# NEXGEN ENERGY LTD.

## MANAGEMENT'S DISCUSSION AND ANALYSIS
## Six Months Ended June 30, 2014

## OVERVIEW

This management's discussion and analysis ("MD&A") is management's interpretation of the results and financial condition of NexGen Energy Ltd. ("NexGen" or the "Company") for the six month period ended June 30, 2014 and includes events up to August 21, 2014. This discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements for the six months ended June 30, 2014 and with the annual audited consolidated financial statements for the year ended December 31, 2013.

All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and the MD&A is complete and reliable.

Additional information related to NexGen, including its Annual Information Form ("AIF") is available on SEDAR at www.sedar.com, or on the Company's website at www.NexGenEnergy.ca.

This MD&A contains forward-looking information. Please see the section, "Note Regarding Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions used to develop our forward-looking information.

## DESCRIPTION OF BUSINESS

On December 31, 2012, Clermont Capital Inc. ("Clermont"), then a capital pool company listed on the TSX Venture Exchange, 0957633 B.C. Ltd., a wholly-owned subsidiary of Clermont ("Subco") and NexGen Energy Ltd., then a private company ("Old NexGen") entered into an amalgamation agreement (the "Amalgamation Agreement"), whereby Clermont effectively acquired all of the issued and outstanding shares of Old NexGen.

Pursuant to the Amalgamation Agreement, (i) Clermont completed a consolidation of its common shares on a 2.35:1 basis (the "Consolidation"); (ii) Old NexGen amalgamated with Subco and all the outstanding common shares of Old NexGen were exchanged for common shares of Clermont on a one to one basis and (iii) Clermont changed its name to "NexGen Energy Ltd." (the "Qualifying Transaction").

Following completion of the Qualifying Transaction ("QT") on April 19, 2013, the Company was reclassified as a Tier 2 "mining issuer" and on April 23, 2013 its common shares commenced trading on the Exchange under the symbol "NXE".

The Qualifying Transaction constitutes a reverse takeover ("RTO") under the policies of the TSX Venture Exchange. The acquisition of Old NexGen has been accounted for using the purchase method of accounting as a reverse acquisition, whereby for accounting purposes Old NexGen acquired Clermont and the consolidated financial statements will be a continuity of Old NexGen.

NexGen is an exploration stage entity engaged in the acquisition, exploration and development of uranium properties in Canada. The Company was incorporated pursuant to the provisions of the British Columbia *Business Corporations Act* on March 8, 2011.

The Company's head office is located in Suite 2450 - 650 West Georgia Street, Vancouver, BC V6B 4N9.

## QUALIFIED PERSON

Garrett Ainsworth, NexGen's Vice-President, Exploration and Development, a "qualified person" for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* has reviewed and approved the scientific and technical disclosure contained in this MD&A.

## CORPORATE HIGHLIGHTS

- On January 15, 2014, the Company entered into a letter agreement with the Optionors which amended the Radio Option Agreement. Under the letter agreement the amount of remaining earn-in expenditures was reduced to $10,000,000 and had been extended to May 31, 2017. Previously all expenditures were required by March 31, 2015.
- On March 26, 2014, the Company completed a bought-deal short form prospectus financing and issued 25,645,000 units at a price of $0.45 per Unit, for aggregate gross proceeds of $11,540,250. Each unit consists of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at $0.65 until March 26, 2016.
- On March 31, 2014, the Company announced the successful completion of its winter drill program, including its best hole to date (RK-14-30) at the Arrow Prospect. All 8 drill holes at the Arrow Prospect intersected uranium mineralization over a strike length of over 215 meters, which remains open in all directions. During the 2014 winter program 17 holes were completed totaling 7,442 meters, resulting in a total of 10,474 meters drilled at Rook 1 including the 2013 summer drill program. The 2014 winter program was extremely successful, resulting in a significant discovery named the Arrow Prospect. Outside of Arrow, the Rook I property remains highly prospective for additional significant mineralized zones with uranium mineralization intersected at Area A in summer 2013, and anomalous radioactivity intersected at Dagger in early winter 2014.
- On April 22, 2014, the Company adopted a shareholder rights plan, which was ratified by shareholders at the Company's Annual and Special General Meeting held on May 22, 2014. The Board has authorized and declared a distribution of one Right in respect of each common share outstanding of the Company at the time of the Agreement entitling each holder thereof to purchase common shares of the Company at a specified exercise price under certain circumstances.
- On April 24, 2014, the Company announced that it had entered into an agreement with Long Harbour Exploration Corp. ("Long Harbour") to acquire a 75% interest, and an option to acquire the remaining 25% interest, in a property located in the Athabasca Basin in northern Saskatchewan, Canada. The agreement closed on May 1, 2014 with the issuance by the Company of 361,930 common shares valued at $119,437. The Company also paid $15,000 in finder's fees.
- On April 29, 2014, the Company announced the completion of a detailed ground gravity survey over the Arrow Discovery Zone. Interpretation of the new data showed an increase in the gravity low intensity and of the areal extent of the main targeted

geophysical anomaly over the Arrow Discovery Zone. Newly identified additional geophysical anomalies were now evident to the NE and SW along the conductor strike substantially increasing the previously interpreted potential strike length of Arrow. The interpreted data will be invaluable in planning follow-up drill targeting for the upcoming summer drilling program, planned for approximately 13,000 meters of diamond drilling with 3 rigs scheduled to commence mid-May 2014.

- On June 2, 2014 the Company announced assay results from its 2014 winter drill program, including the following highlights: assays confirm all 8 holes at Arrow contain uranium mineralization; multiple parallel steeply dipping high grade uranium mineralization zones within broader mineralized zones; continuity of uranium mineralization between holes on each cross section; RK-14-30 intersected 30 individual zones of uranium mineralization totaling 124.1 meters at 0.68% $U_3O_8$ weighted average; and RK-14-27 intersected 29 meters at 1.04% $U_3O_8$.
- On June 3, 2014 the Company announced the appointment of Garrett Ainsworth, as Vice President, Exploration & Development. In 2013 Mr. Ainsworth was the AMEBC recipient of the Colin Spence Award (For Excellence in Global Mineral Exploration) in recognition of his efforts which led to the discovery of the high-grade uranium mineralized system at the Patterson Lake South project in the Athabasca Basin, Saskatchewan. With the discovery of Arrow, NexGen also established a Technical Advisory Committee to oversee the direction of exploration programs. Andrew Browne moved to head the Technical Advisory Committee and will continue to be a regular presence on the ground at Rook I. He will be joined by Craig Parry, BSc (Hons), AusIMM, NexGen's Director appointed at the Annual General and Special Meeting on May 22, 2014.
- On July 7, 2014 the Company announced an update on its summer drilling program, including the following highlights: increased mineralized strike length of the Arrow Discovery from 215 meters at the end of the winter 2014 drill program to presently 470 meters and remains open in all directions; RK-14-37 intersected 78.05 meters total composite mineralization including 8.1 meters off-scale radioactivity (>10,000 cps) within a 227.8 meter section (378.0 to 605.8 m); RK-14-31 intersected 125.8 meters total composite mineralization including 0.6 meter off-scale radioactivity (>10,000 cps) within a 430.7 meter section (221.4 to 652.1 m); all six initial drill holes from the summer 2014 program at the Arrow Discovery have intersected visible uranium mineralization; and strong dravite clay alteration halo identified more than 200 meters away from known uranium mineralization, which indicates the presence of a robust mineralizing system at Arrow.
- On August 5, 2014 the Company announced an update on its summer drilling program, including the following highlights: the summer 2014 program was increased from 13,500 m to 18,500 m of diamond drilling based on exceedingly encouraging results to date; with only 22 drill holes, the Arrow Discovery has developed into an area with a 515 m strike length that is up to 180 m wide, and remains open in all directions; AR-14-15 intersected 51.1 m total composite mineralization including 4.8 m off-scale radioactivity (>10,000 cps) within a 305.7 m section (385.8 to 691.5 m), and strongest mineralization to date was observed in AR-14-15 as dense accumulations of semi-massive to massive pitchblende; AR-14-20 intersected 51.3 m total composite mineralization including 0.35 m off-scale radioactivity (>10,000 cps) within a 284.45 m

