued and outstanding common shares of the Corporation may be issued to insiders under the Option Plan and under any other security based compensation arrangements of the Corporation within any one-year period, and a maximum of 10% of the Corporation's issued and outstanding shares are issuable to insiders of the Corporation under the Option Plan and under any other security based compensation arrangements of the Corporation at any time.

*Eligible Persons.* "Eligible Persons" are eligible to receive grants of options under the Option Plan. "Eligible Persons" are directors, officers, employees and persons or company's engaged by the Corporation to provide services for an initial, renewable or extended period of 12 months.

*Exercise Price.* The exercise price will not be less than the closing market price on the TSX on the day immediately preceding the grant of the option.

*Vesting.* Vesting of options granted under the Option Plan will be at the discretion of the Board. On a change of control or takeover bid the options granted under the Option Plan will fully vest.

*Change of Control.* For the purposes of the Option Plan, a change of control occurs on the following events: (i) a merger, consolidation, plan of arrangement or reorganization of the Corporation that results in the beneficial, direct or indirect, transfer of more than 50% of the total voting power of the resulting entity'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 the Corporation, including specifically the sale or other disposition of a material interest in the Rook I Project, or the consummation of a reorganization, merger, joint venture or other transaction which has substantially the same effect; (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation; (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 common shares of the Corporation which, when added to all other common shares of the Corporation 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 common shares of the Corporation; or (v) the removal, by extraordinary resolution of the shareholders of the Corporation, of more than 51% of the then incumbent directors of the Corporation, or the election of a majority of directors to the Corporation's board who were not members of the Corporation's incumbent board immediately preceding such election.

*Termination of Exercise Right.* No option may be exercised after an optionee has left the employ or service of the Corporation except as follows:

- subject to the discretion of the Board to resolve otherwise, if an optionee ceases to be employed by, provide services to, or be a director or officer of, the Corporation, such optionee's vested options will expire 90 days after such cessation and any unvested options will immediately terminate;
- if an optionee dies, such optionee's vested options will be exercisable by the optionee's lawful representatives but will expire on the earlier of 12 months after the date of death and the date of expiration of the term otherwise applicable to such options and any unvested options will immediately terminate;
- if an optionee is dismissed for cause, such optionee's vested options will expire 30 days after such dismissal and any unvested options will immediately terminate; and
- if an order by the British Columbia Securities Commission, or similar regulatory authority with jurisdiction over the Corporation, prohibits an optionee from holding options, the options of the optionee will terminate immediately.

*Term of Options.* Options granted under the Option Plan will have a maximum term of 10 years from their date of grant.

*Extension of Expiry Period.* If an option which has been previously granted is set to expire during a period in which trading in securities of the Corporation by the option holder is restricted by a blackout period, or within nine business days following the expiry of a blackout period, the expiry date of the option will be extended to 10 business days after the trading restrictions are lifted.

*No Assignment.* Subject to the provisions of the Option Plan, all options will be exercisable only by the optionee to whom they are granted and will not be assignable or transferable, other than to a wholly-owned entity of an employee, officer or director or an RRSP, RRIF or TFSA of such employee, officer or director or by will or the laws of descent and distribution.

*Administration.* Subject to the requirements of applicable laws and TSX rules requiring shareholder or other approval, the Option Plan provides that the Board may amend, modify or terminate the plan or any option, except that the Board may not undertake any such action if it were to adversely affect a previously granted option, without the consent of the affected optionee.

*Amendments Requiring Shareholder Approval.* Shareholder approval is required for the following

amendments to the Option Plan:

- an increase to the aggregate maximum number of securities issuable under the plan (either as a fixed number or a percentage);
- a reduction in the exercise price of an outstanding option;
- an extension of the term of any option beyond the expiry date or allowing the expiry date to exceed 10 years, except as permitted in connection with a blackout period;
- any amendment to permit assignments or exercises other than by the optionee other than as permitted by the Option Plan;
- altering the categories of individuals eligible to receive options under the Option Plan;
- an amendment to the insider participation limit described above; and
- an amendment to the amendment provisions of the Option Plan.

