EIGHT CAPITAL

FIRST IMPRESSIONS

NexGen Energy Ltd.

(NXE-T: C$2.84) *intraday*

November 5, 2018

David A. Talbot / (416) 350 -3082
dtalbot@viiicapital.com

Joseph Fars, MBA, P.Geo / (416) 350-5090
jfars@viiicapital.com

BUY
Target: C$6.10

PFS High Grade Focus Improves Opex, Capex, Economics

We recommend NexGen Energy as a BUY with a C$6.10/sh target price based on a 10% DCF model and a 0.8x DCF multiple. The positive Pre-Feasibility Study for Arrow Deposit announced this morning built nicely on the previous PEA results, but there were a few important changes as production is anticipated to focus on mining of the A2 and A2 Shear high grade cores. Changes include: 1) higher indicated resources, 2) focus on the high grade core area, 3) flattening and front-ending of production, and 4) higher recovery and mine plan optimization efforts. The addition of HG resources from the A2 and A3 Shears have provided for the ability to mine higher grades while decreasing the amount of throughput required. This decline in rock movement also means that production will happen in a shorter period than previously estimated. The net result is the moving of production forward, improving economics and increasing its project NPV. Meanwhile, future upside potential remains massive. Additional indicated resources on essentially each of the main trends and their extensions could help extend life of mine.

Today's PFS results had a positive impact on Arrow deposit's Capex, Opex and economics as more production is expected over a shorter life of mine (see Table 1). Main changes between PEA and PFS include:

- **Large 43% increase in indicated resources** to 2.89 MMt grading 4.03% for 256.6 MM lbs U3O8, as the focus was on upgrading confidence rather than resource growth. The A2 high grade core totaled 0.46 MMt at 17.85% for 181 MM lbs U3O8 indicated and 4.84 MMt at 0.86% for 91.7 MM lbs inferred.
- **After-tax NPV up 6% to C$3.66 B** from C$3.49 B. After-tax IRR is 56.8% with a 1.2 year payback.
- **Slight increase in CAPEX** due to introduction of Provincial Sales Tax (not part of NexGen's PEA estimate). Excluding the introduction of PST, capex actually reduced by roughly C$64MM based on a reduced mine footprint, higher head grades and reallocation of underground tailings to operating costs.
- **31% reduction in average annual OPEX** to CAD $5.81/lb U3O8 despite adding underground tailings to OPEX instead of sustaining capital as per the PEA. These costs account for 21% of OPEX.
- **Average annual production increase** from 18.5 M lbs U308 in the PEA to 25.4M lbs U308 due to higher head grades increasing from 1.73% U308 in the PEA to 3.09% U3O8 in the PFS. Management suggests the ability to produce at higher rates if warranted by the market.
- **Average mining rate decrease** from 1,448 tpd to 1,039 tpd. Lateral development requirements were also nearly cut in half and vertical development was trimmed by over 20%. Mining methods include hybrid longhole with transverse stoping in the high grade portion, providing lots of flexibility.
- **Head grades increase 79%** to 3.09% from 1.73% U3O8 and throughput declines 28% to 1039 tpd. Average opex drops 31% to C$5.81 (US$4.36/lb) and LOM operating margins are up 6% to 90.6%.
- **Positive metallurgical testing** has helped increase total processing recoveries slightly to 97.6% and eliminated ammonia entirely from the process. Uranium tailings can also be used for cemented paste backfill underground.

A Feasibility Study is to begin with sufficient drilling to update indicated resources to measured during the largest drill program in NXE's history. The goal is to reach production as quickly as possible given current market dynamics and permitting timelines. An exploration shaft is being considered to help aid delineation drilling, but management is surprised how well it is able to drill Arrow from surface. If the Board does approve shaft sinking, management believes it is covered by its exploration permits.

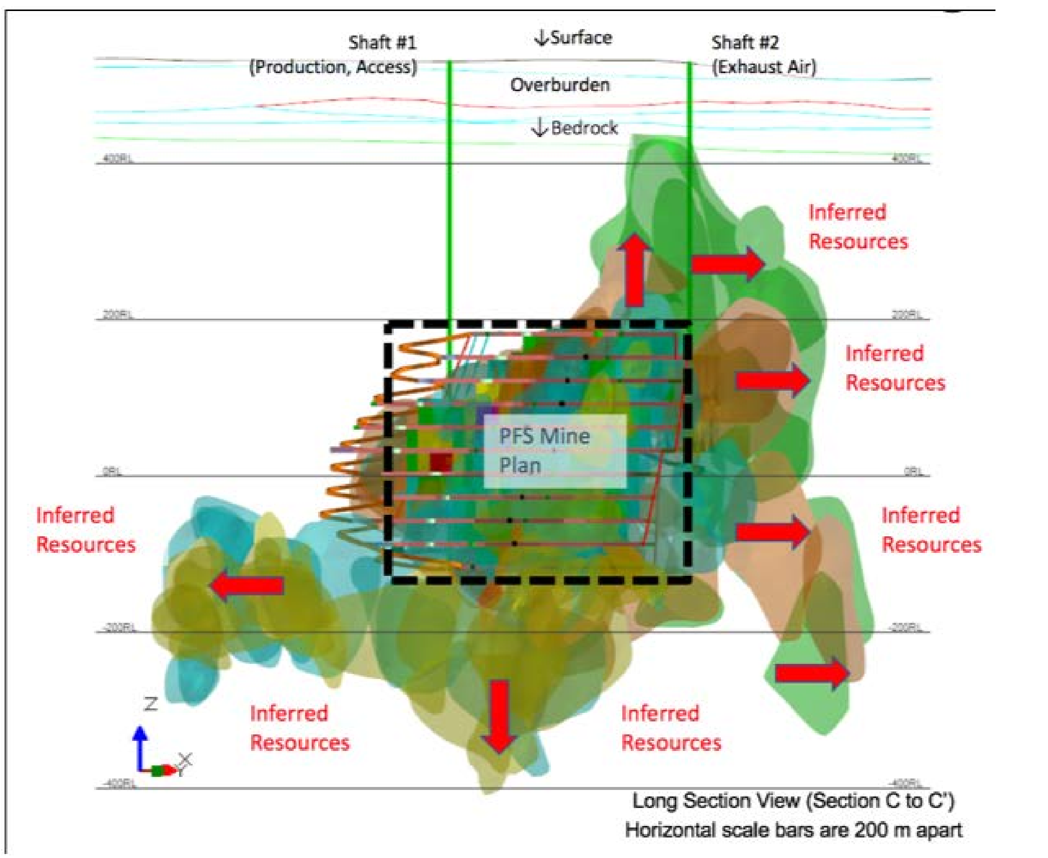
Permitting to begin in 2019. NXE should now have a sufficient level of detail and confidence to approach the CNSC. There is no guidance on duration (we suspect 4-5 years), but management expects to be engaged by mid-2019. There are clear-cut permitting steps with a 24 month permitting clock when work is in Gov't hands. The CNSC speaks for the SK Gov't, but it is aided by provincial work and due diligence. The Feds are revamping how the large capital project permitting process will go (new rules are supposed to go to Senate in H2/19); however, management would expect to be grandfathered under the current rules. Permitting should be straightforward. Social license work has been ongoing and there are no water bodies, tailings disposal, and underground water issues to worry about. The deposit demonstrates suitability for straightforward conventional mining and processing methods.

Table 1: Summary of Results of PEA Study (March 2017) vs. PFS (November 2018)

	Summary Results		PEA	Pre-Feasibility	Study Variance	Eight Capital Estimate	EC Estimate Variance
Production	Average Annual Production (LOM)	MM lbs	18.5	25.4	37.3%	18.3	38.8%
	Average Annual Production (Years 1-5)	MM lbs	27.6	29.0	5.1%	28	4.4%
	Average Annual Grade (U3O8)	%	1.73%	3.09%	1.4%	1.90%	1.2%
	Average Daily Throughput	tpd	1,448	1,039	-28.2%	1,182	-12.1%
	Mine Life	Years	15	9	-40.0%	16	-43.8%
Economic Inputs	Initial Capital Cost	C$ MM	1,190	1,247	4.8%	1,190	4.8%
	Cash Operating Cost (LOM)	US$/lb	6.70	4.36	-34.9%	10.3	-57.7%
	Cash Operating Cost (Years 1-5)	US$/lb	4.42		N/A	6.87	N/A
	LT Uranium Price	US$/lb	50	50	0.0%	60	-16.7%
	FX	USD/CAD	0.80	0.75	-6.3%	0.80	-6.3%
	Inferred Resource Estimate	MM lbs	122.1	91.7	-24.9%	122.1	-24.9%
	Indicated Mineral Resources	MM lbs	179.5	256.6	43.0%	179.5	43.0%
	Mineral Reserves	MM lbs	0.0	234.1	N/A	N/A	N/A
	Net Present Value (post-tax)						
	8% discount rate	**C$ MM**	**3,490**	**3,700**	6.0%	**3,312**	11.7%
	Post-Tax IRR	**%**	**56.7%**	**56.8%**	0.2%	**56.8%**	0.0%
	Payback Period	**Years**	**1.1**	**1.2**	9.1%	**1.03**	16.5%

Source: Company Reports, Eight Capital Estimates

Figure 1: Mine Plan and Mineral Resource Inventory Long Section



Source: Company Reports

Disclosures and Disclaimers

This research report (as defined in IIROC Rule 3400) is issued and approved for distribution in Canada by Eight Capital, a member of the Investment Industry Regulatory Organization of Canada, and the Canadian Investor Protection Fund. Eight Capital accepts responsibility for the dissemination of this report. Non-client recipients of the research report should not rely solely on the investment recommendations contained herein and should consult their own professional advisors. Eight Capital will not treat any non-client receiving this report as its own. Institutional clients who require additional information on securities discussed in this report should contact a qualified sales person at Eight Capital.

Eight Capital accepts no liability whatsoever for any loss arising from any use or reliance on this research report or the information contained herein.

This research report is being provided only to institutional clients of Eight Capital and is intended for informational purposes only. This research report is not an offer to sell or the solicitation of an offer to buy any of the securities discussed herein. The information contained in this research report is prepared from publicly available information, internally developed data and other sources believed to be reliable, but has not been independently verified by Eight Capital. Eight Capital makes no representations or warranties with respect to the accuracy, correctness or completeness of such information and they should not be relied upon as such.

All estimates, opinions and recommendations expressed herein constitute judgments as of the date of this research report and are subject to change without notice. Eight Capital does not accept any obligation to update, modify or amend this research report or to otherwise notify a recipient of this research report in the event that any estimates, opinions and recommendations contained herein change or subsequently become inaccurate or if this research report is subsequently withdrawn.