section (118.55 to 403.00 m), and this represents the shallowest mineralization intersected to date as mineralization approaches the Athabasca Group sandstone and basement unconformity; AR-14-21a intersected 74.42 m total composite mineralization including 2.15 m off-scale radioactivity (>10,000 cps) within a 279.75 m section (146.10 to 425.85 m); 21 of 22 drill holes completed at Arrow to date have intersected uranium mineralization; the drill hole numbering sequence has now been changed to differentiate Arrow drill holes (AR-14-XX) from regional drill holes (RK-14-XX); and an additional eight drill holes (AR-14-15 to -20, -21a, -22) had been completed, and one was abandoned at depth (AR-14-21), since the July 7th, 2014 news release on initial drilling results

- On August 7, 2015 the Company announced the first assay results from the summer 2014 drilling program from drill hole AR-14-15, which is the 15th hole drilled in the Arrow Discovery. Composited drill hole mineralized intersections for AR-14-15 returned two wide intervals of uranium mineralization as follows: Upper High Grade Uranium Interval of 22.35 m (564.00 – 586.35 m) with 3.42% U3O8 over 22.35 m; including 10.72% U3O8 over 6.85 m; Including 15.74% U3O8 over 4.50 m; including 26.10% U3O8 over 2.60 m; and the highest assay within the interval was 55.8% U3O8 over 0.45 m. Composite parameters are disclosed in the Rook I Property subsection of the Exploration and Development section of this document.
- On August 20, 2014 the Company announced ongoing results from the summer 2014 drilling program and that the width of the Arrow zone had increased from 180 m to 215 m with aggressive 50 m step outs to the northwest in drill holes AR-14-24 and -26, with the following highlights: drilling along a NW-SE fence line has expanded the width of the Arrow zone from 180 to 215 m; the Arrow zone has developed a significant footprint with a strike length of 515 m, and remains open in all directions; AR-14-27 intersected 111.05 m total composite mineralization including 2.2 m off-scale radioactivity (>10,000 cps) within a 185.95 m section (226.65 to 412.6 m); AR-14-25 intersected 158.55 m total composite mineralization including 0.75 m off-scale radioactivity (>10,000 cps) within a 401.3 m section (247.9 to 649.2 m); AR-14-26 intersected 69.82 m total composite mineralization including 2.15 m off-scale radioactivity (>10,000 cps) within a 360.0 m section (437.2 to 797.2 m); this represents the deepest mineralization intersected to date, which further enforces the robust mineralizing system at Arrow; 25 of 27 drill holes completed at Arrow to date have intersected uranium mineralization; a total of 15,318.05 m has been drilled at the Rook I property as of August 17, 2014; an additional five drill holes (AR-14-23 to -27) have been completed at the Arrow zone since the August 5, 2014 news release update on drilling results.

## EXPLORATION AND DEVELOPMENT

### Rook I Property

On October 16, 2013, NexGen announced that it had completed its first phase drill program on Rook I totaling 3,032m. Rook I is immediately adjacent to, and up strike approximately 1.6 km northeast of the high-grade uranium discovery at Patterson Lake South (PLS) made by Fission Uranium/Alpha Minerals.

Two rigs completed 12 widely spaced holes which tested a 1.6 km x 1.2 km area, with the two closest holes being 200m apart. Fertile receptive basement graphitic lithologies were intersected in 11 of the 12 completed holes below 48.7-82.6m of glacial overburden and Cretaceous sediments. The 11 holes also contained significant clay and hematite alteration. All 12 holes contained evidence of repeated structural dislocation, being primarily brecciation, offset faulting, shearing, and veining. Three of the holes on three separate parallel conductors intercepted radioactive mineralization.

Hole RK-13-05 (which is located on the conductor interpreted to be an extension of the PL-3B EM conductor which hosts the high grade PLS discoveries) encountered elevated levels of radioactivity (max total gamma 4,379 cps) over 2.7 m within a 29 m wide shear zone containing breccias, faults, fractures, and a variety of veining. Alteration features include massive silicification, clay alteration, hematite, chlorite, and desilicification). Visible pitchblende was identified at a down-hole depth of 220.5-220.8m, within heavily altered and hematised breccia.

Mineralization in holes RK-13-03 and -06 is located on other parallel conductors interpreted to be possible repetitions of the main PLS 3b conductor.

The Company subsequently received all analytical results from its summer drill program which confirmed uranium mineralization in hole RK-13-05 and a combination of uranium- and thorium-bearing minerals in holes RK-13-03 and -06. All samples were analysed at Saskatchewan Research Council Laboratories (“SRC”) by ICP-OES/MS for a suite of elements including Uranium and Thorium.

The following tables show the mineralization assay analysis by SRC and mineralization by gamma probe.

**Table 1 Rook 1 mineralization analyses (SRC)**

| | Mineralized Intervals (m) | | | | ICP-MS (total) | |
|---|---|---|---|---|---|---|
| **Drill Hole** | | **Depth From** | **Depth To** | **Downhole Width (m)** | **ppm $U_3O_{888}$*** | **ppm Th** |
| RK-13-03 | | 149.0 | 150.0 | 1.0 | 6.7 | 58.0 |
| | | 150.0 | 151.0 | 1.0 | 13.7 | 204.0 |
| | **Mean** | **149.0** | **151.0** | **2.0** | **10.2** | **131.0** |
| | | 212.0 | 212.5 | 0.5 | 3.2 | 82.4 |
| | | 212.5 | 213.0 | 0.5 | 2.9 | 76.2 |
| | **Mean** | **212.0** | **213.0** | **1.0** | **3.1** | **79.3** |
| RK-13-05 | | 220.5 | 221.0 | 0.5 | 509.3 | 27.0 |
| | | 221.0 | 221.5 | 0.5 | 709.8 | 14.0 |
| | | 221.5 | 222.0 | 0.5 | 220.5 | 16.3 |
| | | 222.0 | 222.5 | 0.5 | 270.0 | 22.4 |
| | | 222.5 | 223.0 | 0.5 | 28.1 | 18.6 |
| | | 223.0 | 223.5 | 0.5 | 37.6 | 23.7 |
| | | 223.5 | 224.0 | 0.5 | 379.6 | 25.0 |
| | | 224.0 | 224.5 | 0.5 | 483.4 | 26.8 |
| | **Mean** | **220.5** | **224.5** | **4.0** | **329.8** | **21.7** |

| | | | | | | |
|---|---|---|---|---|---|---|
| RK-13-06 | | 152.0 | 152.5 | 0.5 | 11.8 | 260.0 |
| | | 152.5 | 153.0 | 0.5 | 1.2 | 894.0 |
| | | 153.0 | 153.5 | 0.5 | 12.5 | 315.0 |
| | **Mean** | **152.0** | **153.5** | **1.5** | **8.5** | **489.7** |