*Amendments Without Shareholder Approval.* The Option Plan may be amended without shareholder approval for the following:

- amendments of a “housekeeping” nature;
- amendments necessary to comply with the provisions of applicable law;
- amendments respecting the administration of the Option Plan;
- amendments to the vesting provisions of the Option Plan or any option;
- amendments to the early termination provisions of the Option Plan or any option, whether or not such option is held by an insider, provided such amendment does not entail an extension beyond the original expiry date;
- the addition of any form of financial assistance by the Corporation for the acquisition of common shares under the Option Plan, and the subsequent amendment of any such provisions;
- amendments to the cashless exercise feature; and
- any other amendment not requiring shareholder approval under applicable law (including the policies of the TSX).

The Option Plan is intended to provide the Corporation with the ability to issue options to provide employees, officers, directors and service providers of the Corporation and its affiliates with long-term equity based performance incentives, which are a key component of the Corporation’s compensation strategy. The Board has delegated responsibility for the Option Plan to the Compensation Committee. The Corporation believes it is important to align the interests of management and employees with shareholder interests and to link performance compensation to enhancement of shareholder value. This is accomplished through the use of options whose value over time is dependent on market value of the Corporation’s common shares.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date of this Circular, no executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation, or any of its subsidiaries. No person who is or who was at any time during the most recently completed financial year a director or executive officer of the Corporation, any proposed nominee for election as a director of the Corporation, or any associate of any such director, executive officer, or proposed nominee is or was at any time since the beginning of the most recently completed financial year indebted to the Corporation or any of its subsidiaries. Neither the Corporation nor any of its subsidiaries has provided a guarantee, support agreement, letter of credit or other similar arrangement for any indebtedness of any of these individuals to any other entity.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.nexgenenergy.ca](http://www.nexgenenergy.ca).

Financial information relating to the Corporation is provided in the Corporation's audited consolidated financial statements (the "**Financial Statements**") and the management's discussion and analysis (the "**MD&A**") for the financial year ended December 31, 2016. Shareholders may download the Financial Statements and the MD&A from SEDAR ([www.sedar.com](http://www.sedar.com)) or contact the Corporation directly to request copies of the Financial Statements and the MD&A by: (i) mail to #3150 – 1021 West Hastings Street, Vancouver, British Columbia V6E 0C3 or (ii) e-mail to [hdevitt@nxe-energy.ca](mailto:hdevitt@nxe-energy.ca).

Our Board has approved the contents of this Circular and authorized us to send it to you.

### BY ORDER OF THE BOARD

*"Leigh Curyer"*

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Leigh Curyer  
President & Chief Executive Officer  
Vancouver, British Columbia  
April 27, 2017

## **SCHEDULE A**

### **KEY FEATURES OF THE SHAREHOLDER RIGHTS PLAN**

The following is a summary of the key features of the Rights Plan. This summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the Rights Plan, a copy of which is available on request by e-mail to [hdevitt@nxe-energy.ca](mailto:hdevitt@nxe-energy.ca) or under the Corporation's profile at [www.sedar.com](http://www.sedar.com). All capitalized terms used in this summary have the meanings given in the Rights Plan unless otherwise defined in the management information circular to which this Schedule A is attached or herein.

#### **Term**

Pursuant to the TSX Company Manual, the Rights Plan must be approved at the Meeting and if not approved, the Rights Plan will expire and cease to have effect at the termination of the Meeting. If it is approved at the Meeting, the Rights Plan will require reconfirmation by the Shareholders at the annual meeting of Shareholders held in 2020 and every third annual meeting of Shareholders held thereafter.

#### **Issuance of Rights**

Upon the Rights Plan becoming effective on April 22, 2017, one Right was issued and attached to each Common Share. One Right also attached to each subsequently issued Common Share and will attach to each subsequently issued Common Share.