Past performance is not a guarantee of future results, and no representation or warranty, expressed or implied, is made regarding future performance of any security mentioned in this research report. The price of the securities mentioned in this research report and the income they generate may fluctuate and/or be adversely affected by market factors or exchange rates, and investors may realize losses on investments in such securities, including the loss of investment principal. Nothing in this research report constitutes legal, accounting or tax advice. Investors should consult with his or her independent legal or tax adviser in this regard.

US Residents: This report is provided to US residents under a chaperoning arrangement pursuant to Rule 15a-6 of the U.S. Securities Exchange Act of 1934 (the "Rule"). Eight Capital is a non-U.S. broker-dealer for the purposes of the Rule and is not registered with the Financial Industry Regulatory Authority, the Securities and Exchange Commission or any state securities regulatory authority. This research report is intended only for persons who are a “major U.S. institutional investor” which is defined as a U.S. institutional investor or any other entity which owns or manages at least $100 million in financial assets. This research report is not a solicitation to sell the securities discussed herein; however, should you choose to make an unsolicited transaction in such securities we may refer you to our chaperone. Please be advised that Eight Capital may earn a commission in connection with transactions through our chaperone and, in certain cases, our chaperone may give up trading to Eight Capital for execution.

Eight Capital Corp. is a U.S. registered broker-dealer, a member of FINRA and an affiliate of Eight Capital. Eight Capital Corp. accepts responsibility for the contents of this research report, subject to the terms and limitations as set out above. U.S. residents seeking to effect a transaction in any security discussed herein should contact Eight Capital Corp. directly. Research reports published by Eight Capital are intended for distribution in the United States only to Major Institutional Investors (as such term is defined in SEC 15a-6 and Section 15 of the Securities Exchange Act of 1934, as amended) and are not intended for the use of any person or entity.

Dissemination of Research

Eight Capital’s Research is distributed electronically through email, website (password protected) or hard copy. Dissemination of initial research reports and any subsequent research reports is made simultaneously to a pre-determined list of clients of Eight Capital’s Institutional Sales and Trading representatives.

Conflicts of Interest

Eight Capital has written procedures designed to identify and manage potential conflicts of interest that arise in connection with its research and other businesses. The compensation of each Research Analyst/Associate involved in the preparation of this research report is based competitively upon several criteria, including performance assessment criteria, the quality of research and the value of the services they provide to clients of Eight Capital. The Research Analyst compensation pool includes revenues from several sources, including sales, trading and investment banking. Research analysts and associates do not receive compensation based upon revenues from specific investment banking transactions.

Eight Capital generally restricts any research analyst/associate and any member of his or her household from executing trades in the securities of a company that such research analyst covers, with limited exception.
Should this research report provide web addresses of, or contain hyperlinks to, third party web sites, Eight Capital has not reviewed the contents of such links and takes no responsibility whatsoever for the contents of such web sites. Web

addresses and/or hyperlinks are provided solely for the recipient's convenience and information, and the content of third party web sites is not in any way incorporated into this research report. Recipients who choose to access such web addresses or use such hyperlinks do so at their own risk.

Unless publications are specifically marked as research publications of Eight Capital, the views expressed therein (including recommendations) are those of the author and, if applicable, any named issuer or Investment Dealer alone, and have not been approved by, nor are they necessarily those of, Eight Capital. Eight Capital expressly disclaims any and all liability for the content of any publication that is not expressly marked as a research publication of Eight Capital.

Forward-looking statements are based on current expectations, estimates, forecasts and projections based on beliefs and assumptions made by the author. These statements involve risks and uncertainties and are not guarantees of future performance or results and no assurance can be given that these estimates and expectations will prove to have been correct, and actual outcomes and results may differ materially from what is expressed, implied or projected in such forward-looking statements.

Research Analyst Certification

Each Research Analyst and/or Associate who is involved in the preparation of this research report hereby certifies that:

- the views and recommendations expressed herein accurately reflect his/her personal views about any and all of the securities or issuers that are the subject matter of this research report;
- his/her compensation is not and will not be directly related to the specific recommendations or views expressed by the Research Analyst in this research report;
- they have not affected a trade in a security of any class of the issuer whether directly or indirectly through derivatives within the 30-day period prior to the publication of this research report;
- they have not distributed or discussed this Research Report to/with the issuer, investment banking at Eight Capital or any other third party except for the sole purpose of verifying factual information; and
- they are unaware of any other potential conflicts of interest.

The Research Analyst involved in the preparation of this research report does not have any authority whatsoever (actual, implied or apparent) to act on behalf of any issuer mentioned in this research report.

Informal Comment

Informal Comments are analysts' informal comments that are posted on the Eight Capital website. They generally pertain to news flow and do not contain any change in analysts' opinion, estimates, rating or target price. Any rating(s) and target price(s) in an Informal Comment are from prior formal published research reports. A link is provided in any Informal Comment to all company specific disclosures and analyst specific disclosures for companies under coverage, as well as general disclosures and disclaimers.

Presentations

Presentations do not include disclosures that are specific to analysts and specific to companies under coverage. Please refer to formal published research reports for company specific disclosures, analyst specific disclosures and valuation methodologies used in determining target prices for companies under coverage.

Idea of Interest

Eight Capital has not initiated formal and continuous coverage of the companies mentioned in these publications, and maintain no recommendation, price target or earnings forecast. Statements and analysis in these publications are introductory in nature and may be published from time to time based on publicly available information.

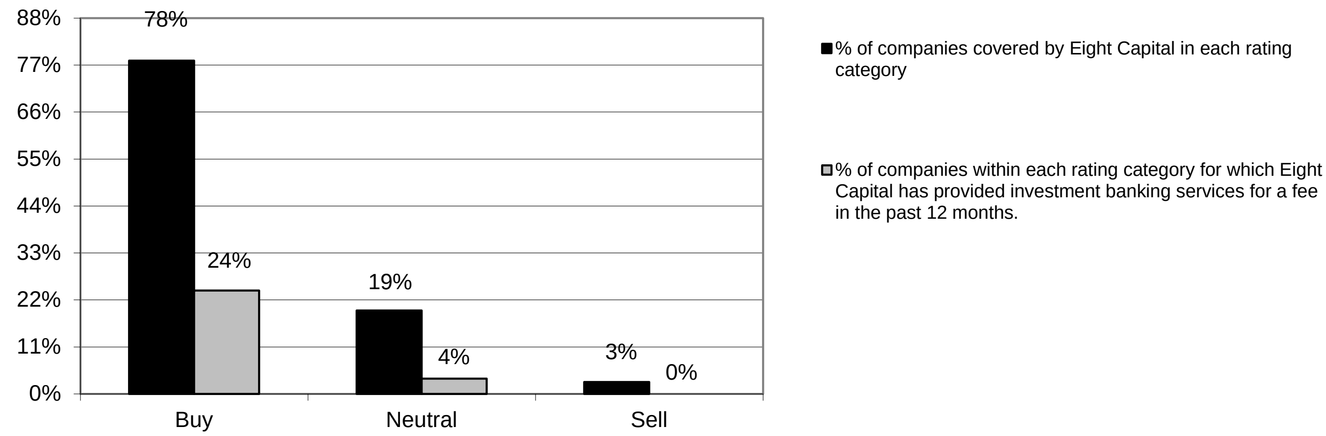
IIROC Rule 3400 Disclosures: A link (here) is provided in all research reports delivered by electronic means to disclosures required under IIROC Rule 3400, including disclosures for sector research reports covering six or more issuers.

Explanation of Recommendations

Eight Capital target: Represents the price target as required under IIROC Rule 3400. Valuation methodologies used in determining the price target(s) for the issuer(s) mentioned in this research report are contained in current and/or prior research. Eight Capital target N/A: a price target and/or NAV are not available if the analyst deems there are limited financial metrics upon which to base a reasonable valuation.
Recommendations: **BUY**: Total returns expected to be materially better than the overall market with higher return expectations needed for more risky securities. **NEUTRAL**: Total returns expected to be in line with the overall market. **SELL**: Total returns expected to be materially lower than the overall market. **TENDER**: The analyst recommends tendering shares to a formal tender offer. **UNDER REVIEW**: The analyst will place the rating and/or target price Under Review when there is a significant material event with further information pending; and/or when the analyst determines it is necessary to await adequate information that could potentially lead to a re-evaluation of the rating, target price or forecast; and/or when coverage of a particular security is transferred from one analyst to another to give the new analyst time to reconfirm the rating, target price or forecast.

SECURITY ABBREVIATIONS: NVS (non-voting shares); RVS (restricted voting shares); RS (restricted shares); SVS (subordinate voting shares).

Eight Capital Equity Research Ratings:



As at October 1, 2018
Source: Eight Capital

NexGen Energy Ltd. (NXE-T, $2.89)

Rating	**Buy**
Target Price	**$6.00**
Return	**108%**
Overall Risk Rating	**Very High**

Colin Healey, MBA | 604-697-6089 | chealey@haywood.com
Aazan Habib, CFA | 604-697-6030 | ahabib@haywood.com

PFS De-Risks & Confirms Arrow as Leading Undeveloped Uranium Project Globally

Impact - Positive | **NexGen has announced the results of its Pre-Feasibility Study for the Arrow deposit at Rook 1 in the western Athabasca Basin.** The study improves upon the 2017 PEA on several key metrics including a 64% increase in average annual after-tax cash flow of $909M and a **6% increase in NPV$_{8\%}$ to $3.7B**, driven by lower OPEX and higher head-grades, at a US$50/lb uranium price. The Company also announced a resource update that demonstrated a **43% increase in its indicated resource to 256.6 M lbs U_3O_8** (Table 2). We view the results as largely in-line with our and the market's bullish expectations and continue to recommend accumulation of the stock given Arrow's world-class economics amidst a rising uranium price.