** Original analyses from SRC by ICP-MS reported as ppm U, converted to ppm $U_3O_8$ by NexGen*

**Table 2 Rook 1 mineralization intercepts by gamma probe**

| | Mineralized Intervals (m) | | | | |
|---|---|---|---|---|---|
| Drill Hole | Depth From | Depth To | Downhole Width (m) | Min cps | Max cps |
| RK-13-03 | 131.9 | 132.7 | 0.8 | 350 | 508 |
| | 137.0 | 137.4 | 0.4 | 326 | 495 |
| | 149.9 | 150.4 | 0.5 | 345 | **1143** |
| | 211.5 | 211.7 | 0.2 | 416 | 700 |
| RK-13-05 | 220.1 | 222.8 | 2.7 | 380 | **4379** |
| | 223.6 | 225.3 | 1.7 | 347 | **1771** |
| RK-13-06 | 151.8 | 153.9 | 2.1 | 481 | **2297** |

** Measurement by Mt Sopris 2PGA-1000 gamma probe*

On December 2, 2013, NexGen announced the initial results from the recently acquired aerial geophysical surveys along its southern Athabasca Basin margins, at the Rook and Dufferin areas. At least 5 individual zones of elevated U-channel radiometrics have been identified along the Rook I claim block area. Two of these zones are proximal to the area at Rook I drilled during the summer 2013 program. Regional and local basement structures are evident in the aeromagnetic data. Ground follow up of the U-channel zones is planned for 2014 summer to identify the sources of the elevated radiometrics. This will involve detailed ground radiometric surveys, and boulder mapping and sampling.

On January 20, 2014, NexGen announced that it has commenced a two drill, 6,000 meter program on the Rook I project. The program focused on the targets generated from the results of the 2013 summer drilling program. Further, previously identified targets based on detailed geophysical surveys of the Rook I project will also be tested later in the program. These surveys have included aerial VTEM and magnetics, ground gravity, and DC resistivity. Interpretation of the results from these surveys and from the aerial radiometric and EM survey in late 2013 has revealed further target areas. One interpreted large structural zone will be covered by a detailed ground gravity survey to more closely define drill targets as a part of the winter program.

On February 19, 2014, the Company announced that it drilled 26.2 meters of highly anomalous radioactivity on its first hole at the Arrow Prospect (RK-14-21) on the Rook I property 4.5 km north of its southern boundary. On February 24, 2014 the Company announced further new zones of uranium mineralization within this first hole. The first hole at Arrow was completed at 663.0m. It intersected uranium-mineralised brecciated structural zones over several zones downhole, including 26.2m from 204.8-231.0m, 0.6m from 318.5-319.1m, 26.8m from 517.9-544.5m, and 4.0m from 580.0-584.0m. Four further holes have been completed at Arrow (holes RK-14-24, -25, -26, and -27).

On March 13, 2014, the Company announced additional intersections of uranium mineralisation within a second hole (RK-14-27) in the Arrow prospect, extending the known zone of uranium mineralisation down dip and along strike. This hole was completed to a depth of 576m. It intersected uraniferous structurally-disturbed zones similar to the intervals in hole RK-14-21, and interpreted to be continuations of those zones. These include downhole radioactively anomalous intercepts in RK-14-27 of 0.25m from 224.45-224.70m, 15.05m from 240.65-255.70m (Figs 2 and 3), 1.25m from 359.20-360.45m, and 0.20m from 435.70-435.90m

On March 31, 2014, the Company announced its best hole to date (RK-14-30) at the Arrow Prospect. Additionally, holes RK-14-28 and -29 which have been completed since the last drilling report press released on March 13, 2014, also intersected uranium mineralization. This takes the total to 8 out of the 8 holes at Arrow having intersected uranium mineralization over a minimum strike length of 215 meters which remains open in all directions. These holes summarize the drill hole highlights from NexGen's winter drilling program at the Rook I property. In total, 17 holes were completed during the winter for 7,442 meters, completing a grand total of 10,474 meters having been drilled at Rook 1 including the 2013 summer program.

On April 29, 2014, the Company announced completion of a detailed ground gravity survey over the Arrow Discovery, Rook I South-West Athabasca Basin, Saskatchewan, extending the potential alteration system both adjacent to current drilling and along strike. The recent detailed survey tightened the grid station spacing to 50 x 50 meters from an original 200 x 50 meter grid. The closely-spaced gravity grid at Arrow consisted of 585 additional gravity stations which were collected in the final weeks of the winter drilling campaign. Data acquisition was performed by MWH Geo-Surveys Ltd. of Vernon, BC, and final interpretation was completed by KOCH Geophysical Consultants of Saskatoon, Saskatchewan. This ground gravity survey over Arrow will be used to further assist in refining previously identified drilling targets along strike from the known mineralization intersected to date. The interpreted data will be invaluable in planning follow-up drill targeting for the upcoming summer drilling program, planned for approximately 13,000 meters.

On June 2, 2014 the Company reported that it had received assay results on all 8 holes from the winter program with the following highlights:

- Assays confirm all 8 holes at Arrow contain uranium mineralization;
- Multiple parallel steeply dipping high grade uranium mineralization zones within broader mineralized zones;
- Continuity of uranium mineralization between holes on each cross section;
- RK-14-30 intersected 30 individual zones of uranium mineralization totaling 124.1 meters at 0.68% $U_3O_8$ weighted average; and
- RK-14-27 intersected 29 meters at 1.04% $U_3O_8$.

**Composite Assay Result Highlights, Arrow Prospect, Winter 2014 Program:**

| DDH | From | To | Interval | wt %$U_3O_8$ COG 0.01% | *Includes* | From | To | Interval | wt %$U_3O_8$ COG 5.00% |
|---|---|---|---|---|---|---|---|---|---|
| **RK-14-30** | **475.00** | **481.20** | **6.20** | **2.94** | *includes* | **476.20** | **478.80** | **2.60** | **5.81** |
| | **508.00** | **518.00** | **10.00** | **2.51** | *includes* | **510.00** | **510.50** | **0.50** | **5.84** |
| | | | | | *and* | **513.80** | **515.50** | **1.70** | **10.26** |
| | **549.40** | **554.30** | **4.90** | **1.51** | | **549.90** | **550.30** | **0.40** | **12.50** |
| | **570.60** | **579.00** | **8.40** | **1.61** | *includes* | **571.85** | **572.10** | **0.25** | **8.57** |
| | | | | | *includes* | **577.30** | **577.65** | **0.35** | **11.60** |
| | | | | | *and* | **578.70** | **579.00** | **0.30** | **5.10** |
| **RK-14-27** | **235.00** | **264.00** | **29.00** | **1.04** | *includes* | **249.85** | **250.25** | **0.40** | **23.50** |
| | | | | | *and* | **253.15** | **254.25** | **1.10** | **9.42** |
| **RK-14-21** | **517.25** | **523.00** | **5.75** | **0.37** | *includes* | **519.00** | **519.25** | **0.25** | **5.77** |

**Composite parameters**: Minimum thickness 0.25m downhole; Cutoff grade 0.01% $U_3O_8$ (weight %); Maximum internal dilution 2.00 m downhole; $U_3O_8$ analyzed by ICP-OES at SRC laboratories, Saskatoon; All depths and intervals are meters downhole.

