



Unaudited Condensed Interim Consolidated Financial Statements of  
**NEXGEN ENERGY LTD.**

June 30, 2014 and 2013

*Expressed in Canadian Dollars*



August 21, 2014

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying condensed interim consolidated financial statements of NexGen Energy Ltd. (formerly Clermont Capital Inc.) ("**NexGen**") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to NexGen's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. The Board of Directors meets with management as well as with the independent auditors to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors' report.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors' report. The Audit Committee also reviews NexGen's Management's Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting NexGen's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

*"Leigh Curyer"*

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Leigh Curyer  
President and Chief Executive Officer

*"Andriyko Herchak"*

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Andriyko Herchak  
Chief Financial Officer

**NEXGEN ENERGY LTD.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited)

As at

		June 30, 2014	December 31, 2013
	Note	\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		11,519,091	7,562,633
Sales taxes receivable		280,179	221,311
Prepaid expenses		150,947	128,447
		<b>11,950,217</b>	<b>7,912,391</b>
Exploration and evaluation assets	5	39,927,698	31,017,257
Equipment	7	809,384	191,046
		<b>40,737,082</b>	<b>31,208,303</b>
		<b>52,687,299</b>	<b>39,120,694</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		824,127	251,326
		<b>824,127</b>	<b>251,326</b>
Due to related party	9	1,354,664	1,354,664
Flow-through share premium liability		-	105,480
		<b>1,354,664</b>	<b>1,460,144</b>
<b>TOTAL LIABILITIES</b>		<b>2,178,791</b>	<b>1,711,470</b>
<b>EQUITY</b>			
Share capital	8	52,215,405	39,599,737
Reserves		4,085,799	2,187,811
Accumulated deficit		(5,792,696)	(4,378,324)
<b>TOTAL EQUITY</b>		<b>50,508,508</b>	<b>37,409,224</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>52,687,299</b>	<b>39,120,694</b>

Going concern (Note 2)

Commitments (Note 6)

The accompanying notes are an integral part of the condensed interim consolidated financial statements

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 21, 2014

*"Leigh Curyer"*

Leigh Curyer, CEO, Director

*"Trevor Thiele"*

Trevor Thiele, Director

**NEXGEN ENERGY LTD.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

	NOTE	For the Three Months Ended		For the Six Months Ended	
		June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
		\$	\$	\$	\$
<b>Operating expenses</b>					
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	7	44,383	1,018	59,894	1,404
Share-based payments	8	435,679	119,408	661,584	541,056
Foreign exchange loss (gain)		5,287	(3,102)	(21,593)	(3,102)
		(908,137)	(945,137)	(1,585,361)	(1,626,085)
Finance income		45,082	6,548	65,509	10,698
Other income	6	-	-	105,480	-
<b>Net loss and comprehensive loss for the period</b>		<b>(863,055)</b>	<b>(938,589)</b>	<b>(1,414,372)</b>	<b>(1,615,387)</b>
<b>Loss per common share - basic and diluted</b>		<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.02)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		156,519,311	83,377,302	156,376,840	74,118,490

The accompanying notes are an integral part of the condensed interim consolidated financial statement