- **PFS results improve upon and de-risk vs PEA.** The growth over the 2017 PEA is driven by a 37% increase in average LoM annual production to 25.4M lbs U_3O_8 over 9 years (from 18.5M lbs/year over 15 years), a 79% increase in average grade to 3.09% U_3O_8, and a 31% reduction in average annual OPEX to US$4.36/lb, partially offset by a 5% increase in CAPEX (due to provincial sales tax). The project's after-tax IRR and payback periods effectively remained constant at 56.8% and 1.2 years from 56.7% and 1.1 years, respectively. See Table 1 for details of the PFS vs. PEA changes and our assumptions.
- **Simple mining concept underpins world-class economics.** The conventional long-hole stop mining method assumption in the PFS was consistent with the PEA, although the average daily mining rate was revised to 1,039 tonnes from 1,448 based on probable reserves of 234M lbs U_3O_8 contained in 3.43M tonnes grading 3.09%. Geotechnical studies and deposit geometry support flexible mine sequencing and a metallurgical study resulted in an increased process recovery of 97.6% from 96%. The feasibility of an underground tailings management facility was also confirmed, which will reduce its surface footprint and related costs, including substantial sustaining CAPEX related to surface facilities.
- **Sensitivity to uranium price.** The PFS assumes a US$50/lb uranium price and a USD/CAD exchange rate of $0.75, compared to our model which assumes a US$70/lb price and $0.787 FX assumption with a much more conservative cost profile and 10% discount rate. The PFS indicates that at a US$25/lb uranium price (below spot), the project has an after-tax NPV$_{8\%}$ of $1.2B, after-tax IRR of 28.9%, and payback period of 2.3 years. At US$60/lb, the project's NPV rises to $4.7B, IRR to 65.5%, and the payback period declines to 1 year.
- **Resource expansion brings mining inventory closer to our model assumption.** The updated MRE demonstrated a 43% improvement over the March 2017 estimate with indicated resources of 256.6M lbs U_3O_8 contained in 2.89M tonnes grading 4.03% U_3O_8 and inferred resources of 91.7M lbs (not included in the PFS). We expect upgrading from its upcoming drill program to bring the mineable resource closer to our model assumption of 262M lbs.
- **Largest drilling program in the Company's history to expedite Arrow to feasibility.** The two-stage, 10-rig program will drill 125,000 meters commencing in early December and will continue through September 2019. The $46M budget for the program will be fully funded by its treasury ($133M as of Q3/18). The focus will be on mine plan optimization and upgrading resources into the indicated category, which should further improve Arrow's economics.

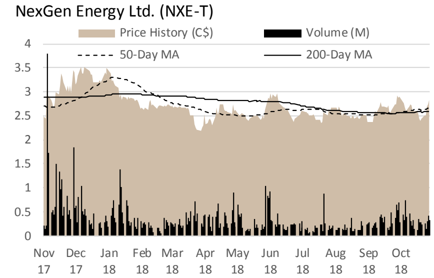
Target Price	**$6.00**
Current Price	$2.89
Return (incl. dist'n)	108%
YTD Performance	-10%
Dividend / Yield	N/A

Haywood Estimates

	F17A	F18E	F19E
U_3O_8 Prod.(lb)	0.0	0.0	0.0
Revenue(C$M)	0.0	0.0	0.0
EBITDA (C$M)	(17.2)	(21.0)	(21.1)
Net Inc. ($CM)	(56.0)	(31.0)	(31.2)

52-Week High / Low	$3.58 / $2.12
Shares O/S	349M (basic)
	391M (F/D)
Market Capitalization	$1,007M
Cash	$133M
Debt	US$120M
Working Capital * (est)	$135M
Enterprise Value	$1,012M
Daily Volume (3 month avg)	607,170
Website	www.nexgenenergy.com
CEO	Leigh Curyer
Currency	C$ unless noted

Price Performance



Source: Capital IQ and Haywood Securities

Valuation | Our 12-month target of $6.00 is based on a 1.0x multiple of our estimated corporate net asset value (NAV) per share of $6.17, based on a discounted cash flow ($DCF_{10\%}$) analysis of our conceptual uranium mining operation at Arrow.

Risks | We assign a Very High risk rating given NexGen's status as a pre-resource exploration play with no certainty of cash-flow generation or exploration success. We expect the Company to rely on future equity financing to fund operations.

Catalysts | 1) Drill results from 2019 program; 2) Decision on installation of exploration shaft at Arrow – 2019.

Table 1: 2018 PFS vs. 2017 PEA and Haywood Assumptions

Item	Haywood Conceptual Mine Base Case for Arrow Deposit (C$ unless otherwise noted)	July 2017 PEA	November 2018 PFS
Supporting Assets:	**Arrow Deposit** at the Rook 1 Project (100%-owned), southwestern margin of Athabasca Basin - Haywood Mineable **Resource Assumption: 262 Mlb U_3O_8 (2.2 Mt, at 5.2% U_3O_8)**	**PEA** Mineable **Resource Assumption: 301.6 Mlb U_3O_8 (5.43 Mt, at 2.5% U_3O_8)**	**PFS** Reserves: **234.1 Mlb U_3O_8 (3.43 Mt, at 3.43% U_3O_8)**
Production Rate:	**LOM Average: 20.1 Mlb U_3O_8 per year steady state for 12 years** (18.9 Mlb over 13y) (5.1 Mlb U_3O_8 in Y1, 15.4 Mlb in Y2, 20.5 Mlb per year Y's 3-13)	**LOM Average: 18.5 Mlb U_3O_8 per year steady state for 14.4 years** (27.5 Mlb U_3O_8 in Y1-5)	**LOM Average: 25.4 Mlb U_3O_8 per year for 9 years**
LOM Total Production:	246 Mlb U_3O_8	267 Mlb U_3O_8	~229 Mlb U_3O_8
Mining Method:	Conventional raise boring of high grade areas of A2 sub zone, underground long-hole stoping mainly in A3 shear zone, surface access by way of open ramp to ~100 m level, portal & ramp to ~400 m level for initial mining	long hole stoping	long hole stoping
LOM Average Feed Grade:	**Underground: 5.2% U_3O_8 (diluted)**	1.7%	3.1%
Process Recovery Rate:	Mining Recovery of 99%, Process Recovery of 95% assumed (net 94%)	96.0%	97.6%
Mine Life:	11 years steady-state, (13 years including 2-year production ramp-up period)	14.4	~9
CAPEX (C$/lb U3O8):	**$1.3 billion pre-production** (including process plant $550 M)	C$1.2 billion	C$1.25 billion
OPEX (C$/lb U_3O_8) (C1 cash costs)	**$12.15/lb U_3O_8 or US$9.56/lb**	**C$8.38 or US$6.70** (Y1-5 C$5.53 or US$4.42)	**C$5.81 or US$4.36**
NPV:	**Post-tax: $2,434 million (US$70/lb U_3O_8, 10% discount rate, 10% interest rate, 100% debt-financed construction)**	**Post-tax: $3,490 million (US$50/lb U_3O_8, 8% discount rate)**	**Post-tax: $3,660 million (US$50/lb U_3O_8, 8% discount rate)**
After-tax IRR (%):		56.7%	56.8%
After-tax Payback (years):		1.1	1.2
Uranium Price Assumption:	US$70 / lb U_3O_8 (base case)	US$50 / lb U_3O_8 (base case)	US$50 / lb U_3O_8 (base case)
FX Assumption:	US$0.787 per C$	US$0.80 per C$	US$0.75 per C$

* Haywood mineral inventory differs from PFS in grade/tonnage, as we incorporate assumptions relating to expected increase in resources/reserves reporting to future estimates and exclude certain lower grade tonnes that may ultimately be captured in a mining operation.

Source: NexGen Energy, Haywood Securities Inc.

Table 2: March 2017 vs November 2018 Arrow Resource Estimate

March 2017: NI 43-101 Resources *(cut-off: 0.25% U_3O_8)*
Arrow Deposit (NexGen Energy, 100%) *US\$50 U_3O_8*

	Zone	tonnes (Mt)	U_3O_8 Grade (%)	Contained U_3O_8 (Mlb)
Indicated	A2	0.790	0.84%	14.5
	A2 High-grade	0.400	18.87%	164.9
	Total	**1.180**	**6.88%**	**179.5**

	Zone	Mt	U_3O_8 Grade (%)	Contained U_3O_8 (Mlb)
Inferred	A1	0.86	0.75%	14.3
	A2	1.10	0.76%	18.5
	A2 High-grade	0.03	13.00%	8.6
	A3	1.46	1.16%	37.3
	A3 High-grade	0.15	8.53%	28.2
	A4	0.55	1.06%	12.9
	180	0.11	0.95%	2.3
	Total	**4.260**	**1.30%**	**122.1**

	Zone	Mt	U_3O_8 Grade (%)	Contained U_3O_8 (Mlb)
Combined (Meas, Ind.+Inf.)	A1	0.86	0.75%	14.3
	A2	1.89	0.76%	33.0
	A2 High-grade	0.43	13.00%	173.5
	A3	1.46	1.16%	37.3
	A3 High-grade	0.15	8.53%	28.2
	A4	0.55	1.06%	12.9
	180	0.11	0.95%	2.3
	Total	**5.450**	**2.51%**	**301.5**

Nov. 2018: NI 43-101 Resources *(cut-off: 0.25% U_3O_8)*
Arrow Deposit (NexGen Energy, 100%) *US\$50 U_3O_8*

	Zone	tonnes (Mt)	U_3O_8 Grade (%)	Contained U_3O_8 (Mlb)	Change (%)
Indicated	A2	1.240	0.79%	21.7	
	A2 High-grade	0.460	17.85%	181.0	
	A3	1.010	0.70%	15.5	
	A3 High-grade	0.180	9.68%	38.4	
	Total	**2.890**	**4.03%**	**256.6**	**43.0%**

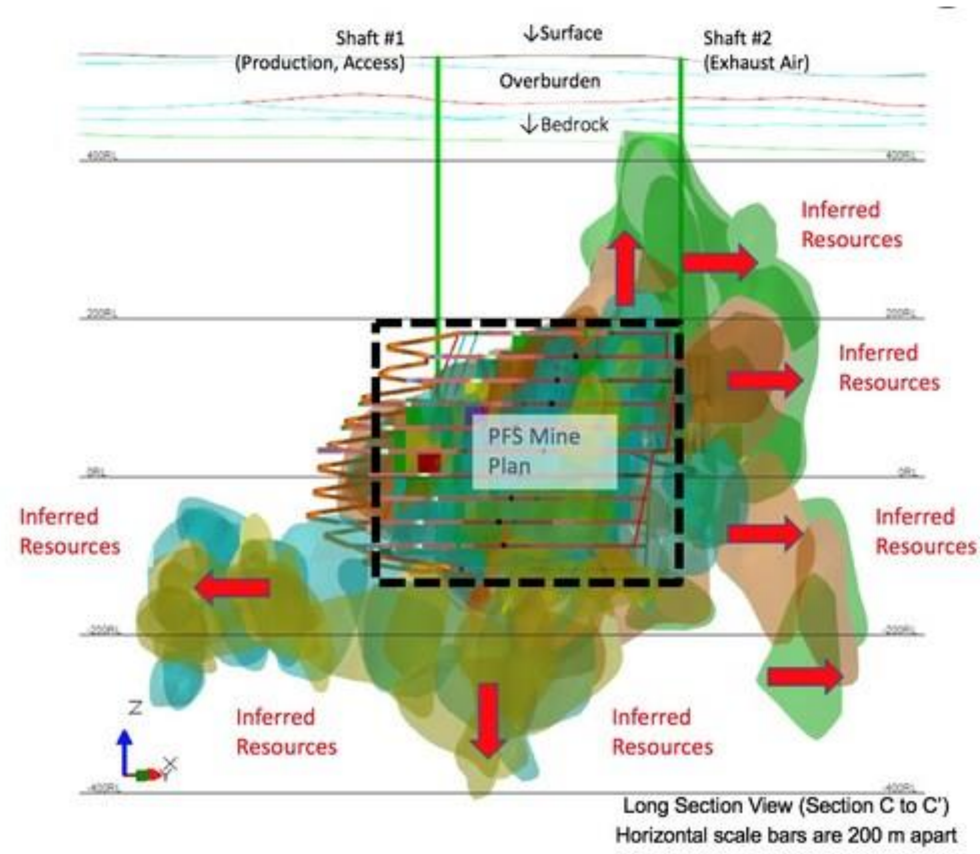
	Zone	Mt	U_3O_8 Grade (%)	Contained U_3O_8 (Mlb)	Change (%)
Inferred	A1	1.51	0.72%	23.9	
	A2	1.29	0.70%	19.9	
	A2 High-grade	0.005	12.70%	1.4	
	A3	1.23	1.11%	30.0	
	A3 High-grade	0.001	9.07%	0.2	
	A4	0.80	0.92%	16.3	
	Total	**4.836**	**0.86%**	**91.7**	**-24.9%**