On July 7, 2014 the Company announced an update on its summer drilling program, including the following highlights:

- Increased mineralized strike length of the Arrow Discovery from 215 m at the end of the winter 2014 drill program to presently 470m and remains open in all directions;
- RK-14-37 intersected 78.05m total composite mineralization including 8.1m off-scale radioactivity (>10,000 cps) within a 227.8m section (378.0 to 605.8 m);
- RK-14-31 intersected 125.8 m total composite mineralization including 0.6 m off-scale radioactivity (>10,000 cps) within a 430.7m section (221.4 to 652.1 m);
- All six initial drill holes from the summer 2014 program at the Arrow Discovery have intersected visible uranium mineralization; and
- Strong dravite clay alteration halo identified more than 200 m away from known uranium mineralization, which indicates robust strength of mineralizing system at Arrow.

On August 5, 2014 the Company announced an update on its summer drilling program, including the following highlights:

- The summer 2014 program was increased from 13,500 m to 18,500 m of diamond drilling based on exceedingly encouraging results to date.
- With only 22 drill holes, the Arrow Discovery has developed into an area with a 515 m strike length that is up to 180 m wide, and remains open in all directions.
- AR-14-15 intersected 51.1 m total composite mineralization including 4.8 m off-scale radioactivity (>10,000 cps) within a 305.7 m section (385.8 to 691.5 m). Strongest mineralization to date was observed in AR-14-15 as dense accumulations of semi-massive to massive pitchblende.
- AR-14-20 intersected 51.3 m total composite mineralization including 0.35 m off-scale radioactivity (>10,000 cps) within a 284.45 m section (118.55 to 403.00 m). This represents the shallowest mineralization intersected to date as mineralization approaches the Athabasca Group sandstone and basement unconformity.

- AR-14-21a intersected 74.42 m total composite mineralization including 2.15 m off-scale radioactivity (>10,000 cps) within a 279.75 m section (146.10 to 425.85 m).
- 21 of 22 drill holes completed at Arrow to date have intersected uranium mineralization.
- The drill hole numbering sequence has now been changed to differentiate Arrow drill holes (AR-14-XX) from regional drill holes (RK-14-XX). An additional eight drill holes (AR-14-15 to -20, -21a, -22) had been completed, and one was abandoned at depth (AR-14-21), since the July 7$^{th}$, 2014 news release on initial drilling results

On August 7, 2015 the Company announced the first assay results from the summer 2014 drilling program from drill hole AR-14-15, which is the 15th hole drilled in the Arrow Discovery. Composited drill hole mineralized intersections for AR-14-15 returned two wide intervals of uranium mineralization as follows:

Upper High Grade Uranium Interval of 22.35 m (564.00 – 586.35 m):

- 3.42% U3O8 over 22.35 m
- Including 10.72% U3O8 over 6.85 m
- Including 15.74% U3O8 over 4.50 m
- Including 26.10% U3O8 over 2.60 m
- Highest assay within the interval: 55.8% U3O8 over 0.45 m

Lower High Grade Uranium Interval of 32.0 m (594.0 – 626.0 m):

- 1.52% U3O8 over 32.0 m
- 10.40% U3O8 over 3.15 m
- Highest assay within the interval: 43.7% U3O8 over 0.35 m

Composite parameters of these assays: minimum thickness 0.25m downhole; cutoff grade 0.01% U3O8 (weight %); maximum internal dilution 2.00 m downhole; U3O8 analyzed by ICP-OES at SRC laboratories, Saskatoon; and all depths and intervals are meters downhole. Split core samples were taken systematically, and intervals were submitted to SRC Geoanalytical Laboratories (an SCC ISO/IEC 17025: 2005 Accredited Facility) of Saskatoon for analysis. All samples were analyzed using ICP-MS for trace elements on the partial and total digestions, ICP-OES for major and minor elements on the total digestion, and fusion solution of boron by ICP-OES. Mineralized samples were analyzed for U3O8 by ICP-OES and gold by fire assay

On August 20, 2014 the Company announced ongoing results from the summer 2014 drilling program and that the width of the Arrow zone had increased from 180 m to 215 m with aggressive 50 m step outs to the northwest in drill holes AR-14-24 and -26, with the following highlights:

- Drilling along a NW-SE fence line has expanded the width of the Arrow zone from 180 to 215 m. The Arrow zone has developed a significant footprint with a strike length of 515 m, and remains open in all directions.
- AR-14-27 intersected 111.05 m total composite mineralization including 2.2 m off-scale radioactivity (>10,000 cps) within a 185.95 m section (226.65 to 412.6 m).
- AR-14-25 intersected 158.55 m total composite mineralization including 0.75 m off-scale radioactivity (>10,000 cps) within a 401.3 m section (247.9 to 649.2 m).
- AR-14-26 intersected 69.82 m total composite mineralization including 2.15 m off-scale radioactivity (>10,000 cps) within a 360.0 m section (437.2 to 797.2 m). This represents the deepest mineralization intersected to date, which further enforces the robust mineralizing system at Arrow.
- 25 of 27 drill holes completed at Arrow to date have intersected uranium mineralization.
- A total of 15,318.05 m has been drilled at the Rook I property as of August 17, 2014.

- An additional five drill holes (AR-14-23 to -27) have been completed at the Arrow zone since the August 5, 2014 news release update on drilling results.

**Radio Property**

On July 30, 2013, NexGen announced that it had completed the first recorded drill program on the Radio uranium property ("Radio"). Radio is located in the high-grade, uranium-rich northeast Athabasca Basin. The Radio property is 2km east of Rio Tinto's Roughrider uranium deposits, and is along trend of the interpreted east-west structural system hosting the Roughrider uranium mineralization.

The drilling confirmed the presence of significant bleaching, desilicification, clay alteration, and structural disruptions in the overlying Athabasca sandstone, and of clay alteration and structures in the basement rocks, particularly in holes RD-13-06, RD-13-08, and RD-13-09. All of these features are known to occur at or in the vicinity of uranium mineralization in the Athabasca Basin. Several sheared and altered graphitic horizons were intersected at least 200 meters below the unconformity in the basement rocks in hole RD-13-08. Preliminary structural orientations indicate that the graphitic horizons are dipping southeast and will intersect the unconformity 50 to 100 m northwest of RD-13-08.

The helicopter supported drill program tested only the geophysical targets accessible during the summer months. Drilling started on June 20, 2013 and was completed on July 22, 2013 with 3,472.9 meters drilled in 9 holes which tested 5 locations.

The target areas and drill site locations were defined using a combination of the detailed 2011 airborne magnetic and VTEM electromagnetic surveys, and the 2013 ground resistivity and gravity work. The target areas have resistivity and gravity lows coincident with basement structures interpreted from magnetic surveys and weakly conductive basement lithologies defined by the VTEM survey.

Prior to NexGen acquiring an option to acquire a 70% interest in the Radio project, previous exploration on the property had not defined any basement graphitic horizons. Graphitic horizons are the conventional drill targets for uranium mineralization in the Athabasca Basin.

The data from the drilling program, basement geology, alteration, structures, petrophysical measurements on core, geochemical and SWIR analyses, will be reviewed. This data, in combination with a reinterpretation of the existing geophysical data, will be used to re-define drill targets and to plan follow up drilling program. Under the terms of the revised Option Agreement, the Company has until May 31, 2017 to achieve its $10,000,000 of earn-in expenditures.

## REVIEW OF CONSOLIDATED RESULTS

### Financial Condition at June 30, 2014 compared to December 31, 2013

NexGen had cash totaling $11,519,091 at June 30, 2014 compared to $7,562,633 at December 31, 2013. This increase in cash was due to $10,449,683 of net cash received from the issuance of shares, partially offset by $5,488,765 of cash used in investing activities and $1,004,460 of cash used in operating activities.