**NEXGEN ENERGY LTD.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	Number of Common Shares	Share Capital	Reserves	Accumulated Deficit	Total
<b>Balance as at December 31, 2012</b>		<b>62,643,687</b>	<b>\$ 16,455,476</b>	<b>\$ 33,400</b>	<b>\$ (1,004,510)</b>	<b>\$ 15,484,366</b>
Issue of shares for cash		13,347,000	5,339,213	-	-	5,339,213
Issue of shares for exploration and evaluation assets		4,099,150	1,500,749	-	-	1,500,749
Capital stock of Clermont		6,723,393	893,804	-	-	893,804
Share issuance costs		-	(839,496)	107,961	-	(731,535)
Share-based payments		-	-	704,563	-	704,563
Loss for the period		-	-	-	(1,615,387)	(1,615,387)
<b>Balance as at June 30, 2013</b>		<b>86,813,230</b>	<b>\$ 23,349,746</b>	<b>\$ 845,924</b>	<b>\$ (2,619,897)</b>	<b>\$ 21,575,773</b>
<b>Balance as at December 31, 2013</b>		<b>138,536,687</b>	<b>\$ 39,599,737</b>	<b>\$ 2,187,811</b>	<b>\$ (4,378,324)</b>	<b>\$ 37,409,224</b>
Issue of shares for cash	8	25,645,000	10,899,125	641,125	-	11,540,250
Issue of shares for exploration and evaluation assets	8	6,076,216	3,148,008	-	-	3,148,008
Share issuance costs	8	-	(1,485,327)	363,611	-	(1,121,716)
Exercise of stock options	8	129,787	31,149	-	-	31,149
Re-allocated on exercise of options	8	-	22,713	(22,713)	-	-
Share-based payments	8	-	-	915,965	-	915,965
Loss for the period		-	-	-	(1,414,372)	(1,414,372)
<b>Balance as at June 30, 2014</b>		<b>170,387,690</b>	<b>\$ 52,215,405</b>	<b>\$ 4,085,799</b>	<b>\$ (5,792,696)</b>	<b>\$ 50,508,508</b>

The accompanying notes are an integral part of the condensed interim consolidated financial statements

**NEXGEN ENERGY LTD.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

(Unaudited)

**For the Six Months Ended**

	<b>June 30, 2014</b>	June 30, 2013
	\$	\$
<b>Cash flows from operating activities</b>		
Loss for the period	\$ (1,414,372)	\$ (1,615,387)
Items not involving cash:		
Depreciation	59,894	1,404
Share-based payments	661,584	541,056
Other Income	(105,480)	-
Changes in non-cash working capital items:		
Sales taxes receivable	(58,868)	(54,068)
Prepaid expenses	(22,500)	121,101
Accounts payable and accrued liabilities	(124,718)	(114,288)
	<b>(1,004,460)</b>	<b>(1,120,182)</b>
<b>Cash flows from investing activities</b>		
Acquisition of exploration and evaluation costs	(4,810,533)	(2,220,308)
Acquisition of equipment	(678,232)	(25,781)
Cash acquired from Clermont	-	930,802
	<b>(5,488,765)</b>	<b>(1,315,287)</b>
<b>Cash flows from financing activities</b>		
Shares issued for cash, net of share issue costs	10,449,683	4,788,677
	<b>10,449,683</b>	<b>\$ 4,788,677</b>
<b>Change in cash</b>	3,956,460	2,353,208
Cash, beginning of period	7,562,633	2,729,746
<b>Cash, end of period</b>	<b>\$ 11,519,091</b>	<b>\$ 5,082,954</b>

**Supplemental disclosure with respect to cash flows (Note 13)**

The accompanying notes are an integral part of the condensed interim consolidated financial statements

## **NEXGEN ENERGY LTD.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

**FOR THE SIX MONTHS ENDED JUNE 30, 2014 and 2013**

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#### **1. NATURE OF OPERATIONS**

NexGen Energy Ltd. (Formerly Clermont Capital Inc.) (“NexGen” or the “Company”) 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 December 20, 2011. The Company’s head office is located in Suite 2450, 650 West Georgia Street, Vancouver, BC V6B 4N9.

On April 19, 2013, the Company completed its Qualifying Transaction, which was effected pursuant to an Amalgamation Agreement (the “Amalgamation Agreement”) amongst Clermont Capital Inc. (“Clermont”), 0957633 B.C. Ltd., a wholly-owned subsidiary of Clermont and NexGen dated as of December 31, 2012. Pursuant to the Amalgamation Agreement, the shareholders of NexGen were issued one common share of Clermont (on a post-Share Consolidation basis, as defined below) for every one NexGen common share held immediately prior to the completion of the amalgamation (the “Amalgamation”), being 78,932,247 common shares. In connection with the Qualifying Transaction, Clermont completed a consolidation of its common shares on a 2.35:1 basis (the “Consolidation”) and changed its name to “NexGen Energy Ltd.” The acquisition of NexGen was accounted for as a reverse takeover.