	Zone	Mt	U_3O_8 Grade (%)	Contained U_3O_8 (Mlb)	Change (%)
Combined (Meas, Ind.+Inf.)	A1	1.51	0.72%	23.9	
	A2	2.53	0.75%	41.6	
	A2 High-grade	0.47	17.79%	182.4	
	A3	2.24	0.92%	45.5	
	A3 High-grade	0.18	9.67%	38.6	
	A4	0.80	0.92%	16.3	
	Total	**7.726**	**2.04%**	**348.3**	**15.5%**

	Zone	Mt	U_3O_8 Grade (%)	Contained U_3O_8 (Mlb)
RESERVES	A2	2.06	4.13%	187.4
	A3	1.38	1.54%	46.7
	Total	**3.433**	**3.09%**	**234.1**

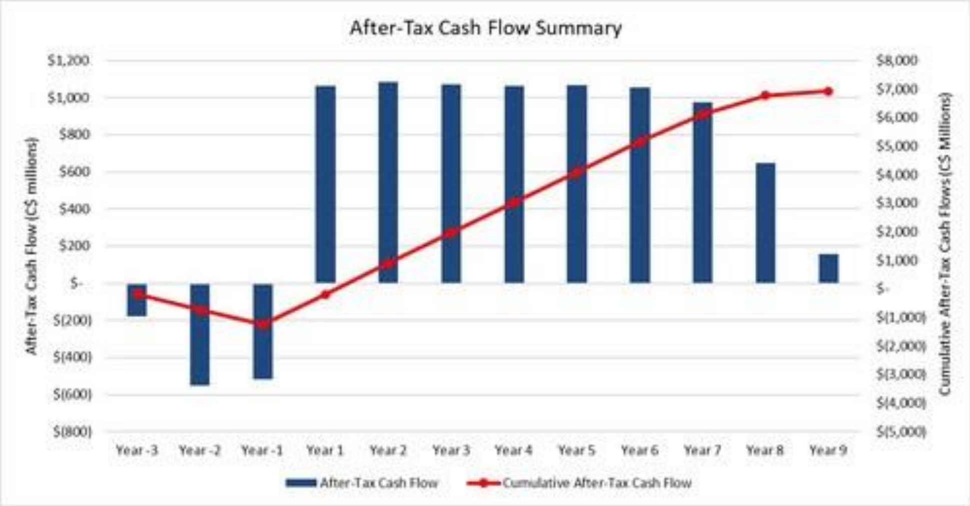
Source: NexGen Energy, Haywood Securities Inc.

Figure 1: Arrow Mine Plan



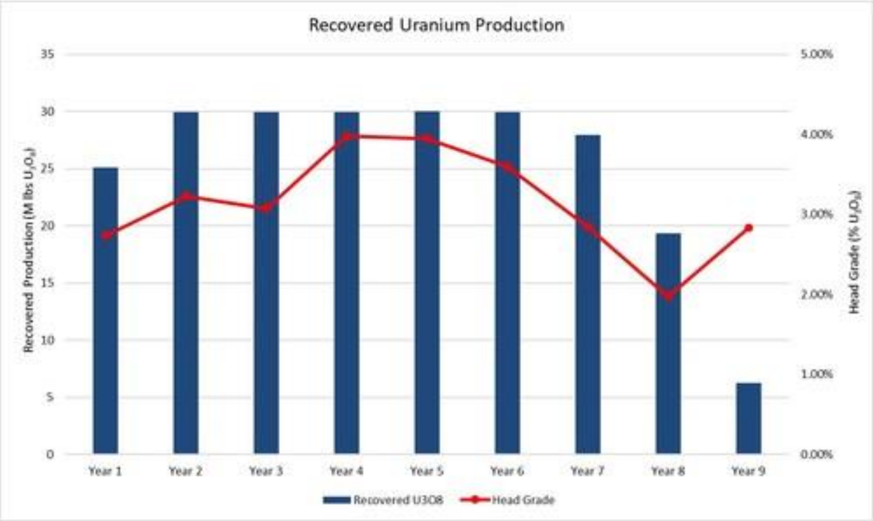
Source: NexGen Energy

Figure 2: After-Tax Cash Flow Profile



Source: NexGen Energy

Figure 3: Production Profile



Source: NexGen Energy

Investment Thesis

We believe NexGen is peerless in the Athabasca Basin and globally as an exploration / developer play, as it controls a large, world-class, high-grade uranium deposit in a proven operating district, with the scale (348.3 Mlb U_3O_8) to be standalone economic right from the maiden resource.

- **We estimate NexGen controls the largest and most strategically important undeveloped high-grade uranium deposit in a world class jurisdiction, with expansion potential, as the deposit remains open in all directions**. Growth potential exists within the Arrow Zone, as further infill drilling is expected to confirm further continuity along strike and upgrade a component of inferred resources, and extension drilling seeks to define the limits of the deposit. **We believe the extremely aggressive 2-stage 125,000 metre 10-rig 2019 drilling program will be successful in delivering stock catalysing news.**

- **With the updated PFS and establishing of reserves, NexGen has significantly de-risked the Rook 1 project**, and we anticipate the stock price will continue to progressively reflect a declining risk profile in the period following publication of the preliminary feasibility study in November 2018. News flow, including results from 2019 work, should serve to incrementally increase market confidence in the scale and continuity of the Arrow deposit.

- **We expect further exploration work at the Arrow Zone to provide incremental increases in tonnage reporting to the mining inventory forming the basis of our resource model.** Sensitivity analysis of our Arrow mining concept highlights the potential for additional resource delineation (in excess of our base-case assumption) to induce positive step-changes in our estimate of project and corporate net asset value (NAV) per share. NexGen also has the potential to discover new deposits on the Rook 1 project beyond the Arrow, Bow and Harpoon zones and from elsewhere within NexGen's expansive western Athabasca land package. Our valuation does not include any credit for this discovery potential.

Standalone Development Potential: Our conceptual development and mining scenario suggests the Arrow deposit could deliver robust top-tier standalone economics at reasonable future uranium prices. Based on our analysis and interpretation of exploration work to date, we are projecting cash costs in the lower decile of current production globally (life of mine [LoM] average C1: US$9/lb U_3O_8), and a resource of critical mass supporting a world class tier 1 uranium mining operation. We believe these attributes place NexGen among the world's most attractive acquisition targets, located in a uranium-mining-friendly jurisdiction with a long history of uninterrupted regional production and well-established regulatory oversight. **We believe NexGen's Arrow Zone has the potential to navigate the environmental and permitting regulatory processes more expediently due to its expected relative technical simplicity and environmental footprint**. We believe the first fully-permitted project in the region with strong economics will likely build a mill with modular expansion capacity capable of growing to serve other regional mines, with toll milling revenue potential for whomever controls this potentially strategic regional asset. NexGen is well-positioned to potentially evolve into this role.

Risks

Significant Investment Risks

The investment to which this report relates carries various risks, which are reflected in our Overall Risk Rating. We consider the following to be the most significant of these investment risks:

- **Overall Risk – Very High:** We rank NexGen as Very High in all subcategories except Political Risk, given NexGen's early stage, with no certainty of: future exploration success, the technical feasibility of the Haywood-conceived project, eventual project development, or cash-flow generation. Significant risk considerations include:
    - **Continued Exploration Success:** NexGen is focused primarily on uranium exploration, with key assets proximal to Canada's Athabasca Basin. A significant component of our valuation includes continued success in exploring for, and defining, additional uranium resources at core projects. Exploration success is a fundamental risk, where failure to identify and define additional resources could materially impact our valuation.
    - **Commodity Price Forecast:** A material component of our valuation of NexGen includes assumed future uranium production from certain Canadian assets. A development, and eventually, a production decision would be dependent on other significant risk factors listed here, but also would likely require a uranium price materially higher than current market prices, as we have modelled. Failure of these higher commodity prices to materialize could result in the Company not meeting our production and/or cash-flow expectations.
- **Technical Feasibility:** In addition to other significant risk factors listed here, a development and production decision would very likely require evidence from advanced technical studies of the Arrow deposit validating certain core assumptions, including the development, mining, and processing methods assumed, or identification of similarly costed alternatives.

For further information on our Risk Rating
please visit: *http://haywood.com/what-we-offer/research/research-policy*

NexGen Energy Ltd.	TSX:NXE Price: $2.89	Shares O/S (M) 348.5	Rating: Buy	
November 5, 2018		MCap (C$ M) $1,007	Target (C$): $6.00	Return: 108%

Alpha: NexGen Energy is the premier pre-resource uranium exploration play globally, with an expansive, highly prospective land package on the southwestern perimeter of a prolific uranium district. The Athabasca Basin (Sask.) is an excellent operating jurisdiction, and home to multiple world class, ultra high-grade uranium deposits, and has an extensive history of successful uranium mine permitting and production.

Investment Highlights

• **NexGen - *the* Premier Global Pure Uranium Exploration Play:** With regional concentration becoming a reality, we expect NexGen will land peerless in the Athabasca Basin and globally, as it has just **delivered a world class high-grade uranium resource exceeding 300 Mlb U3O8**, setting up well for expansion, where the Arrow deposit remains open in most directions with growth potential both within the Arrow Zone, and from elsewhere within NexGen's expansive western Athabasca assets.