Exploration and evaluation assets increased from $31,017,257 at December 31, 2013 to $39,927,698 at June 30, 2014 due to increases in expenditures on exploring and acquiring exploration and evaluation assets.

Accounts payable and accrued liabilities increased from $251,326 at December 31, 2013 to $824,127 at June 30, 2014. The majority of this increase related to mineral exploration costs.

**Selected Financial Information**

(Unaudited)

| | For the Three Months Ended | | For the Six Months Ended | |
|---|---|---|---|---|
| | **June 30, 2014** | **June 30, 2013** | **June 30, 2014** | **June 30, 2013** |
| | **$** | $ | **$** | $ |
| **Operating expenses** | | | | |
| Salaries, benefits and directors fees | 202,627 | 294,427 | 405,541 | 353,724 |
| Office and administrative | 88,470 | 97,580 | 163,751 | 130,877 |
| Professional fees | 64,815 | 354,161 | 179,695 | 456,024 |
| Travel | 66,876 | 81,645 | 136,489 | 146,102 |
| Depreciation | 44,383 | 1,018 | 59,894 | 1,404 |
| Share-based payments | 435,679 | 147,988 | 661,584 | 704,563 |
| Foreign exchange loss (gain) | 5,287 | (3,102) | (21,593) | (3,102) |
| | (908,137) | (973,717) | (1,585,361) | (1,789,592) |
| Finance income | 45,082 | 6,548 | 65,509 | 10,698 |
| Other income | - | - | 105,480 | - |
| **Net loss and comprehensive loss for the period** | **(863,055)** | (967,169) | **(1,414,372)** | (1,778,894) |
| **Loss per common share - basic and diluted** | (0.01) | (0.01) | (0.01) | (0.02) |
| **Weighted average number of common shares outstanding - basic and diluted** | 156,519,311 | 83,377,302 | 156,376,840 | 74,118,490 |

**Comparison of the Quarters Ended June 30, 2014 ("Q2 2014") and 2013 ("Q2 2013")**

In Q2 2014, NexGen incurred a net loss of $863,055, or loss per common share of $0.01, compared to a loss of $967,169 or loss of $0.01 per common share in Q2 2013.

Salaries, benefits and director fees decreased from $294,427 in Q2 2013 to $202,627 in Q2 2014. The Company went public by completing its Qualifying Transaction during Q2 2013 and incurred certain one-time costs making up this increase, including a retroactive payment of director fees and other employee costs resulting from transferring the Company's head office from Australia to Canada.

Office and administrative in Q2 2014 amounted to $88,470 and was comparable to $97,580 in Q2 2013.

Professional fees decreased significantly from $354,161 in Q2 2013 to $64,815 in Q2 2014.

The majority of this difference is due to legal and other professional fees relating to going public in Q2 2013.

Travel decreased from $81,645 in Q2 2013 to $66,876 in Q2 2014. The higher costs in the comparable quarter were due to the transition of the head office from Australia to Canada. Depreciation increased from $1,018 in Q2 2013 to $44,383 in Q2 2014 due to a significant increase in depreciable equipment.

Share-based payments charged to the consolidated statement of comprehensive loss increased from $147,988 in Q2 2013 to $435,679. These are non-cash charges derived by the graded vesting method of the Black-Scholes values.

The Company incurred a foreign exchange loss in Q2 2014 of $5,287 compared to a foreign exchange gain of $3,102 in Q2 2013. These amounts are derived from changes in the foreign exchange rates in translating the Company's Australian dollar holdings into Canadian dollars.

Finance income increased from $6,548 in Q2 2013 to $45,082 in Q2 2014 due to an increase in cash holdings and an increase in the earned interest rate.

**Comparison of the Six Months ended June 30, 2014 ("fiscal 2014") and 2013 ("fiscal 2013")**

In fiscal 2014 NexGen incurred a net loss of $1,414,372, or loss per common share of $0.01, compared to a loss of $1,778,894, or a loss of $0.02 per common share in fiscal 2013.

Salaries, benefits and director fees increased from $353,724 in fiscal 2013 to $405,541 in fiscal 2014. Fiscal 2014 includes a full six months of costs of NexGen operating as a public company. Fiscal 2013 includes both the lower costs of operating as a private company until April 22, 2013 and the higher and one-time costs incurred since the Company went public on April 23, 2013.

Office and administrative increased from $130,877 in fiscal 2013 to $163,751. This increase is due to the increase in costs of operating as a public company for the full six months of fiscal 2014 compared to operating part privately and part publicly in fiscal 2013.

Professional fees decreased significantly from $456,024 in fiscal 2013 to $179,695 in fiscal 2014. The majority of this difference is due to legal and other professional fees relating to going public in fiscal 2013.

Travel of $136,489 in fiscal 2014 was comparable to $146,102 in fiscal 2013.

Depreciation increased from $1,404 in fiscal 2013 to $59,894 in fiscal 2014 due to a significant increase in depreciable equipment.

Share-based payments charged to the consolidated statement of comprehensive loss have increased from $704,563 in fiscal 2013 to $661,584 in fiscal 2014. These are non-cash charges derived by the graded vesting method of the Black-Scholes values.

The Company incurred a foreign exchange gain of $21,593 in fiscal 2014 compared to a foreign exchange gain of $3,102 in fiscal 2013. These amounts are derived from changes in the foreign exchange rates in translating the Company's Australian dollar holdings into Canadian dollars.

Finance income increased from $10,698 in fiscal 2013 to $65,509 in fiscal 2014 due to an increase in cash holdings and an increase in the earned interest rate.

Other income was $105,480 in fiscal 2014. A flow-through share premium liability totaling $105,480 previously recognized on the issuance of flow-through as at December 31, 2013 was reduced in full and recognized as other income on the statement of comprehensive loss in fiscal 2014. There was no other income in fiscal 2013.

## SUMMARY OF QUARTERLY RESULTS

The following financial information is derived from the Company's financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS") and presented in Canadian dollars. These statements do not contain all the information presented in the annual audited financial statements and should, therefore, be read in conjunction.

| (Expressed in Canadian dollars) | **2014 Jun 30** | **2014 Mar 31** | **2013 Dec 31** | **2013 Sep 30** | **2013 Jun 30** | **2013 Mar 31** | **2012 Dec 31** | **2012 Sep 30** |
|---|---|---|---|---|---|---|---|---|
| Finance income | $45,082 | $20,427 | $14,635 | $4,233 | $6,548 | $4,150 | $10,129 | $10,191 |
| Net Loss For The Period | $863,055 | $551,317 | $943,198 | $651,722 | $967,169 | $811,725 | $324,909 | $244,835 |
| Loss Per Share - Basic and Fully Diluted | $0.01 | $0.01 | $0.01 | $0.01 | $0.01 | $0.01 | $0.02 | $0.01 |

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

Old NexGen was incorporated, as a private company, on December 20, 2011. Since inception it has been involved mostly in establishing and increasing its portfolio of mineral properties, undertaking certain exploration programs and raising funds through the issuance of capital. The Company commenced operating as a public company through an RTO in April 2013.

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

The net loss for the period has fluctuated depending on the Company's activity level and periodic variances in certain items, including non-cash items of share-based payments and other income, and expenses relating to going public and transferring the head office operations from Australia to Canada. Specific factors that have caused variances of the quarters follow.