Following Exchange approval, on April 23, 2013, the Company is a Tier 2 Issuer classified as a mineral exploration and development company. The Company commenced trading under the symbol “NXE” on April 23, 2013.

#### **2. GOING CONCERN**

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the condensed interim consolidated financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at June 30, 2014, the Company had a working capital of \$11,126,090 (December 31, 2013 - \$7,661,065) which is sufficient to carry out committed exploration activities and corporate and administrative costs for fiscal 2014.

The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The business of mining for minerals involves a high degree of risk. NexGen is an exploration company and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or, alternatively NexGen’s ability to dispose of its exploration and evaluation assets on an advantageous basis; as well as global economic and uranium price volatility; all of which are uncertain.

The underlying value of the exploration and evaluation assets is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material write-downs of the carrying value of exploration and evaluation assets.

**NEXGEN ENERGY LTD.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

**FOR THE SIX MONTHS ENDED JUNE 30, 2014 and 2013**

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**3. BASIS OF PRESENTATION**

**Statement of Compliance**

These condensed interim consolidated financial statements for the six months ended June 30, 2014, including comparatives, are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. They do not include all of the information required by IFRS for annual financial statements, and should be read in conjunction with the Company’s consolidated financial statements as at and for the year ended December 31, 2013. Accordingly, accounting policies applied other than as disclosed in Note 4 are the same as those applied in the Company’s annual financial statements.

These condensed interim financial statements were authorized for issue by the Board of Directors on August 21, 2014.

**Basis of presentation**

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts (“\$”). These consolidated financial statements include the accounts of the Company and its direct, wholly-owned subsidiary, NexGen Uranium Ltd., up to October 24, 2013 at which time was amalgamated with the Company.

**Basis of consolidation**

Subsidiaries are entities controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses, have been eliminated on consolidation.

**Critical accounting judgements, estimates and assumptions**

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty considered by management in preparing the condensed interim consolidated financial statements is as follows:

*(i) Impairment*

At the end of each financial reporting period the carrying amounts of the Company’s non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss or reversal of previous impairment. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.



**NEXGEN ENERGY LTD.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

**FOR THE SIX MONTHS ENDED JUNE 30, 2014 and 2013**

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**3. BASIS OF PRESENTATION (CONT)**

**Critical accounting judgements, estimates and assumptions (cont)**

*(ii) Share-based payments*

The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate share-based payments expense. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. Refer to Note 8 for further details.

The information about significant areas of judgment considered by management in preparing the condensed interim consolidated financial statements are as follows:

*(i) Going concern*

The Company's management has made an assessment of the Company's ability to continue as a going concern and the condensed interim consolidated financial statements continue to be prepared on a going concern basis. These condensed interim consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

*(ii) Determination of functional currency*

The effect of Changes in Foreign Exchange Rates (IAS 21) defines the functional currency as the currency of the primary economic environment in which an entity operates. The determination of functional currency, which is performed on an entity by entity basis, is based on various judgmental factors outlined in IAS 21. Based on assessment of the factors in IAS 21, primarily those that influence labour, material, and other costs of goods or services received by its subsidiary, management determined that the functional currency for the Company and its subsidiary is the Canadian dollar.

*(iii) Deferred tax assets*

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

## NEXGEN ENERGY LTD.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE SIX MONTHS ENDED JUNE 30, 2014 and 2013

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#### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 4 to the audited consolidated financial statements for the year ended December 31, 2013, and have been consistently followed in the preparation of these condensed interim consolidated financial statements except for 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 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

#### 5. EXPLORATION AND EVALUATION ASSETS

##### **Radio Uranium Project**

The Radio Project ("Radio") is located in Northern Saskatchewan. In December 2011, Tigers Realm Minerals Pty Ltd ("Tigers Realm" 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.