• **Making the Grade:** Drilling to-date at Arrow zone has enjoyed a >90% hit rate for uranium mineralization, but perhaps more importantly, has intersected some of the most strongly mineralized (by Grade x Thickness, GT) intervals ever reported globally: **Hole AR-15-44b delivered a total composite GT of 853.55 metres, with highlight intervals of 20 metres grading 20.68% U3O8, within 56.5 metres grading 11.55% U3O8**. NexGen has put up the type of headline smashing grades we have come to expect from the Athabasca Basin, but continues to grow the mineralized target with ongoing drill-work, with Arrow now boasting a uranium mineralized foot print spanning 645 metres x 235 metres, intersecting uranium mineralization from 100 to 920 metres depth. In February 2016, NexGen upped the stakes at Arrow when it pierced the A3 shear zone, which is evolving to be substantially larger than the A2 shear, albeit at lower apparent grade. Both have returned some very enviable high-grade intercepts over very significant widths, and both remain open for expansion in all directions.

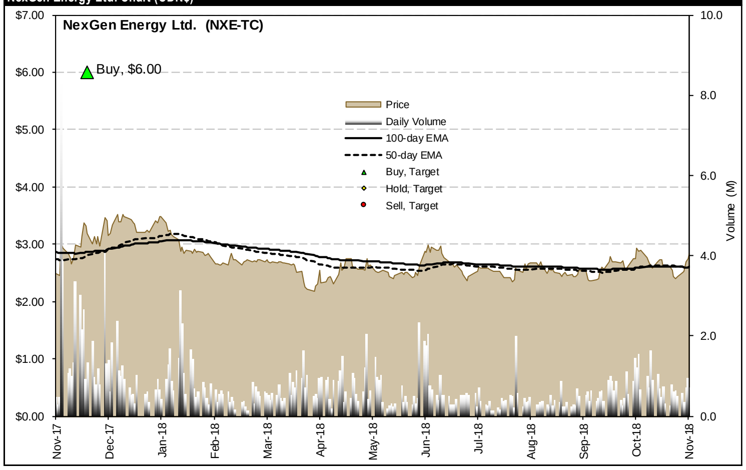
• **Expansive Land Package with Exploration Upside:** When looking for needles in a haystack, it helps to be the dominant owner of the haystack: NexGen's Rook 1 claims represent the largest aggregate land position of any claimholder in the southwestern region of the Athabasca Basin.

Catalysts

Early 2019: Decsion on production shaft at Arrow

2019: Drill results from 125,000 meter diamond drill program

NexGen Energy Ltd. Chart (CDN$)



Financials & Assumptions	F`14A	F`15A	F`16A	F`17A	F`18E	F`19E	F`20E
(Year-End Dec-31)	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20
Spot Uranium (US$ / lb)	$33	$37	$26	$22	$26	$39	$47
Long-term Uranium (US$ / lb)	$47	$47	$40	$31	$36	$46	$55
C$/US$ FX Rate	1.10	1.24	1.24	1.26	1.21	1.21	1.21
Revenue (C$M)	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Cost of Goods Sold (C$M)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Corporate G&A (C$M)	$3.4	$4.9	$13.8	$17.0	$21.0	$21.1	$21.2
EBITDA (C$M)	**($3.4)**	**($4.9)**	**($14.0)**	**($17.2)**	**($21.0)**	**($21.1)**	**($21.2)**
EV / EBITDA							
DD&A (C$M) & Write downs	$0.1	$0.3	$0.7	$0.9	$0.9	$0.9	$0.9
Earnings (C$M)	**($8.4)**	**($4.6)**	**($16.9)**	**($56.0)**	**($31.0)**	**($31.2)**	**($30.9)**
Adjusted EPS (C$)	($0.06)	($0.02)	($0.06)	($0.17)	($0.09)	($0.08)	($0.08)
Current Price / EPS	-	-	-	-	-	-	-
Target Price / EPS	-	-	-	-	-	-	-
Cash Flow Before W/C Changes (C$M)	**($1.9)**	**($3.3)**	**($10.4)**	**($13.8)**	**($18.9)**	**($19.2)**	**($18.9)**
Shares O/S, millions	195.9	287.2	307.4	328.0	348.9	375.0	399.2
CFPS, C$	($0.01)	($0.01)	($0.03)	($0.03)	($0.05)	($0.05)	($0.05)
Current Price / CFPS	-	-	-	-	-	-	-
Target Price / CFPS	-	-	-	-	-	-	-
Operating Cash Flow (C$M)	($2.0)	($2.7)	($8.0)	($11.1)	($18.9)	($19.2)	($18.9)
Financing Cash Flow (C$M)	$21.2	$45.6	$95.1	$135.1	$55.8	$59.4	$321.0
Investing Cash Flow (C$M)	($12.9)	($22.4)	($91.3)	$9.6	($54.6)	($54.6)	($265.0)
Change in Cash (C$M)	$6.3	$20.5	($3.2)	$133.9	($17.8)	($14.3)	$37.1
Working Capital (C$M)	**$12.4**	**$33.8**	**$77.0**	**$162.6**	**$179.7**	**$165.3**	**$202.4**

Trading Statistics (C$); Capital Structure

52 Week High/Low	$3.58 / $2.12		Average Daily Volume (90 day)	607,170
Ownership (M)	Management / Institutional		Major Shareholders	
Shares	4,503,794	123,751,568	CI Investments Inc.	5.8%
% O/S	1.3%	35.5%	Global X Management Company LLC	4.6%

Last Financing

Dec-15 $21M bought deal, 32.8M common shares priced at $0.64

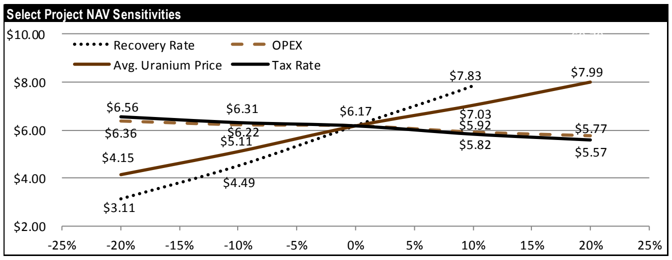
May-15 $23.7M bought deal, 47.48M common shares priced at $0.50

Shares O/S (million)- Basic / FD 348,468,068 / 396,480,402

(C$M)	Av Strike (C$)	Units (M)	ITM Units (M)	Proceeds (C$)
Working Capital				$142.9
Options	$0.50	22.22	22.22	$11.0
Warrants		0.00	0.00	$0
Total Cash & ITM	$0.50	22.22	22.22	$154

NAV Summary, Target Generation and Sensitivity		Base	-20%	-10%	+10%	+20%
Average Realized Uranium Price (US$/lb)		$70	$56	$63	$77	$84
C$ millions						
Rook 1 (Arrow) Mine DCF	(@10.0%)	$2,678				
NPV of Corporate CF	(@10.0%)	-$310				
Total NAV (C$M)		$2,368	$1,734.8	$2,127.4	$2,915.9	$3,311.1
Other Project Credits (C$M)		$0.0	$0.0	$0.0	$0.0	$0.0
Corporate NAV (unadjusted) (C$M)		**$2,367.7**	**$1,734.8**	**$2,127.4**	**$2,915.9**	**$3,311.1**
Working Capital (est. Dec 2018)		$179.7	$179.7	$179.7	$179.7	$179.7
Dilutive Capital		$11.0	$11.0	$11.0	$11.0	$11.0
Total Corporate NAV (C$M)		**$2,558.4**	**$1,925.5**	**$2,318.1**	**$3,106.6**	**$3,501.8**
Corporate NAVPS		$6.17	$4.15	$5.11	$7.03	$7.99
Current P/NAV		0.5x	0.7x	0.6x	0.4x	0.4x
Target Price / NAV		**1.0x**	1.0x	1.0x	1.0x	1.0x
Target (C$)		**$6.00**	**$4.20**	**$5.10**	**$7.00**	**$8.00**

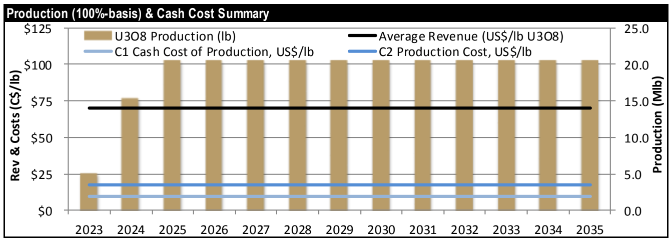
Select Project NAV Sensitivities



Rook 1 - Arrow Zone - Conceptual Resource & Mining Concept - Underlying Mining Inventory Assumption			
Haywood Est. Mining Inventory	**k Tonnes**	**Grade (% U_3O_8)**	**Insitu U_3O_8 (M)lb**
	2,280	5.21%	261.8

Rook 1 - Arrow Zone - Conceptual Resource & Mining Concept - Underlying Cost Assumptions			
CAPEX	**US$ M**	**OPEX**	**US$/t**
Total Pre-Production CAPEX	**1091.5**		
Sustaining Capital, Closure & Reclamation	258.3		
LoM Total CAPEX	**1349.8**	**OPEX per t RoM ore:** (incl. surface G&A)	**955.5**

Production (100%-basis) & Cash Cost Summary



Peer Group Comparables (Haywood Securities estimates & Bloomberg Consensus Data)							
Company Name	Price (LoC)	MCAP C$M	EV C$M	2018 CFPS*	P/CFPS*	Cons. Target*	Implied Return
NexGen Energy (NXE-T)	**$2.89**	**$990**	**$1,012**	**($0.05)**		**$5.43**	**88%**
Denison Mines (DML-T)	$0.83	$479	$449	($0.04)		$1.26	52%
Fission Uranium (FCU-T)	$0.70	$330	$301	($0.01)		$2.02	188%
UEX Corporation (UEX-T)	$0.20	$74	$68			$0.50	150%
* Bloomberg Consensus Data				Average:	N/A		119%

Production Profile (attributable)	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29
Total U3O8 Production (Mlb)	**5.1**	**15.4**	**20.5**	**20.5**	**20.5**	**20.5**	**20.5**
Uranium - Realized Price, US$/lb	$70	$70	$70	$70	$70	$70	$70
C1 Cash Cost of Production, US$/lb	$10	$10	$10	$10	$10	$10	$10
C2 Production Cost, US$/lb	$17	$17	$17	$17	$17	$17	$17
Production Cost, US$/lb (incl. royalties, interest)	$53	$37	$34	$33	$32	$31	$30
All-in After Tax Prod. Cost, US$/lb	$58	$46	$44	$43	$42	$41	$41

Corporate Contact

Website: www.nexgenenergy.ca **Tel:** 604-428-4112

Key Executive: Curyer, Leigh Founder, President, CEO & Director

Colin Healey, MBA - Research Analyst chealey@haywood.com 604-697-6089

Aazan Habib, CFA - Research Associate ahabib@haywood.com 604-697-6030

* *"Production Cost" and "All-in Production Cost" are calculated based on a selling price of US$70/lb U_3O_8, and fall proportionately with reduction in uranium price assumption, as they include revenue and profit sensitive costs (e.g.. taxes, royalties).*

Source: Bloomberg, Capital IQ, Company Reports, and Haywood Securities

Important Information and Legal Disclaimers

Research Reports are neither a solicitation for the purchase of securities nor an offer of securities. Our reports, recommendations, ratings and views are intended only for clients of Haywood Securities Inc., and those of its wholly-owned subsidiary, Haywood Securities (USA) Inc.