The Company operated as a private company based out of Australia for each of the quarters ending up to March 31, 2013. Operating costs were lower before the Company went public and started significant exploration on its assets. The quarter ended March 31, 2013 included $556,575 of share-based payments, the first time this type of expense was recognized, accounting for most of the change in costs over the prior quarter. During the quarter ended June 30, 2013 share-based payments decreased to $147,988, but other operating costs generally increased due to the Company operating as a public company. Professional fees were significantly higher this quarter due to legal and related costs of going public. The quarter ended September 30, 2013 included $125,715 of Share-based payments, a reduction in legal fees and $181,000 of other income resulting from the reduction in full of a flow-through share premium liability recorded previously from a flow-through financing. The quarter ended December 30, 2013 included $372,040 of share-based payments and an increase in office and administrative expenses resulting from completion of transferring the head office from Australia to Canada and an increase in business activities, partially offset by a significant decrease in legal costs. The quarter ended March 31, 2014 included $225,905 of share-based payments and $105,480 of other income resulting from the reduction in full of a flow-through share premium liability recorded previously from a flow-through financing. The quarter ended June 30, 2014 included $435,679 of share-based payments, and other operating costs were comparable to the prior quarter.

## LIQUIDITY AND CAPITAL RESOURCES

NexGen has no substantial source of revenue. The Company has financed its operations to date through the issuance of common shares. During the year ended December 31, 2013, the Company raised $13.7 million through the issuance of share capital. During the six months ended June 30, 2014, the Company raised an additional $11.5 million through the issuance of share capital. Cash used in operating and investing activities was $7.5 million during the year ended December 31, 2013 and $6.5 million in the six months ended June 30, 2014.

Working capital at June 30, 2014 amounted to $11.1 million compared to $7.7 million at December 31, 2013.

Working capital is held almost entirely in cash, significantly reducing any liquidity risk of financial instruments held by NexGen. The Company's working capital position is determined by the timing of its equity raises and exploration and evaluation expenditures.

The Company has the following contractual obligations in respect of its working capital:

Flow-through shares

During the year ended December 31, 2013, the Company raised $6,248,413 through the issuance of flow-through shares. Based on Canadian tax law, the Company is required to spend this amount on eligible exploration expenditures by December 31, 2014. As at June 30, 2014, all eligible exploration expenditures under flow through investment had been made, and the Company has met its obligation.

Office Leases

During the year ended December 31, 2013, the Company entered into office lease agreements in Vancouver for a three-year term and Saskatoon for a two-year term. At June 30, 2014 total lease commitments remaining for these office leases are as follows: $50,215 in 2014; $84,103 in 2015; and $39,536 in 2016.

The Company does not currently have any revenue generating assets or operations. Accordingly, the Company is dependent on external financing to carry out planned exploration and development, and pay for administrative costs, the Company will require additional financial resources to explore, quantify and develop its exploration and evaluation assets and satisfy its contractual obligation. The continued operations of the Company is dependent upon the ability of the Company to obtain necessary financing to maintain capacity, meet planned growth and to fund development growth.

NexGen anticipates being able to obtain further funds, as needed, through equity financings. Although NexGen has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future.

**Radio Option Agreement**

The Radio Project ("Radio") is located in Northern Saskatchewan. In December 2011, Tigers Realm Minerals Pty Ltd (a shareholder of NexGen) optioned Radio, pursuant to an option agreement with three arm's length individuals (the "Optionors") pursuant to which Tigers Realm has exclusive right and option (the "Option") to earn an undivided 70% interest in the Radio Project. On February 21, 2012, Tigers Realm signed an agreement with NexGen to transfer all the interest in the option agreement to NexGen in exchange for the issue of 21,999,997 common shares.

In order to maintain the Option in good standing and acquire undivided 70% interest in the Radio Project, NexGen must do the following:

(a) Pay the Optionors the sum of $1,500,000 (Paid).

(b) Make the following payments/issue shares to Optionors (collectively):

- (i) On December 5, 2012, the sum of $600,000 (Paid)
- (ii) The obligation to increase the Optionors' shareholdings to 20% (on a fully diluted basis) on December 5, 2013 and/or upon NexGen raising gross proceeds of $21 million from equity financings (Completed – see (iii) below); and
- (iii) The issuance of 26,762,088 common shares and 4,393,939 common share purchase warrants at an exercise price of $0.50 (Completed). As a result of the issuance, there is also no further obligation under (ii) above.
- (iv) The issuance of 5,714,286 common shares and 5,714,286 common share purchase warrants at an exercise price of $0.50 (issued)
- (v) The issuance of 2,941,561 and 1,157,589 common shares to the Optionors, on April 19, 2013 and May 29, 2013 respectively.

(c) Between January 1, 2014 and May 31, 2017, NexGen must have incurred at least $10,000,000 of expenditures on the Radio Project (the "Earn in Expenditures"). Upon NexGen having satisfied all of its obligations as set out in points (a) to (c) above, NexGen will deliver to the Optionors an officers certificate (Exercise Notice) certifying that it has satisfied its entire obligation. NexGen shall then be deemed to have exercised the Option and shall thereafter be the owner of the undivided 70% right, title and interest in Radio Project ("Exercise Date").

The joint venture agreement to be entered into upon NexGen exercising its option to acquire a 70% interest in the Radio Project, shall provide that:

- (i) if, for a period of nine consecutive months, either no work program is proposed or the work program in effect provides only for care and maintenance, the Optionors shall have the right to impose a work program and to the extent the Optionors fund said program and NexGen does not, NexGen's interest shall be diluted by the amount spent by the Optionors on the basis that every $1 spent shall equal $1.50;
- (ii) any transfer of a party's interest in the joint venture shall be subject to a right of first offer (replacing a previous provision imposing a right of first refusal)

which shall be open for consideration by the non-selling party, for a period of 14 days;

(iii) both parties shall be entitled to elect to receive its pro rata interest in the products produced from the property in kind or to require the operator to sell such products and remit the proceeds (less verifiable marketing costs incurred); and

(iv) the Optionors shall have the right, but not the obligation, to lease to the operator of the joint venture any equipment, tools or other machinery at rates no higher than 5% more than the rates available from third party suppliers (provided that if the Optionors cannot or will not provide such equipment, tools or machinery within 45 days the operator may procure the equipment machinery or tools elsewhere).

## OFF-BALANCE SHEET ARRANGEMENTS

There are no such existing arrangements.

## TRANSACTIONS WITH RELATED PARTIES

### Key management personnel

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

Remuneration attributed to key management personnel can be summarized as follows:

| | For the six months ended | |
|---|---|---|
| | June 30, 2014 | June 30, 2013 |
| Short-term compensation | $ 450,668 | $ 223,648 |
| Share-based payments (stock options) | 726,565 | 579,374 |
| | $ 1,177,233 | $ 803,022 |
| Number of stock options granted | 4,300,000 | 4,550,000 |

Share-based payments to key management personnel for the current period amounted to $726,565 (2013 – $579,374) of which $567,846 (2013 – $537,492) was expensed and $158,719 (2013 – $41,883) was capitalized to exploration and evaluation assets.

As at June 30, 2014, $27,042 (December 31, 2013 - $52,221) was included in accounts payable and accrued liabilities to executives, directors and a related entity for accrued short-term compensation and expense reimbursements.