#### **Rights Exercise Privilege**

The Rights generally separate from the Common Shares and become exercisable 10 business days (the "Separation Time") after a person has acquired, or commenced or publicly announced the intention to commence a take-over bid to acquire, 20 percent or more of the Common Shares, other than by an acquisition pursuant to a take-over bid permitted by the Rights Plan (a "Permitted Bid") or a transaction otherwise permitted by the Rights Plan. The acquisition by any person (an "Acquiring Person") of 20 percent or more of the Common Shares, other than by way of a Permitted Bid or a transaction otherwise permitted by the Rights Plan, is referred to as a "Flip-in Event".

Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Ten 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 Common Shares at a 50 percent discount to their market price.

#### **Trading of Rights**

Until the Separation Time, the Rights will be evidenced by the certificates representing the Common Shares and will be transferable only together with the associated Common Shares. After the Separation Time, separate certificates evidencing the Rights (Rights Certificates) will be mailed to holders of record of Common Shares (other than an Acquiring Person) as of the Separation Time. Rights Certificates will also be issued for Rights in respect of Common Shares issued after the Separation Time and before the Expiration Time, to each holder (other than an Acquiring Person) converting securities that are exchangeable for Common Shares after the Separation Time. Rights will trade separately from the Common Shares after the Separation Time.

#### **Lock-Up Agreements**

A bidder may enter into lock-up agreements with Shareholders whereby such Shareholders agree to tender their Common Shares to the take-over bid (the "Lock-up Bid") without a Flip-in Event occurring. Such agreement must be publicly disclosed and allow the Shareholder to withdraw the securities to tender to another take-over bid or to support another transaction that exceeds the value of the Lock-up Bid either on an absolute basis or by as much or more than a specified amount, which specified amount

may not be greater than seven percent. The definition of “Lock-Up Agreement” provides that no “break up” fees or other penalties that exceed, in the aggregate, the greater of two and a half percent of the price or value of the consideration payable under the Lock-up Bid to the Locked-up Person and 50 percent of the increase in the consideration resulting from another take-over bid transaction shall be payable by the Shareholder if the Shareholder fails to tender its securities to the Lock-up Bid.

### **Permitted Bid Requirements**

The requirements for a Permitted Bid include the following:

- the take-over bid must be made by way of a take-over bid circular;
- the take-over bid must be made to all holders of record of Common Shares (other than the Offeror);
- the take-over bid must be outstanding for a minimum period of 105 days or such shorter period that a take-over bid must remain open for deposits of securities, in the applicable circumstances, pursuant to Canadian securities laws;
- Common Shares tendered pursuant to the take-over bid may not be taken up prior to the expiry of the applicable period and only if at such time more than 50 percent of the Common Shares held by Independent Shareholders (as defined below) have been tendered to the take-over bid and not withdrawn; and
- if more than 50 percent of the Common Shares held by Independent Shareholders are tendered to the take-over bid within the applicable period and the Common Shares are taken up by the bidder, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits of Common Shares for not less than 10 days from the date of such public announcement.

“Independent Shareholders” is defined in the Rights Plan as all holders of Common Shares, excluding any Acquiring Person (as defined therein), any person that is making or has announced an intention to make a take-over bid for the Common Shares, affiliates, associates and persons acting jointly or in concert with such excluded persons, and any person who is a trustee of an employee benefit, deferred profit sharing, stock participation or other similar plan or trust for the benefit of employees of the Corporation unless the beneficiaries of the plan or trust direct the manner in which the Common Shares are to be voted.

The Rights Plan allows for a competing Permitted Bid (a “Competing Permitted Bid”) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that it must be outstanding for a minimum number of days as required under Canadian securities laws.

### **Waiver**

The Board, acting in good faith, may prior to the occurrence of a Flip-in Event, waive the application of the Rights Plan to a particular Flip-in Event where a take-over bid is made by a take-over bid circular to all holders of Common Shares. Where the Board exercises the waiver power for one take-over bid, the waiver will also apply to any other take-over bid for the Corporation made by a take-over bid circular to all holders of Common Shares prior to the expiry of any other bid for which the Rights Plan has been waived. The Board, acting in good faith may, in respect of any Flip-in Event, waive the application of the Rights Plan to a particular Flip-in Event where the Board has determined that the Acquiring Person became an Acquiring Person by inadvertence and such person has reduced its Beneficial Ownership, or has entered into a contractual arrangement with the Corporation, acceptable to the Board of Directors, to do so within thirty (30) days, such that it is no longer an Acquiring Person. The Board, acting in good faith may, with the approval of a majority of votes cast by the Independent Shareholders voting in person or by proxy at a meeting duly called for that purpose, determine, at any time prior to the occurrence of a Flip-in Event, to waive the application of the Rights Plan for any Flip-in Event.