Our clients are cautioned to consult their respective Haywood Investment Advisors prior to purchasing or selling any security recommended or acting on any views contained herein to ensure that the recommendation or view is suitable for their investment objectives and risk tolerance.

Estimates and projections contained herein, whether or not our own, are based on assumptions that we believe to be reasonable. The information presented, while obtained from sources we believe reliable, is checked but not guaranteed against errors or omissions. Changes in the rates of exchange between currencies may cause the value of your investment to fluctuate. Past performance should not be seen as an indication of future performance. The investments to which this report relates can fluctuate in value and accordingly you are not certain to make a profit on any investment: you could make a loss.

Haywood Securities, or certain of its affiliated companies, may from time to time receive a portion of commissions or other fees derived from the trading or financings in the covered security. Haywood analysts are salaried employees who may receive a performance bonus that may be derived, in part, from corporate finance income.

Haywood Securities Inc., and Haywood Securities (USA) Inc. do have officers in common however, none of those common officers affect or control the ratings given to a specific issuer, or which issuer will be the subject of research coverage. In addition, the firm does maintain and enforce written policies and procedures reasonably designed to prevent influence on the activities of affiliated analysts.

Dissemination of Research

Research reports are disseminated through electronic medium. Clients may access historic reports on our website, or receive publications directly via internet email. Haywood strives to ensure all clients receive research in a timely manner and at the same time. It is against our policy for analysts to discuss or circulate their recommendations internally prior to public distribution. This policy applies equally to recommendation changes, target changes and/or forecast revisions.

Any Haywood employee with knowledge of the intended distribution of a research report that includes a new recommendation or a change in recommendation or target price, is restricted from trading securities of the issuer until such time as our clients have been provided the opportunity to receive, digest and potentially act on the information (generally one trading day). This temporary "pro" restriction does not prevent an Investment Advisor from offering recommendations to clients.

For Canadian residents: Haywood Securities Inc. is a Canadian registered broker-dealer and a member of the Investment Industry Regulatory Organization of Canada, the Toronto Stock Exchange, the Toronto Venture Exchange and the Canadian Investor Protection Fund and accepts responsibility for the dissemination of this report. Any Canadian client that wishes further information on any securities discussed in this report should contact an Investment Advisor of Haywood Securities Inc.

For U.S. residents: This investment research is distributed in the United States, as third party research by Haywood Securities (USA) Inc. Haywood Securities (USA) Inc. is a wholly-owned subsidiary of Haywood Securities Inc., registered with the U.S. Securities and Exchange Commission, and a member of FINRA and the Securities Investor Protection Corporation (SIPC). Haywood Securities (USA) Inc. as a U.S. registered broker-dealer accepts responsibility for this Research Report and its dissemination in the United States. Any U.S. client that wishes further information on any securities discussed in this report or to effect a transaction in these securities should contact a Registered Representative of Haywood Securities (USA) Inc. Haywood Securities Inc. Research Analysts are considered Foreign Research Analysts as relates Haywood USA and are not registered/qualified as Research Analysts with FINRA. As these analysts are considered Foreign Research Analysts they may not be specifically subject to FINRA Rule 2241 restrictions on communications with a Subject Company, Public Appearances or trading securities held by a Research Analyst Account.

This report is intended for institutional investors and may only be distributed to non-institutional US clients in the following states: Alaska, Alabama, Arkansas, Arizona, California, Colorado, Connecticut, District of Columbia, Delaware, Florida, Georgia, Guam, Hawaii, Iowa, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Maine, Michigan, Minnesota, Missouri, Mississippi, Montana, North Carolina, North Dakota, Nebraska, New Hampshire, New Jersey, New Mexico, Nevada, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Virgin Islands, Vermont, Washington, Wisconsin, West Virginia, and Wyoming. Otherwise, this report may only be distributed into those states with an institutional buyer state securities registration exemption.

Analyst Certification

I, Colin Healey, hereby certify that the views expressed in this report (which includes the rating assigned to the issuer's shares as well as the analytical substance and tone of the report) accurately reflect my/our personal views about the subject securities and the issuer. No part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations.

Important Disclosures

Of the companies included in the report the following Important Disclosures apply:

- Haywood Securities, Inc. has reviewed lead projects of Denison Mines Corp. (DML-T), NexGen Energy Ltd. (NXE-V) and a portion of the expenses for this travel may have been reimbursed by the issuer.
- Haywood Securities Inc. or one of its subsidiaries has managed or co-managed or participated as selling group in a public offering of securities for Denison Mines Corp. (DML-T) in the last 12 months.
- Haywood Securities, Inc. or an Affiliate has received compensation for investment banking services from NexGen Energy Ltd. (NXE-V), Denison Mines Corp. (DML-T) in the past 24 months.
- Haywood Securities, Inc. or one of its subsidiaries is restricted on Denison Mines Corp. (DML-T) at the time of publication.

Other material conflict of interest of the research analyst of which the research analyst or Haywood Securities Inc. knows or has reason to know at the time of publication or at the time of public appearance:

- n/a

Rating Structure

Each company within an analyst's universe, or group of companies covered, is assigned: (i) a recommendation or rating, usually BUY, HOLD, or SELL; (ii) a 12 month target price, which represents an analyst's current assessment of a company's potential stock price over the next year; (iii) an overall risk rating which represents an analyst's assessment of the company's overall investment risk; and (iv) specific risk ratings or risk profile parameters which in their aggregate support an analyst's overall risk rating. These ratings are more fully explained below. Before acting on our recommendation we caution you to confer with your Haywood investment advisor to determine the suitability of our recommendation for your specific investment objectives, risk tolerance and investment time horizon.

Recommendation Rating

BUY –The analyst believes that the security will outperform other companies in their sector on a risk adjusted basis or for the reasons stated in the research report the analyst believes that the security is deserving of a (continued) BUY rating.

HOLD – The analyst believes that the security is expected to perform in line with other companies in their sector on a risk adjusted basis or for the reasons stated in the research report the analyst believes that the security is deserving of a (continued) HOLD rating.

SELL – Investors are advised to sell the security or hold alternative securities within the sector. Stocks in this category areexpected to under-perform other companies on a risk adjusted basis or for the reasons stated in the research report the analyst believes that the security is deserving of a (continued) SELL rating.

TENDER – The analyst is recommending that investors tender to a specific offering for the company's stock.

RESEARCH COMMENT – An analyst comment about an issuer event that does not include a rating or recommendation.

UNDER REVIEW – Placing a stock Under Review does not revise the current rating or recommendation of the analyst. A stock will be placed Under Review when the relevant company has a significant material event with further information pending or to be announced. An analyst will place a stock Under Review while he/she awaits sufficient information to re-evaluate the company's financial situation.

COVERAGE DROPPED – Haywood Securities will no longer cover the issuer. Haywood will provide notice to clients whenever coverage of an issuer is discontinued.

Haywood's focus is to search for undervalued companies which analysts believe may achieve attractive risk-adjusted returns. This research coverage on potentially undervalued companies may result in an outweighed percentage of companies rated as BUY. Management regularly reviews rating and targets in all sectors to ensure fairness and accuracy.

For further information on Haywood Securities' research dissemination policies, please visit: http://haywood.com/what-we-offer/research/research-policy

Overall Risk Rating

Very High Risk: Venture type companies or more established micro, small, mid or large cap companies whose risk profile parameters and/or lack of liquidity warrant such a designation. These companies are only appropriate for investors who have a very high tolerance for risk and volatility and who are capable of incurring temporary or permanent loss of a very significant portion of their investment capital.

High Risk: Typically micro or small cap companies which have an above average investment risk relative to more established or mid to large cap companies. These companies will generally not form part of the broad senior stock market indices and often will have less liquidity than more established mid and large cap companies. These companies are only appropriate for investors who have a high tolerance for risk and volatility and who are capable of incurring a temporary or permanent loss of a significant loss of their investment capital.

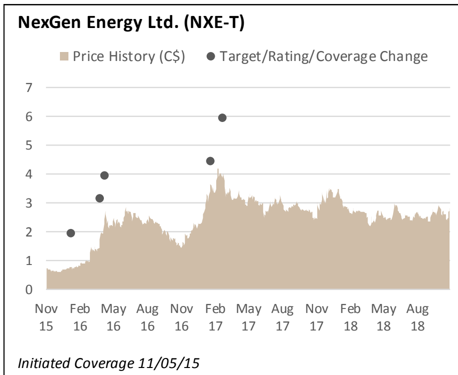
Medium-High Risk: Typically mid to large cap companies that have a medium to high investment risk. These companies will often form part of the broader senior stock market indices or sector specific indices. These companies are only appropriate for investors who have a medium to high tolerance for risk and volatility and who are prepared to accept general stock market risk including the risk of a temporary or permanent loss of some of their investment capital

Moderate Risk: Large to very large cap companies with established earnings who have a track record of lower volatility when compared against the broad senior stock market indices. These companies are only appropriate for investors who have a medium tolerance for risk and volatility and who are prepared to accept general stock market risk including the risk of a temporary or permanent loss of some of their investment capital.

Distribution of Ratings (as of November 5, 2018)

	%	#	IB Clients (TTM)
Buy	76.8%	73	96.3%
Hold	10.5%	10	0.0%
Sell	1.1%	1	0.0%
Tender	2.1%	2	0.0%
UR (Buy)	0.0%	0	0.0%
UR (Hold)	0.0%	0	0.0%
UR (Sell)	0.0%	0	0.0%
Dropped (TTM)	9.5%	9	3.7%

Price Chart, Rating and Target Price History (as of November 5, 2018)



Date	Target(C$)	Rating
2-27-17	$6.00	Buy
1-25-17	$4.50	Buy
4-14-16	$4.00	Buy
3-30-16	$3.20	Buy
1-12-16	$2.00	Buy

B: Buy; H: Hold; S: Sell; T: Tender; UR: Under Review
Source: Capital IQ and Haywood Securities

NexGen Energy Ltd.