### Due to related party

Tigers Realm Mineral is a major shareholder of NexGen Energy Ltd. As at June 30, 2014, $1,354,664 (December 31, 2013 - $1,354,664) was payable to Tigers Realm. The repayment terms are no earlier than 18 months after becoming a reporting issuer on the TSXV and the date which Tigers and NexGen agree that NexGen is in a financial position to repay the loan. Tigers has not yet requested that the loan be repaid. No interest is payable on the loan

## OUTSTANDING SHARE DATA

Authorized: an unlimited number of common shares without par value.

| | Common Shares Outstanding | Warrants Outstanding | Stock Options Outstanding |
|---|---|---|---|
| Balance at June 30 and August 21, 2014 | 170,387,690 | 39,505,473 | 14,860,637 |

## STOCK OPTIONS

| Number of Options | Exercise Price | Expiry Date |
|---|---|---|
| 542,551 | $ 0.240 | August 29, 2017 |
| 4,800,000 | 0.400 | January 31, 2018 |
| 250,000 | 0.425 | April 22, 2018 |
| 425,000 | 0.400 | May 29, 2018 |
| 3,168,086 | 0.400 | July 30, 2018 |
| 100,000 | 0.400 | August 22, 2018 |
| 350,000 | 0.300 | December 19, 2018 |
| 4,375,000 | 0.400 | May 23, 2019 |
| 100,000 | 0.400 | May 23, 2019 |
| 750,000 | 0.400 | June 2, 2019 |
| **14,860,637** | | |

## WARRANTS

| Outstanding | Exercise Price | Expiry Date |
|---|---|---|
| 1,949,266 | $ 0.600 | December 3, 2014 |
| 1,875,000 | 0.600 | December 19, 2014 |
| 232,750 | 0.400 | December 28, 2014 |
| 1,376,500 | 0.600 | March 12, 2015 |
| 700,665 | 0.425 | March 12, 2015 |
| 668,750 | 0.600 | April 16, 2015 |
| 76,125 | 0.425 | April 16, 2015 |
| 1,000,000 | 0.600 | April 19, 2015 |
| 17,500 | 0.425 | May 22, 2015 |
| 7,142,852 | 0.550 | February 28, 2015 |
| 4,393,939 | 0.500 | January 18, 2015 |
| 5,714,286 | 0.500 | May 31, 2017 |
| 12,822,500 | 0.650 | March 26, 2016 |
| 1,535,340 | 0.450 | March 26, 2016 |
| **39,505,473** | | |

## PROPOSED TRANSACTIONS

None

## CHANGES IN ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 4 to the audited financial statements for the year ended December 31, 2013, and have been consistently followed in the preparation of these consolidated financial statements with the addition of the following policies which were adopted on January 1, 2014:

### New standards adopted during the period

Effective January 1, 2014, the following standard was adopted but did not have a material impact on the consolidated financial statements.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014.

### New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2015. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2018.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

### Current assets and liabilities

NexGen's current financial instruments are comprised of cash, sales taxes receivable, and accounts payable and accrued liabilities. Current financial instruments are recorded at cost. The fair value of these financial instruments approximates their carrying values due to the immediate or short-term maturity of the financial instruments.

Financial instruments that are current assets are used to finance NexGen's operations and investments in exploration and evaluation assets. Financial instruments that are current liabilities are incurred in the course of the Company's operations and investments in exploration and evaluation assets.

### Non-current items

Due to related party is a non-current financial instrument.

## Financial Instruments

The Company's financial instruments consist of cash, sales taxes receivable, accounts payable and accrued liabilities and due to related party. The fair values of the Company's cash, sales taxes receivable, accounts payable and accrued liabilities and due to related party approximate the carrying value, which is the amount on the consolidated statements of financial position due to their short-term maturities or ability of prompt liquidation.

As at June 30, 2014, the Company's risk exposures and the impact on the Company's financial instruments are summarized below:

**(a) Credit Risk**

The Company's credit risk is primarily attributable to its cash. This risk is minimized as the cash have been placed with large Canadian chartered and Australian banks. Concentration of credit risk exists as a significant amount is held at two financial institutions. Management believes the risk of loss to be remote.

The Company's sales taxes receivable consist of input tax credits receivable from the Government of Canada and as a result the Company does not believe it is subject to significant credit risk.

**(b) Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2014, NexGen had a cash balance of $11,519,091 (December 31, 2013 - $7,562,633) to settle current liabilities of $824,127 (December 31, 2013 - $251,326).

**(c) Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

**(i) Interest Rate Risk**

The Company will hold its cash in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of June 30, 2014. Future cash flows from finance income on cash and cash equivalents may be affected by interest rate fluctuations. The Company manages interest rate risk by maintaining an investment policy for short-term investments. This policy focuses primarily on preservation of capital and liquidity. The Company monitors the investments it makes and is satisfied with the credit rating of its banks.

**(ii) Foreign Currency Risk**

The functional currency of the Company and its subsidiary is the Canadian dollar. The Company is affected by currency transaction risk and currency translation risk. Consequently, fluctuations of the Canadian dollar in relation to other currencies impact the fair value of financial assets and liability and operating results. Financial assets and liabilities subject to currency translation risk primarily include Australian dollar denominated cash and accounts payable and accrued liabilities. The Company will maintain Australian dollar bank accounts in Australia and Canadian dollar bank accounts in Canada.

**(iii) Price risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Future declines in this commodity price may impact the valuation of long-lived assets. The Company closely monitors commodity prices of uranium, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**Sensitivity Analysis**

Based on management's knowledge and experience of the financial markets, the Company believes movements are reasonably possible.

As at June 30, 2014, the Company's Australian dollar net financial assets were AUD$240,254. Thus a 10% change in Canadian dollar versus Australian dollar exchange rate would give rise to a $24,184 change in net loss

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

## RISK FACTORS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business which is the exploration of mining properties. These are not the only risks and uncertainties that NexGen faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

### Negative Operating Cash Flow and Dependence on Third Party Financing

The Company has no source of operating cash flow and there can be no assurance that the Company will ever achieve profitability. Accordingly, the Company is dependent on third party financing to continue exploration activities on the Company's properties, maintain capacity and satisfy contractual obligations. The amount and timing of expenditures will depend on a number of factors, including in material part the progress of ongoing exploration, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the entering into of any strategic partnerships and the acquisition of additional property interests. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties or require the Company to sell, one or more of its properties.

### Uncertainty of Additional Funding

As stated above, the Company is dependent on third party financing, whether through debt, equity, or other means. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company. Volatile uranium markets, a claim against the Company, a significant event disrupting the Company's business, or other factors may make it difficult or impossible to obtain financing through debt, equity, or other means on favourable terms, or at all. In addition, any future financing may also be dilutive to existing shareholders of the Company.

As described below, NexGen is required to satisfy certain earn-in expenditures on the Radio Project and in order to satisfy such requirements, the Company will be required to obtain additional financing in the future. Again, however, there is no assurance that the Company will be successful in obtaining the required financing in the future or that such financing will be available on terms acceptable to the Company.

### Radio Option Earn-In Requirements

Pursuant to the Radio Option Agreement, in order to acquire the 70% interest in the Radio Project, NexGen must incur $10,000,000 in exploration expenditures on the Radio Project between January 1, 2014 and May 31, 2017. The Company will be required to obtain additional financing in the future in order to satisfy the remaining earn-in expenditure requirement. There is no assurance that the Company will be successful in obtaining the required financing in the future or that such financing will be available on terms acceptable to the Company. Failure to satisfy the earn-in expenditures required under the Radio Option Agreement may result in the termination of the Company's interest in the Radio Project, without any return of any amounts previously paid.