**Redemption**

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 \$0.000001 per Right. Rights will be deemed to have been redeemed by the Board following completion of a Permitted Bid or Competing Permitted Bid.

**Amendment**

The Board may amend the Rights Plan with the approval of a majority of the 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. The Board, without such approval, may make amendments to the Rights Plan to correct any clerical or typographical error or which are required to maintain the validity of the Rights Plan as a result of any change in any applicable legislation, rules or regulations thereunder.

**Board**

The Rights Plan will not detract from or lessen the duty of the Board to act honestly and in good faith with a view to the best interests of the Corporation. The Board, when a Permitted Bid is made, will continue to have the duty and power to take such actions and make such recommendations to shareholders as are considered appropriate.

**Exemption for Investment Managers**

Investment managers (for client accounts), trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds and administrators of registered pension plans acquiring greater than 20 percent of the Common Shares are exempted from triggering a Flip-in Event, provided that they are not making, have not announced an intention to make or are not part of a group making, a take-over bid.

**SCHEDULE B**  
**CHARTER OF THE BOARD OF DIRECTORS**  
**(Approved May 2013)**

**PURPOSE**

The Board of Directors (the “**Board**”) has the responsibility for the stewardship of the Corporation and to oversee the conduct of the business of the Corporation. The Board’s fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Corporation meets its obligations on an ongoing basis and that the Corporation operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests its other stakeholders such as employees, customers and communities may have in the Corporation. In overseeing the conduct of the business, the Board, through the Chief Executive Officer (the “**CEO**”), shall set the standards of conduct for the enterprise.

**COMPOSITION, PROCEDURES AND ORGANIZATION**

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the full Board and determining Director compensation. Subject to the Corporation’s constating documents and the *Business Corporations Act* (British Columbia), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

The Board shall consist of such number of directors required to effectively manage the Corporation’s affairs, provided that the number of directors shall not be less than three. The directors are elected annually at the Corporation’s annual meeting of shareholders and must meet the requirements of applicable corporate and securities laws, rules and regulations, including those of applicable stock exchanges on which the Corporation’s shares are listed (“**Applicable Securities Laws**”).

The majority of the directors and the Chair shall be independent as determined by Applicable Securities Laws. If at any time the Corporation has a significant shareholder, meaning a shareholder with the ability to exercise a majority of the votes for the election of the Board, the Board will include such number of directors who do not have interests in or relationships with either the Corporation or the significant shareholder and who fairly reflects the investment in the Corporation by shareholders other than the significant shareholder as considered necessary and desirable by the Board.

The Board shall meet at least 4 times per year and may also hold additional meetings as considered necessary. The independent directors shall meet, without members of management, at each regularly scheduled meeting.

**DUTIES AND RESPONSIBILITIES**

The Board's principal duties and responsibilities are set out below.

**1. Legal Requirements**

The Board has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained. The Board also has the statutory responsibility to:

- (a) supervise the management of the business and affairs of the Corporation;
- (b) act honestly and in good faith with a view to the best interests of the Corporation;
- (c) exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable

circumstances; and

- (d) act in accordance with its obligations contained in the *Business Corporations Act* (British Columbia) and the regulations thereto, the Corporation's constating documents, the Applicable Securities Laws, and other relevant and applicable legislation and regulations.

## **2. Independence**

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management.