NXE-TSX | NXE-NYSE MKT
Brian MacArthur CFA | 416.777.4914 | brian.macarthur@raymondjames.ca
Chris Law (Associate) | 416.777.7144 | chris.law@raymondjames.ca
Mining | Uranium

November 5, 2018 | 5:09 pm EST
Company Comment

Outperform 2
C$5.50 target price ↑ old: C$5.00

Current Price (Nov-05-18)	C$2.90
Total Return to Target	90%
52-Week Range	C$3.58 - C$2.12
Suitability	High Risk/Speculation

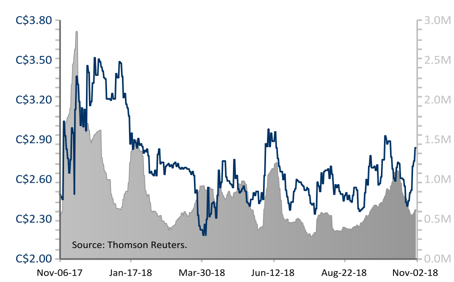
Market Data

Market Capitalization (mln)	C$1,002
Current Net Debt (mln)	C$23
Enterprise Value (mln)	C$1,040
Shares Outstanding (mln, basic)	346.0
10 Day Avg Daily Volume (000s)	605
Dividend/Yield	C$0.00/0.0%

Key Financial Metrics

	2017A	2018E	2019E
EV/EBITDA	nm	nm	nm
P/NAV		0.5x	NA
Uranium Production (Mlbs)	0.0	0.0	NA
Uranium Price (US$/lb)	US$22.20	US$24.50	US$33.00
Capex (mln)	C$(37.8)	C$(38.6)	C$(25.0)

Company Description
NexGen is a uranium development company whose main asset is the high-grade Arrow deposit, which is located in Saskatchewan and one of the best undeveloped uranium deposits in the world.



Arrow Maiden PFS Highlights

Recommendation

NexGen offers exposure to one of the world's largest undeveloped uranium deposits located in Saskatchewan. NexGen is well financed in the near term with ~$133 mln in the treasury at 3Q18 quarter end. Given the high quality of the Arrow deposit and current valuation, we rate the shares Outperform.

Analysis

- **PFS Highlights:** NexGen announced the results of the maiden PFS for Arrow, highlighting an NPV@8% of ~C$3.7 bln at $50/lb U3O8, slightly above ~C$3.5 bln from its 2017 PEA. The PFS projects higher average LOM production of ~25.4 mln lbs U3O8 per year (compared to ~18.5 mln lbs in the 2017 PEA) over a shorter mine life of ~9 years (compared to ~15 years in the 2017 PEA) with lower annual average operating costs of US$4.36/lb (compared to US$6.70/lb in the 2017 PEA) partly due to higher head grades. In addition, initial capital costs were slightly higher at ~C$1.25 bln, compared to ~C$1.19 bln from the 2017 PEA.

- **Reserves & Resources:** Arrow's maiden PFS also defined reserves of ~234.1 mln lbs of U3O8 contained in ~3.43 Mt grading ~3.09% U3O8 and increased indicated resources (inclusive of reserves) by ~43% compared to previous estimates. Indicated resources are now estimated at ~256.6 mln lbs of U3O8 contained in ~2.89 Mt grading ~4.03% U3O8, which includes the A2 high grade zone of ~181 mln lbs of U3O8 contained in ~0.46 Mt grading ~17.85% U3O8, while inferred resources are estimated at ~91.7 mln lbs of U3O8 contained in ~4.84 Mt grading ~0.86% U3O8.

- **View:** We view the results of Arrow's maiden PFS positively given it demonstrates slightly improved economics, provides updated parameters with higher levels of confidence while delivering meaningfully resource conversion and expansion.

- **Drilling:** NexGen is initiating a 2 stage 125,000m 10 rig diamond drilling program and expects the program to commence in early December 2018.

Valuation

Our target is based on a 1.0x multiple applied to our (revised) financed NAVPS estimate with net corporate adjustments included at 1.0x, generally in-line with our base metal and uranium universe. See Exhibit 1.

EPS		1Q Mar	2Q Jun	3Q Sep	4Q Dec	Full Year	Revenues (mln)	NAV
	2017A	C$(0.08)	C$0.01	C$(0.01)	C$(0.10)	C$(0.18)	C$0	
Old	2018E	(0.01)A	(0.07)A	(0.02)	(0.02)	(0.11)	0	C$5.21
New	**2018E**	**(0.01)A**	**(0.07)A**	**(0.02)**	**(0.02)**	**(0.11)**	**0**	**C$5.32**
Old	2019E	(0.02)	(0.02)	(0.02)	(0.02)	(0.06)	0	NA
New	**2019E**	**(0.02)**	**(0.02)**	**(0.02)**	**(0.02)**	**(0.06)**	**0**	**NA**

Source: Raymond James Ltd., Thomson One

Exhibit 1: NexGen Valuation Methodology

Valuation (@8% discount rate)	C$ mln	C$/share	% of minesite NAV
Arrow	2,435	4.41	100%
Minesite NAV	**2,435**	**4.41**	**100%**
Cash and cash equivalents	128	0.23	
Debt obligations	(151)	(0.27)	
Cash from future equity	550	1.00	
Other corporate adjustments	(22)	(0.04)	
Net Asset Value (8%)	**2,940**	**5.32**	

Valuation	Weight	Target
Price / NAVPS*	100%	1.0x
Valuation:		C$ 5.32
Target Price:		**C$ 5.50**

* Target multiple is applied to the mining assets, with net cash included at par

Source: NexGen Energy Ltd., Raymond James Ltd.

IMPORTANT INVESTOR DISCLOSURES

Raymond James & Associates (RJA) is a FINRA member firm and is responsible for the preparation and distribution of research created in the United States. Raymond James & Associates is located at The Raymond James Financial Center, 880 Carillon Parkway, St. Petersburg, FL 33716, (727) 567-1000. Non-U.S. affiliates, which are not FINRA member firms, include the following entities which are responsible for the creation and distribution of research in their respective areas; In Canada, Raymond James Ltd. (RJL), Suite 2100, 925 West Georgia Street, Vancouver, BC V6C 3L2, (604) 659-8200; In Europe, Raymond James Euro Equities, SAS, 40, rue La Boetie, 75008, Paris, France, +33 1 45 61 64 90, and Raymond James Financial International Ltd., Broadwalk House, 5 Appold Street, London, England EC2A 2AG, +44 203 798 5600.

This document is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of or located in any locality, state, country, or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. The securities discussed in this document may not be eligible for sale in some jurisdictions. This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation nor does it take into account the particular investment objectives, financial situations, or needs of individual clients. Information in this report should not be construed as advice designed to meet the individual objectives of any particular investor. **Investors should consider this report as only a single factor in making their investment decision.** Consultation with your investment advisor is recommended. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur.

The information provided is as of the date above and subject to change, and it should not be deemed a recommendation to buy or sell any security. Certain information has been obtained from third-party sources we consider reliable, but we do not guarantee that such information is accurate or complete. Persons within the Raymond James family of companies may have information that is not available to the contributors of the information contained in this publication. Raymond James, including affiliates and employees, may execute transactions in the securities listed in this publication that may not be consistent with the ratings appearing in this publication.

With respect to materials prepared by Raymond James Ltd. (“RJL”), all expressions of opinion reflect the judgment of the Research Department of RJL, or its affiliates, at this date and are subject to change. RJL may perform investment banking or other services for, or solicit investment banking business from, any company mentioned in this document.

Raymond James (“RJ”) research reports are disseminated and available to RJ’s retail and institutional clients simultaneously via electronic publication to RJ's internal proprietary websites (RJ Investor Access & RJ Capital Markets). Not all research reports are directly distributed to clients or third-party aggregators. Certain research reports may only be disseminated on RJ's internal proprietary websites; however such research reports will not contain estimates or changes to earnings forecasts, target price, valuation, or investment or suitability rating. Individual Research Analysts may also opt to circulate published research to one or more clients electronically. This electronic communication distribution is discretionary and is done only after the research has been publically disseminated via RJ’s internal proprietary websites. The level and types of communications provided by Research Analysts to clients may vary depending on various factors including, but not limited to, the client’s individual preference as to the frequency and manner of receiving communications from Research Analysts. For research reports, models, or other data available on a particular security, please contact your RJ Sales Representative or visit RJ Investor Access or RJ Capital Markets.

Links to third-party websites are being provided for information purposes only. Raymond James is not affiliated with and does not endorse, authorize, or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any third-party website or the collection or use of information regarding any website’s users and/or members.

In the event that this is a compendium report (i.e., covers 6 or more subject companies), Raymond James Ltd. may choose to provide specific disclosures for the subject companies by reference. To access these disclosures, clients should refer to: http://www.raymondjames.ca (click on Equity Capital Markets / Equity Research / Research Disclosures) or call toll-free at 1-800-667-2899.

ANALYST INFORMATION

Analyst Compensation: Equity research analysts and associates at Raymond James are compensated on a salary and bonus system. Several factors enter into the compensation determination for an analyst, including i) research quality and overall productivity, including success in rating stocks on an absolute basis and relative to the local exchange composite Index and/or a sector index, ii) recognition from institutional investors, iii) support effectiveness to the institutional and retail sales forces and traders, iv) commissions generated in stocks under coverage that are attributable to the analyst’s efforts, v) net revenues of the overall Equity Capital Markets Group, and vi) compensation levels for analysts at competing investment dealers.

The views expressed in this report accurately reflect the personal views of the analyst(s) covering the subject securities. No part of said person's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report. In addition, said analyst has not received compensation from any subject company in the last 12 months.

RATINGS AND DEFINITIONS

Raymond James Ltd. (Canada) definitions: Strong Buy (SB1) The stock is expected to appreciate and produce a total return of at least 15% and outperform the S&P/TSX Composite Index over the next six months. Outperform (MO2) The stock is expected to appreciate and outperform the S&P/TSX Composite Index over the next twelve months. Market Perform (MP3) The stock is expected to perform generally in line with the S&P/TSX Composite Index over the next twelve months and is potentially a source of funds for more highly rated securities. Underperform (MU4) The stock is expected to underperform the S&P/TSX Composite Index or its sector over the next six to twelve months and should be sold.