Under the terms of the option agreement, NexGen must complete the following in order to maintain the Option in good standing and acquire the undivided 70% interest in the Radio Project:

- (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);
  - (iii) The issuance of 26,762,088 common shares and 4,393,939 common share purchase warrants at an exercise price of \$0.50 (issued). As a result of the issuance, there is also no further obligation under (ii) above;

**NEXGEN ENERGY LTD.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

**FOR THE SIX MONTHS ENDED JUNE 30, 2014 and 2013**

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**5. EXPLORATION AND EVALUATION ASSETS (CONT)**

- (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); and
- (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,(issued).
- (c) Between January 1, 2014 and May 31, 2017, NexGen must incur 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 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 the Radio Project. Upon NexGen exercising its option to acquire a 70% interest in the Radio Project, a joint venture agreement will be entered into.

**Mega Uranium Projects**

On December 18, 2012, NexGen entered into a purchase agreement with Mega Uranium Ltd ("Mega") for the acquisition of certain of Mega's projects. As consideration, the Company issued 21,876,265 common shares valued at \$8,750,506. These projects are located in the Athabasca Basin, Saskatchewan and the Thelon Basin, Nunavut.

**Other Athabasca Basin Properties**

On May 1, 2014, the Company issued 361,930 common shares valued at \$119,437 to Long Harbour Exploration Corp. ("Long Harbour") to acquire a 75% interest in, and an option to acquire the remaining 25% interest in, five mineral claims. The Company also paid \$15,000 in finder's fees.

The option is exercisable by NexGen, upon notice to Long Harbour, at any time before May 1, 2018. In the event that NexGen exercises the Option, it is also required to issue to Long Harbour such number of Common Shares as are equal to \$45,000 based on the volume weighted average trading price on the TSXV during the five days immediately preceding the closing of the exercise of the option. These mineral claims are subject to a royalty of 2% of net smelter returns and a 2% gross overriding royalty.

**NEXGEN ENERGY LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

**FOR THE SIX MONTHS ENDED JUNE 30, 2014 and 2013****5. EXPLORATION AND EVALUATION ASSETS (CONT)**

The following is a summary of the capitalized costs on the projects described below as at and for the period ended June 30, 2014 and the year ended December 31, 2013.

	Radio \$	Rook 1 \$	Other Athabasca Basin Properties \$	Thelon Basin, Nunavut \$	Total \$
<b>Acquisition costs:</b>					
Balance, December 31, 2013	17,078,839	220,713	1,718,864	2,682,748	21,701,164
Additions	3,060,714	-	140,916	-	3,201,630
Balance, June 30, 2014	20,139,553	220,713	1,859,780	2,682,748	24,902,794
<b>Deferred exploration costs:</b>					
Balance, December 31, 2013	2,293,824	2,907,380	2,218,581	1,896,308	9,316,093
Additions:					
Deficiency deposit	-	-	162,406	-	162,406
Compensation	-	1,120,384	13,287	-	1,133,671
Drilling	-	3,595,858	113,621	-	3,709,479
General exploration	-	12,854	-	-	12,854
Geological and geophysical	-	348,863	6,217	-	355,080
Share-based payments (Note 8)	-	254,380	-	-	254,380
Travel	-	80,941	-	-	80,941
	-	5,413,280	295,531	-	5,708,811
Balance, June 30, 2014	2,293,824	8,320,660	2,514,112	1,896,308	15,024,904
<b>Balance, June 30, 2014</b>	<b>22,433,377</b>	<b>8,541,373</b>	<b>4,373,892</b>	<b>4,579,056</b>	<b>39,927,698</b>