## **3. Strategy Determination**

The Board has the responsibility to:

- (a) at least annually, participate with management, in the development of, and ultimately approve, the Corporation's strategic plan, taking into account, among other things, the opportunities and risks of the Corporation's business;
- (b) approve annual capital and operating budgets that support the Corporation's ability to meet its strategic objectives;
- (c) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Corporation;
- (d) approve financial and operating objectives used in determining compensation if they are different from the strategic, capital or operating plans referred to above;
- (e) approve material divestitures and acquisitions;
- (f) monitor the Corporation's progress towards its strategic objectives, and revise and alter its direction through management in light of changing circumstances;
- (g) conduct periodic reviews of human, technological and capital resources required to implement the Corporation's strategy and the regulatory, cultural or governmental constraints on the business; and
- (h) review, at every regularly scheduled Board meeting if feasible, recent developments that may affect the Corporation's strategy, and advise management on emerging trends and issues.

## **4. Financial and Corporate Issues**

The Board has the responsibility:

- (a) to take reasonable steps to ensure the integrity and effectiveness of the Corporation's internal control and management information systems, including the evaluation and assessment of information provided by management and others (e.g., external auditors) about the integrity and effectiveness of the Corporation's internal control and management information systems;
- (b) to review operating and financial performance relative to budgets and objectives;
- (c) to approve the annual financial statements and notes thereto, management's discussion & analysis of financial condition and results of operations contained in the annual report, the annual information form (if applicable) and the management information circular;
- (d) upon recommendation by the Audit Committee and subject to confirmation by the shareholders of the Corporation at each annual meeting, to appoint the external auditors for the Corporation and

upon recommendation by the Audit Committee, to approve the auditor's fees for audit services; and

- (e) to approve significant contracts, transactions, and other arrangements or commitments that may be expected to have a material impact on the Corporation.

## **5. Managing Risk**

The Board has the responsibility to understand the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation.

## **6. Compensation and Human Resources**

The Board has the responsibility:

- (a) to appoint the CEO, to monitor and assess CEO performance against corporate goals and objectives, to determine CEO compensation, considering the recommendations of the Compensation and Governance Committee, and to provide advice and counsel in the execution of the CEO's duties;
- (b) to the extent possible, to satisfy itself as to the integrity of the CEO and other senior officers and satisfy itself that the CEO and other senior officers are creating a culture of integrity throughout the Corporation;
- (c) to approve certain decisions relating to senior management, including the:
  - (i) appointment and discharge of senior officers;
  - (ii) compensation and benefits for senior officers;
  - (iii) acceptance by the CEO of any outside directorships on public companies or any significant public service commitments; and
  - (iv) employment, consulting, retirement and severance agreements, and other special arrangements proposed for senior officers; and
- (d) to ensure that adequate provision has been made to train and develop management and for the orderly succession of the CEO and the other senior officers.

## **7. Environment, Health and Safety**

The Board has the responsibility:

- (a) to review and monitor the policies and activities of the Corporation relating to environment, health and safety matters to ensure compliance with applicable laws, legislation and policies;
- (b) to review environmental, health and safety compliance issues incidents to determine that the Corporation is taking all necessary action in respect of those matters and that the Corporation has been duly diligent in carrying out its responsibilities and activities in that regard; and
- (c) to review and consider potential liabilities and obligations in respect of environmental, health and safety matters and their potential financial impact on the Corporation.

## **8. Policies, Procedures and Compliance**

The Board has the responsibility:

- (a) to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- (b) to approve and monitor compliance with significant policies and procedures by which the Corporation is operated;
- (c) to ensure the Corporation sets high environmental standards in its operations and is in compliance with environmental laws and legislation;
- (d) to ensure the Corporation has in place appropriate programs and policies for the health and safety of its employees in the workplace; and
- (e) to review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and the environment).

## **9. Governance**

The Board has the responsibility:

- (a) to appoint Board committees, including an Audit Committee, and delegate to those committees any powers of the Board permitted to be delegated pursuant to the *Business Corporations Act* (British Columbia) and the Corporation's constating documents;
- (b) to review the size and composition required of the Board and approve nominations for candidates for election to the Board, with a view to ensuring that the Board is comprised of directors with the necessary skills and experience to facilitate effective decision-making;
- (c) to develop the Corporation's approach to corporate governance; and
- (d) to review annually its charter and its performance and the performance of the Board committees, the Chair of the Board, the Chair of the committees and individual directors to ensure that the Board and the committees are operating effectively.