### Limited Operating History

The Company has a very limited history of operations, is in the early stage of development and must be considered a start-up. As such, it is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and absence of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. All of the Company's properties are in the exploration stage. There can be no assurance that the Company will be able to develop any of its projects profitably or that any of its activities will generate positive cash flow.

### No Known Mineral Reserves or Mineral Resources

There are no known bodies of commercial minerals on NexGen's mineral exploration properties. The exploration programs undertaken and proposed constitute an exploratory search for mineral resources and mineral reserves or programs to qualify identified mineralization as mineral reserves. There is no assurance that NexGen will be successful in its search for mineral resources and mineral reserves.

### Alternate Sources of Energy

Nuclear energy competes with other sources of energy like oil, natural gas, coal and hydro-electricity. These sources are somewhat interchangeable with nuclear energy, particularly over the longer term. If lower prices of oil, natural gas, coal and hydro-electricity are sustained over time, it may result in lower demand for uranium concentrates and uranium conversion services, which could lead to lower uranium prices. Growth of the uranium and nuclear power industry will depend on continuing and growing support of nuclear technical to generate electricity. Unique political, technological and environmental factors affect the nuclear industry, exposing it to the risk of public opinion, which could have a negative effect on the demand for nuclear power and increase the regulation of the nuclear power industry. An accident at a nuclear reactor anywhere in the world could affect acceptance of nuclear energy and the future prospects for nuclear generation. All of the above factors could have a material and adverse effect on our ability to obtain the required financing in the future or to obtain such financing on terms acceptable to the Company, resulting in material and adverse effects on our exploration and development programs, cash flows and financial condition.

### Aboriginal Title and Consultation Issues

First Nations and Métis title claims as well as related consultation issues may impact the Company's ability and that of its joint venture partners to pursue exploration, development and mining at its Saskatchewan properties. Pursuant to historical treaties, First Nations bands in Northern Saskatchewan ceded title to most traditional lands in the region in exchange for treaty benefits and reserve lands, but continue to assert title to the minerals within the lands. Managing relations with local First Nations bands is a matter of paramount importance to the Company. There may be no assurance however that title claims as well as related consultation issues will not arise on or with respect to the Company's properties.

### Exploration Risks

The Company's properties are in early exploration stages and are without a known body of commercially exploitable ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting exploration programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body will be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, most of which factors are beyond the control of the Company and may result in the Company not receiving adequate return on investment capital.

**Reliance upon Key Management and Other Personnel**

The Company relies on the specialized skills of management (including, among others, its President and Chief Executive Officer, the Chief Financial Officer and VP Exploration) and consultants in the areas of mineral exploration, geology and business negotiations and management. The loss of any of these individuals could have an adverse effect on the Company. The Company does not currently maintain key-man life insurance on any of its key employees. As the Company's business activity grows, it will require additional key financial, administrative and qualified technical personnel. Although the Company believes that it will be successful in attracting and training qualified personnel, there can be no assurance of such success. If it is not successful in attracting, retaining and training qualified personnel, the efficiency of the Company's business could be affected, which could have an adverse impact on its future cash flows, earnings, results of operation and financial condition.

**Title to Properties**

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

**Uninsurable Risks**

Exploration, development and production of mineral properties are subject to certain risks, and in particular, unexpected or unusually geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and NexGen may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on NexGen's operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of NexGen.

### Conflicts of Interest

Directors of NexGen are or may become directors of other reporting companies or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which NexGen may participate, the directors of NexGen may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. NexGen and its directors will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of NexGen, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases NexGen will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA. The provisions of the BCBCA require a director or officer of a Company who has a material interest in a contract or transaction of the Company, or a director or officer of a Company who is a director or officer of or has a material interest in a person who has a material interest in a contract or transaction with the Company, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the BCBCA, as the case may be. Other than as indicated, NexGen has no other procedures or mechanisms to deal with conflicts of interest.

### Permits and Licences

The operations of NexGen will require licences and permits from various governmental and non-governmental authorities. NexGen has obtained, or will obtain, all necessary licences and permits required to carry on with activities which it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that NexGen will be able to obtain all necessary licences and permits required to carry out planned exploration, development and mining operations at any of its projects.

### Environmental and other Regulatory Requirements

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

Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of NexGen's mineral properties and there can be no assurance that NexGen will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at NexGen's mineral properties on terms which enable operations to be conducted at economically justifiable costs.

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

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

**Political Regulatory Risks**

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

**Competition**

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

**Volatility of Share Price**

In recent years, the securities markets in the United States and Canada, and the TSXV in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the shares will be subject to market trends and conditions generally, notwithstanding any potential success of NexGen in creating revenues, cash flows or earnings.

**Dividend Policy**

The Company has paid no dividends on its common shares since its date of in Company and the Company does not anticipate paying dividends on its common shares in the near future. The Company anticipates that it if it becomes profitable it will retain future earnings and other cash resources for the future operation and development of its business. Payment of any future dividends will be at the discretion of the Company's board after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

## NOTE REGARDING FORWARD-LOOKING INFORMATION

This Management Discussion and Analysis ("MD&A") contains "forward-looking information" within the meaning of applicable Canadian securities laws. Generally, but not always, forward looking information is identifiable by the use of words such as "expects", "anticipates", "believes", "projects", "plans", “intends” and other similar words, or statements that an event “may”, “will”, “should”, “could”, or “might” occur or be achieved and other similar expressions. Examples of such forward-looking information include, among others, statements regarding: results of the Company’s exploration activities and financing activities; and plans of the Company to explore its Canadian mining projects.

Forward-looking information is based on the then current expectations, beliefs, assumptions, estimates and forecasts about the Company’s business and the industry and markets in which it operates. Such information is not a guarantee of future performance and undue reliance should not be placed on forward-looking information. Assumptions and factors underlying the Company’s expectations regarding forward-looking information contained herein include, among others: that general business and economic conditions will not change in a material adverse manner; that financing will be available if and when needed on reasonable terms; that the Company’s current exploration activities can be achieved and that its other corporate activities will proceed as expected; that third party contractors, equipment and supplies and governmental and other approvals required to conduct the Company’s planned exploration activities will be available on reasonable terms and in a timely manner.

Although the assumptions made by the Company in providing forward looking information are considered reasonable by management at the time the forward-looking information is given, there can be no assurance that such assumptions will prove to be accurate. Forward-looking information also involves known and unknown risks and uncertainties and other factors, which may cause actual events or results in future periods to differ materially from any projections of future events or results expressed or implied by such forward-looking information, including, among others: risks related to the availability of financing on commercially reasonable terms and the expected use of the proceeds; changes in the market; potential downturns in economic conditions; industry conditions; actual results of exploration activities being different than anticipated; changes in exploration programs based upon results of exploration; future prices of metal; availability of third party contractors; availability of equipment and supplies; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks associated with the mineral exploration industry; environmental risks; changes in laws and regulations; community relations; and delays in obtaining governmental or other approvals or financing. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. NexGen undertakes no obligation to update or reissue forward-looking information as a result of new information or events except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

(a) Exploration and evaluation assets or expenditures. The required disclosure is presented in the schedule of exploration and evaluation assets in the notes to the consolidated financial statements.

(b) Expensed research and development costs. None

(c) Deferred development costs. None.

(d) General and administrative expenses. The required disclosure is presented in the consolidated financial statements.

(e) Any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d) above. None

## APPROVAL

The Board of Directors of NexGen has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information, on the SEDAR website at www.sedar.com.