**NEXGEN ENERGY LTD.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

**FOR THE SIX MONTHS ENDED JUNE 30, 2014 and 2013**

**5. EXPLORATION AND EVALUATION ASSETS, continued**

	Radio	Rook 1	Other Athabasca Basin Properties	Thelon Basin, Nunavut	Total
	\$	\$	\$	\$	\$
<b>Acquisition costs:</b>					
Balance, December 31, 2012	4,752,859	220,713	1,725,636	2,682,748	9,381,956
Additions	12,325,980	-	-	-	12,325,980
Write-offs	-	-	(6,772)	-	(6,772)
Balance, December 31, 2013	17,078,839	220,713	1,718,864	2,682,748	21,701,164
<b>Deferred exploration costs:</b>					
Balance, December 31, 2012	899,975	451,840	1,981,059	1,815,674	5,148,548
Additions:					
Deficiency deposit	-	-	12,679	-	12,679
Drilling	710,720	1,464,884	-	-	2,175,604
General exploration	57,356	2,250	124,480	51,519	235,605
Geological and geophysical	116,924	423,115	28,053	3,750	571,842
Labour and wages	289,960	362,538	72,432	25,365	750,295
Share-based payments (Note 8)	168,712	168,711	-	-	337,423
Travel	50,177	34,042	3,528	-	87,747
Write-offs	-	-	(3,650)	-	(3,650)
	1,393,849	2,455,540	237,522	80,634	4,167,545
Balance, December 31, 2013	2,293,824	2,907,380	2,218,581	1,896,308	9,316,093
<b>Total costs, December 31, 2013</b>	<b>19,372,663</b>	<b>3,128,093</b>	<b>3,937,445</b>	<b>4,579,056</b>	<b>31,017,257</b>

**6. COMMITMENTS**

Flow-through expenditures:

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 the required expenditures have been made. As a result, the \$105,480 flow-through share premium liability recorded as at December 31, 2013 has been reduced and recognized as other income on the statement of comprehensive loss.

Office leases:

The Company's total office lease commitments at its Vancouver and Saskatoon offices is as follows: \$50,215 in 2014; \$84,103 in 2015; and \$39,536 in 2016.

**NEXGEN ENERGY LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

**FOR THE SIX MONTHS ENDED JUNE 30, 2014 and 2013****7. EQUIPMENT**

	<b>Computer Equipment</b>	<b>Software</b>	<b>Field Equipment</b>	<b>Total</b>
<b>Cost</b>				
Balance at December 31, 2012	\$ 4,496	\$ -	\$ -	\$ 4,496
Additions	20,994	13,289	165,067	199,350
Balance at December 31, 2013	25,490	13,289	165,067	203,846
Additions	12,581	12,764	652,887	678,232
Balance at June 30, 2014	\$ 38,071	\$ 26,053	\$ 817,954	\$ 882,078
<b>Accumulated Depreciation</b>				
Balance at December 31, 2012	\$ 557	\$ -	\$ -	\$ 557
Depreciation	7,940	3,654	649	12,243
Balance at December 31, 2013	8,497	3,654	649	12,800
Depreciation	6,404	4,404	49,086	59,894
Balance at June 30, 2014	\$ 14,901	\$ 8,058	\$ 49,735	\$ 72,694
<b>Net book value:</b>				
At December 31, 2013	\$ 16,993	\$ 9,635	\$ 164,418	\$ 191,046
<b>At June 30, 2014</b>	<b>\$ 23,172</b>	<b>\$ 17,995</b>	<b>\$ 768,219</b>	<b>\$ 809,384</b>

**8. SHARE CAPITAL AND RESERVES****Authorized Capital** - Unlimited common shares with no par value.**For the period ended June 30, 2014**

- (a) On March 26, 2014, the Company completed a bought deal offering where it issued 25,645,000 units at a price of \$0.45 per unit for gross proceeds of \$11,540,250. Each unit consisted of one common share and one-half of one common share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at a price of \$0.65 until March 26, 2016. The warrants had a residual value of \$641,125. In connection with the offering, the Company issued 1,535,340 broker warrants at an exercise price of \$0.45 per warrant exercisable until March 26, 2016. The broker warrants were valued at \$363,611.
- (b) The Company issued to the Optionors of the Radio Project, 5,714,286 units valued at \$3,028,572, allocated entirely to share capital. Each unit consisted of one common share and one common share purchase warrant. Each whole warrant entitles the Optionor to purchase one common share of the Company at a price of \$0.50 exercisable until May 31, 2017.
- (c) The Company issued 129,787 common shares on the exercise of stock options at a price of \$0.24 for gross proceeds of \$31,149. As a result of the exercise, \$22,713 was reclassified from reserves to share capital.
- (d) On May 1, 2014 the Company issued 361,930 common shares valued at \$119,437 for the acquisition of exploration and evaluation assets (Note 5).