## **10. Reporting and Communication**

The Board has the responsibility:

- (a) to adopt a communication or disclosure policy for the Corporation and ensure that the Corporation has in place effective communication processes with shareholders and other stakeholders (including measures to enable stakeholders to communicate with the independent directors of the Board) and with financial, regulatory and other institutions and agencies;
- (b) to ensure that the financial performance of the Corporation is accurately reported to shareholders, other security holders and regulators on a timely and regular basis in accordance with all Applicable Securities Laws;
- (c) to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles and all Applicable Securities Laws;
- (d) to ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation;

- (e) to approve the content of the Corporation's major communications to shareholders and the investing public, including the interim and annual reports (including the financial statements and management's discussion and analysis), the management information circular (including the compensation, discussion and analysis and disclosure of corporate governance practices), the annual information form (if applicable), any prospectuses that may be issued, and any significant information respecting the Corporation contained in any documents incorporated by reference in any such prospectuses; and
- (f) to report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year.

#### **11. Outside Consultants or Advisors**

At the Corporation's expense, the Board may retain, when it considers it necessary or desirable, outside consultants or advisors to advise the Board independently on any matter. The Board shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to review a consultant's or advisor's fees and other retention terms.

#### **DUTIES OF THE CHAIR OF THE BOARD OF DIRECTORS**

The Chair is accountable to the Board and shall have the duties of a member of the Board as set out in applicable corporate law and in the Corporation's constating documents and as otherwise determined by the Board. The Chair is responsible for the management, development and effective performance of the Board and leads the Board to ensure that it fulfills its duties as required by law and as set out in the Board Charter.

1. **Appointment:** The Chair shall be appointed annually by the Board and shall have such skills and abilities appropriate to the appointment of Chair as shall be determined necessary and desirable by the Board.
2. **Qualifications of the Board Chair:** The Chair shall be a duly elected member of the Board and shall be independent as defined under applicable securities laws, rules and regulations and the requirements of any applicable stock exchange.
3. **Vacancy:** Where a vacancy occurs at any time in the position of Chair, it shall be filled by the Board. The Board may remove and replace the Chair at any time.
4. **Outside Consultants or Advisors:** The Chair, when he or she considers it necessary or desirable, may retain, at the Corporation's expense, outside consultants or advisors to advise the Chair or the Board independently on any matter. The Chair shall have the authority to retain and terminate any such consultants or advisors, including authority to review the fees and other retention terms of such persons.
5. **Duties:** The Chair is responsible to:
  - (a) organize the Board to function independently of management;
  - (b) promote ethical and responsible decision making, appropriate oversight of management and best practices in corporate governance;
  - (c) ensure that the Board works as a cohesive team and provide the leadership essential for this purpose;
  - (d) ensure that the responsibilities of the Board are well understood by both the Board and management, and that the boundaries between Board and management responsibilities are clearly understood and respected;

- (e) manage the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities;
- (f) act as a liaison between the Board and senior management to ensure that relationships between the Board and senior management are conducted in a professional and constructive manner;
- (g) provide advice, counsel and mentorship to other members of the Board, the Chief Executive Officer and other senior members of management;
- (h) lead the Board in establishing, reviewing and monitoring the strategy, goals, objectives and policies of the Corporation;
- (i) communicate all major developments and issues to the Board in a timely manner, initiate opportune discussion of such matters and ensure provision to the Board of sufficient information to permit the Board to fulfill its oversight responsibilities;
- (j) communicate with all members of the Board to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Board and its committees;
- (k) adopt procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
- (l) ensure that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;
- (m) as necessary and in consultation with the Chief Executive Officer, ensure the Corporation, and where appropriate the Board, is adequately represented at official functions and meetings with major shareholders, other stakeholders, financial analysts, media and the investment community;
- (n) determine, in consultation with the Board and management, the time and places of the meetings of the Board and of the annual meeting of shareholders;
- (o) co-ordinate with management and the Secretary to ensure that matters to be considered by the Board are properly presented and given the appropriate opportunity for discussion;
- (p) ensure the Board has the opportunity to meet without members of management present on a regular basis;
- (q) assist in the preparation of the agenda of the Board meetings;
- (r) preside as chair of each meeting of the Board and as chair of each meeting of the shareholders of the Corporation; and
- (s) carry out other duties as requested by the Board as a whole, depending on need and circumstance.