Raymond James & Associates (U.S.) definitions: Strong Buy (SB1) Expected to appreciate, produce a total return of at least 15%, and outperform the S&P 500 over the next six to 12 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, a total return of at least 15% is expected to be realized over the next 12 months. Outperform (MO2) Expected to appreciate and outperform the S&P 500 over the next 12-18 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, an Outperform rating is used for securities where we are comfortable with the relative safety of the dividend and expect a total return modestly exceeding the dividend yield over the next 12-18 months. Market Perform (MP3) Expected to perform generally in line with the S&P 500 over the next 12 months. Underperform (MU4) Expected to underperform the S&P 500 or its sector over the next six to 12 months and should be sold. Suspended (S) The rating and price target have been suspended temporarily. This action may be due to market events that made coverage impracticable, or to comply with applicable regulations or firm policies in certain circumstances, including when Raymond James may be providing investment banking services to the company. The previous rating and price target are no longer in effect for this security and should not be relied upon.

Raymond James Europe (Raymond James Euro Equities SAS & Raymond James Financial International Limited) rating definitions: Strong Buy (1) Expected to appreciate, produce a total return of at least 15%, and outperform the Stoxx 600 over the next 6 to 12 months. Outperform (2) Expected to appreciate and outperform the Stoxx 600 over the next 12 months. Market Perform (3) Expected to perform generally in line with the Stoxx 600 over the next 12 months. Underperform (4) Expected to underperform the Stoxx 600 or its sector over the next 6 to 12 months. Suspended (S) The rating and target price have been suspended temporarily. This action may be due to market events that made coverage impracticable, or to comply with applicable regulations or firm policies in certain circumstances, including when Raymond James may be providing investment banking services to the company. The previous rating and target price are no longer in effect for this security and should not be relied upon.

In transacting in any security, investors should be aware that other securities in the Raymond James research coverage universe might carry a higher or lower rating. Investors should feel free to contact their Financial Advisor to discuss the merits of other available investments.

Suitability Ratings (SR)

Medium Risk/Income (M/INC) Lower to average risk equities of companies with sound financials, consistent earnings, and dividend yields above that of the S&P 500. Many securities in this category are structured with a focus on providing a consistent dividend or return of capital.

Medium Risk/Growth (M/GRW) Lower to average risk equities of companies with sound financials, consistent earnings growth, the potential for long-term price appreciation, a potential dividend yield, and/or share repurchase program.

High Risk/Income (H/INC) Medium to higher risk equities of companies that are structured with a focus on providing a meaningful dividend but may face less predictable earnings (or losses), more leveraged balance sheets, rapidly changing market dynamics, financial and competitive issues, higher price volatility (beta), and potential risk of principal. Securities of companies in this category may have a less predictable income stream from dividends or distributions of capital.

High Risk/Growth (H/GRW) Medium to higher risk equities of companies in fast growing and competitive industries, with less predictable earnings (or losses), more leveraged balance sheets, rapidly changing market dynamics, financial or legal issues, higher price volatility (beta), and potential risk of principal.

High Risk/Speculation (H/SPEC) High risk equities of companies with a short or unprofitable operating history, limited or less predictable revenues, very high risk associated with success, significant financial or legal issues, or a substantial risk/loss of principal.

Note that Raymond James Ltd. (RJL) has developed a proprietary algorithm for risk rating individual securities. The algorithm utilizes data from multiple vendors, and all data is refreshed at least monthly. Accordingly, Suitability Ratings are updated monthly. The Suitability Rating shown on this report is current as of the report's published date. In the event that a Suitability Rating changes after the published date, the new rating will not be reflected in research materials until the analyst publishes a subsequent report.

RATING DISTRIBUTIONS

	Coverage Universe Rating Distribution*			Investment Banking Distribution		
	RJL	RJA	RJEE/RJFI	RJL	RJA	RJEE/RJFI
Strong Buy and Outperform (Buy)	71%	57%	50%	31%	24%	0%
Market Perform (Hold)	26%	39%	36%	11%	11%	0%
Underperform (Sell)	4%	4%	14%	25%	5%	0%

* Columns may not add to 100% due to rounding.

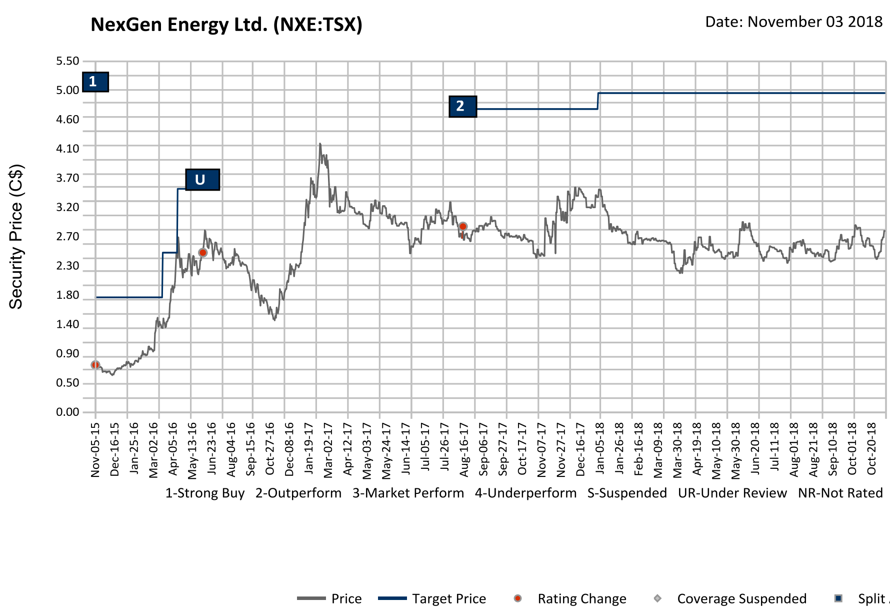
RAYMOND JAMES RELATIONSHIP DISCLOSURES

Raymond James Ltd. or its affiliates expects to receive or intends to seek compensation for investment banking services from all companies under research coverage within the next three months.

STOCK CHARTS, TARGET PRICES, AND VALUATION METHODOLOGIES

Valuation Methodology: The Raymond James methodology for assigning ratings and target prices includes a number of qualitative and quantitative factors including an assessment of industry size, structure, business trends and overall attractiveness; management effectiveness; competition; visibility; financial condition, and expected total return, among other factors. These factors are subject to change depending on overall economic conditions or industry- or company-specific occurrences.

Target Prices: The information below indicates our target price and rating changes for NXE stock over the past three years.



Rating & Target changes

Date	Curr.	Price	Target	Rating
Jan-04-18	C$	3.37	5.00	2
Aug-15-17	C$	2.91	4.75	2
Jun-05-16	C$	2.50	UR	UR
Apr-14-16	C$	2.42	3.50	1
Mar-17-16	C$	1.32	2.50	1
Nov-05-15	C$	0.74	1.80	1

Valuation Methodology: We value NexGen Energy using a multiple applied to our NAV/share estimate.

RISK FACTORS

General Risk Factors: Following are some general risk factors that pertain to the businesses of the subject companies and the projected target prices and recommendations included on Raymond James research: (1) Industry fundamentals with respect to customer demand or product / service pricing could change and adversely impact expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes toward the sector or this stock; (3) Unforeseen developments with respect to the management, financial condition or accounting policies or practices could alter the prospective valuation.

Risks - NexGen Energy Ltd.

Development Risk: Given Arrow is a development stage project and the PEA is preliminary, many parameters could change materially. There are also financing, capital, permitting and timing risks.

Permitting Risk: Permitting a new uranium mine comes with high risk, but this may be mitigated slightly given the appetite for mining in the region, the lack of deleterious elements and the expectation that surface disturbance will be relatively minor. We expect permitting to be one of the key issues that could impact the timing of development.

Financing Risk: While currently well-funded, significant financing is still required to develop Arrow but given the high quality of the deposit, we believe financing is possible and in our analysis have financed the project with a combination of debt and equity.

Single Asset Risk: Given Arrow represents over 95% of the value, any negative news with respect to Arrow could have a material impact on the shares.

Low Share Liquidity.

Additional Risk and Disclosure information, as well as more information on the Raymond James rating system and suitability categories, is available for Raymond James at rjcapitalmarkets.com/Disclosures/index and for Raymond James Limited at www.raymondjames.ca/researchdisclosures.

INTERNATIONAL DISCLOSURES

FOR CLIENTS IN THE UNITED STATES:

Any foreign securities discussed in this report are generally not eligible for sale in the U.S. unless they are listed on a U.S. exchange. This report is being provided to you for informational purposes only and does not represent a solicitation for the purchase or sale of a security in any state where such a solicitation would be illegal. Investing in securities of issuers organized outside of the U.S., including ADRs, may entail certain risks. The securities of non-U.S. issuers may not be registered with, nor be subject to the reporting requirements of, the U.S. Securities and Exchange Commission. There may be limited information available on such securities. Investors who have received this report may be prohibited in certain states or other jurisdictions from purchasing the securities mentioned in this report. Please ask your Financial Advisor for additional details and to determine if a particular security is eligible for purchase in your state.

Raymond James Ltd. is not a U.S. broker-dealer and therefore is not governed by U.S. laws, rules or regulations applicable to U.S. broker-dealers. Consequently, the persons responsible for the content of this publication are not licensed in the U.S. as research analysts in accordance with applicable rules promulgated by the U.S. Self Regulatory Organizations.

Any U.S. Institutional Investor wishing to effect trades in any security should contact Raymond James (USA) Ltd., a U.S. broker-dealer affiliate of Raymond James Ltd.

FOR CLIENTS IN THE UNITED KINGDOM:

For clients of Raymond James Financial International Limited (RJFI): This document and any investment to which this document relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in the FCA rules or persons described in Articles 19(5) (Investment professionals) or 49(2) (High net worth companies, unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) or any other person to whom this promotion may lawfully be directed. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is therefore not intended for private individuals or those who would be classified as Retail Clients.

For clients of Raymond James Investment Services, Ltd.: This report is for the use of professional investment advisers and managers and is not intended for use by clients.

For purposes of the Financial Conduct Authority requirements, this research report is classified as independent with respect to conflict of interest management. RJFI, and Raymond James Investment Services, Ltd. are authorised and regulated by the Financial Conduct Authority in the United Kingdom.

FOR CLIENTS IN FRANCE:

This document and any investment to which this document relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in "Code Monétaire et Financier" and Règlement Général de l'Autorité des Marchés Financiers. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is therefore not intended for private individuals or those who would be classified as Retail Clients.

For clients of Raymond James Euro Equities: Raymond James Euro Equities is authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution and the Autorité des Marchés Financiers.

For institutional clients in the European Economic Area (EEA) outside of the United Kingdom: This document (and any attachments or exhibits hereto) is intended only for EEA institutional clients or others to whom it may lawfully be submitted.