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**8. SHARE CAPITAL AND RESERVES (CONT)**

**Escrowed shares**

On April 22, 2013, 43,434,768 common shares were placed in escrow under the following terms: 10% to be released from escrow on April 22, 2013 and 15% to be released from escrow every six months thereafter. As at June 30, 2014, 26,060,858 (December 31, 2013 - 32,576,076) common shares remain in escrow.

**Warrants**

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Outstanding at December 31, 2012</b>	4,057,016	\$ 0.59
Issued	15,376,331	\$ 0.54
<b>Outstanding at December 31, 2013</b>	19,433,347	\$ 0.55
Issued	20,072,126	\$ 0.59
<b>Outstanding at June 30, 2014</b>	39,505,473	\$ 0.57

The fair value of broker warrants and warrants issued for the Radio option agreement granted during the period was estimated at the date of the grant using the Black-Scholes Option Pricing Model using the following assumptions:

	June 30, 2014	June 30, 2013
Expected stock price volatility	104.25%	87.15%
Expected life of warrants	2.00 years	2.00 years
Risk free interest rate	0.96%	1.12%
Expected dividend yield	0%	0%
Weighted average fair value per option granted in period	\$0.24	\$0.15

As at June 30, 2014, the Company had the following warrants outstanding:

Outstanding	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
1,949,266	\$ 0.600	0.43	December 3, 2014
1,875,000	0.600	0.47	December 19, 2014
232,750	0.400	0.50	December 28, 2014
1,376,500	0.600	0.70	March 12, 2015
700,665	0.425	0.70	March 12, 2015
668,750	0.600	0.79	April 16, 2015
76,125	0.425	0.79	April 16, 2015
1,000,000	0.600	0.80	April 19, 2015
17,500	0.425	0.89	May 22, 2015
7,142,852	0.550	0.67	February 28, 2015
4,393,939	0.500	0.55	January 18, 2015
5,714,286	0.500	2.92	May 31, 2017
12,822,500	0.650	1.74	March 26, 2016
<u>1,535,340</u>	0.450	1.74	March 26, 2016
<b>39,505,473</b>			

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**FOR THE SIX MONTHS ENDED JUNE 30, 2014 and 2013****8. SHARE CAPITAL AND RESERVES (CONT)****Stock Options**

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 10 years and are subject to vesting provisions as determined by the Board of Directors of the Company.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
Outstanding - December 31, 2012	-	
Granted	10,043,080	\$ 0.38
Exercised	(127,656)	0.24
Cancelled	(150,000)	0.40
Outstanding at December 31, 2013	9,765,424	\$ 0.39
Granted	5,225,000	0.40
Exercised	(129,787)	0.24
Outstanding at June 30, 2014	14,860,637	0.39
Number of options currently exercisable	7,190,246	\$ 0.39

As at June 30, 2014, the Company has stock options outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
542,551	542,551	\$ 0.24	3.17	August 29, 2017
4,800,000	3,200,000	0.40	3.59	January 31, 2018
250,000	250,000	0.425	3.81	April 22, 2018
425,000	283,333	0.40	3.92	May 29, 2018
3,168,086	1,056,029	0.40	4.08	July 30, 2018
100,000	33,333	0.40	4.15	August 22, 2018
350,000	116,667	0.30	4.47	December 19, 2018
4,375,000	1,458,333	0.40	4.90	May 23, 2019
100,000	-	0.40	4.90	May 23, 2019
750,000	250,000	0.40	4.93	June 2, 2019
<b>14,860,637</b>	<b>7,190,246</b>			