#### **DUTIES OF INDIVIDUAL DIRECTORS**

Each Director (i) shall act honestly and in good faith in the best interests of the Corporation and its shareholders and (ii) must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, each Director shall have the following responsibilities:

## **1. Responsibilities of Corporate Stewardship**

Each Director has the responsibility to:

- (a) represent the best interests of the Corporation and its shareholders, assist in the maximization of shareholder value and work towards the long-term success of the Corporation;
- (b) advance the interests of the Corporation and the effectiveness of the Board by bringing his or her knowledge and experience to bear on the strategic and operational issues facing the Corporation;
- (c) provide constructive counsel to and oversight of management;
- (d) respect the confidentiality of information and matters pertaining to the Corporation;
- (e) maintain his or her independence, generally and as defined under applicable securities laws, and objectivity;
- (f) be available as a resource to the Board; and
- (g) fulfill the legal requirements and obligations of a director and shall develop a comprehensive understanding of the statutory and fiduciary roles of a director.

## **2. Responsibilities of Integrity and Loyalty**

Each Director has the responsibility to:

- (a) comply with the Corporation's Code of Business Ethics;
- (b) disclose to the Secretary, prior to the beginning of his or her service on the Board, and thereafter as they arise, all actual and potential conflicts of interest; and
- (c) disclose to the Chair of the Board, in advance of any Board vote or discussion, if the Board or a committee of the Board is deliberating on a matter that may affect the Director's interests or relationships outside the Corporation and abstain from discussion and/or voting on such matter as determined to be appropriate.

## **3. Responsibilities of Diligence**

Each Director has the responsibility to:

- (a) prepare for each Board and committee meeting by reading the reports, minutes and background materials provided for the meeting;
- (b) attend in person the annual meeting of the shareholders of the Corporation and attend all meetings of the Board and all meetings of committees of the Board of which the Director is a member, in person or by telephone, video conference, or other communication facilities that permit all persons participating in the meeting to communicate with each other; and
- (c) as necessary and appropriate, communicate with the Chair and with the Chief Executive Officer between meetings, including to provide advance notice of the Director's intention to introduce significant and previously unknown information at a Board meeting.

## **4. Responsibilities of Effective Communication**

Each Director has the responsibility to:

- (a) participate fully and frankly in the deliberations and discussions of the Board;
- (b) encourage free and open discussion of the Corporation's affairs by the Board;
- (c) establish an effective, independent and respected presence and a collegial relationship with other Directors;
- (d) focus inquiries on issues related to strategy, policy, and results;
- (e) respect the Chief Executive Officer's role as the chief spokesperson for the Corporation and participate in external communications only at the request of, with the approval of, and in coordination with, the Chair and the Chief Executive Officer;
- (f) communicate with the Chair and other Directors between meetings when appropriate;
- (g) maintain an inquisitive attitude and strive to raise questions in an appropriate manner and at proper times; and
- (h) think, speak and act in a reasoned, independent manner.

#### **5. Responsibilities of Committee Work**

Each Director has the responsibility to:

- (a) participate on committees and become knowledgeable about the purpose and goals of each committee; and
- (b) understand the process of committee work and the role of management and staff supporting the committee.

#### **6. Responsibilities of Knowledge Acquisition**

Each Director has the responsibility to:

- (a) become generally knowledgeable about the Corporation's business and its industry;
- (b) participate in Director orientation and education programs developed by the Corporation from time to time;
- (c) maintain an understanding of the regulatory, legislative, business, social and political environments within which the Corporation operates;
- (d) become acquainted with the senior officers and key management personnel; and
- (e) gain and update his or her knowledge about the Corporation's facilities and visit these facilities when appropriate.