**NEXGEN ENERGY LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**FOR THE SIX MONTHS ENDED JUNE 30, 2014 and 2013****8. SHARE CAPITAL AND RESERVES (CONT)****Share-based payments**

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options granted. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. The following weighted average assumptions were used to estimate the following weighted average grant date fair values:

	June 30, 2014	June 30, 2013
Expected stock price volatility	94.00%	88.00%
Expected life of options	5.00 years	5.00 years
Risk free interest rate	1.60%	1.17%
Expected forfeitures	0%	0%
Expected dividend yield	0%	0%
Weighted average fair value per option granted in period	\$0.19	\$0.26

Share-based payments for the current period amounted to \$915,965 (2013 – \$704,563) of which \$661,584 (2013 – \$541,056) was expensed and \$254,380 (2013 – \$163,507) was capitalized to exploration and evaluation assets.

**9. RELATED PARTY TRANSACTIONS****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
	<u>\$ 1,177,233</u>	<u>\$ 803,022</u>
Number of stock options granted	<u>4,300,000</u>	<u>4,550,000</u>

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 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 Realm has not yet requested that the loan be repaid. No interest is payable on the loan.

**NEXGEN ENERGY LTD.**

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**10. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. To date the Company has not declared any cash dividends to its shareholders.

The Company considers as capital all components of equity, being share capital, reserves, and accumulated deficit.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

**11. 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 sales taxes receivable, accounts payable and accrued liabilities and due to related party approximate the carrying value due to their short-term maturities or ability of prompt liquidation. The Company's cash is measured at fair value using Level 1 inputs.

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 has 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 consists 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.

**NEXGEN ENERGY LTD.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**FOR THE SIX MONTHS ENDED JUNE 30, 2014 and 2013**

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**11. FINANCIAL INSTRUMENTS (CONT)**

(ii) **Interest rate Risk**

The Company holds its cash in bank accounts that earn variable interest rates. Future cash flows from finance income on cash 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 the preservation of capital and liquidity. The Company monitors the investments it makes and is satisfied with the credit ratings 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, liabilities 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 maintains 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 commodity prices may impact the valuation of long-lived assets. The Company closely monitors commodity prices of uranium, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**Sensitivity Analysis**

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.

**12. SEGMENT INFORMATION**

The Company operates in one reportable segment, being the acquisition, exploration and development of uranium properties. All of the Company's non-current assets are located in Canada and all of its current assets are located in Canada with the exception of certain cash holdings that are held in Australian dollars as disclosed in the Sensitivity Analysis of the Financials Instruments note to these financial statements.

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**13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

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	Six months ended June 30, 2014	Six months ended June 30, 2013
Cash paid during the period for income taxes	\$ -	\$ -
Cash paid during the period for interest	\$ -	\$ -

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The significant non-cash transactions during the period ended June 30, 2014 were:

- a) The issuance of shares and units valued at \$3,148,008 for exploration and evaluation assets.
- b) The allocation of the residual value of warrants attached to units to reserves from share capital of \$641,125.
- c) The issuance of brokers' warrants valued at \$363,611.
- d) The re-allocation upon exercise of stock options from reserves to share capital of \$22,713.
- e) At June 30, 2014, \$697,519 of exploration and evaluation asset expenditures were included in accounts payable and accrued liabilities.
- f) Share-based payments included in exploration and evaluation assets of \$254,381.

The significant non-cash transactions during the period ended June 30, 2013 were:

- g) The completion of the Company's qualifying transaction.
- h) The issuance of 4,099,150 common shares valued at \$1,500,749 for exploration and evaluation assets.
- i) The issuance of brokers' warrants valued at \$107,961.
- j) The allocation of a flow-through share premium from share capital to flow-through share premium liability.
- k) At June 30, 2013, \$490,328 of exploration and evaluation asset expenditures were included in accounts payable and accrued liabilities.
- l) Share-based payments included in exploration and evaluation assets of \$163,507.