



February 28, 2021

## NexGen Energy Ltd.

### Feasibility confirms favourable economics; Next focus on permitting

**Our view:** We continue to view NexGen's Arrow project as one of the best undeveloped uranium assets globally, and the planned project timelines line-up well with the long-term uranium market deficit we expect post-2025. We believe the project is now well funded with the recent equity raise which should carry the project through permitting and pre-construction.

#### Key points:

**RBC model vs. Feasibility:** We have made moderate changes to our model - lowered operating cost/lb to \$8/lb, from \$9/lb, due to higher processing ore grade and lower tonnage; increased initial capex to \$1.3B, from \$1.2B, in-line with the feasibility study; increased extraction and recovery ratio. Our model differs from the feasibility study in several key areas - 1) we assume a larger resource (400Mlbs vs. 338Mlbs FS); 2) higher total production (371Mlbs vs. 234Mlbs FS); 3) lower annual production for a longer mine life to reduce market disruption (23Mlbs for 16.5 years vs. 30Mlbs peak in years 2-5 and average 21Mlbs for 11 years in FS).

**Next focus on permitting process, expect to submit EIS in H2/21:** With the completion of the feasibility study, NexGen's next major focus will be on the critical permitting process with the Canadian Nuclear Safety Commission. The next step will be for NexGen to submit the Environmental Impact State, which management has indicated will occur in H2/12. The permitting process was started in early-2019 and we think could take 3-4 years. Please see Exhibit 2 for the major milestones in the permitting process as outlined by the CNSC.

**Arrow could fill in long-term uranium market deficit:** We continue to expect a long-term uranium market deficit in the late-2020's due to demand growth and mine depletion (see Exhibit 3). We believe NexGen's Arrow project could potentially fill in the deficit if permitting and construction are completed as planned.

**Financed through pre-construction with recent equity raise:** Following the recent equity raise for \$150M and the conversion of CEF's US\$120M debt into shares, we think NexGen is in a strong financial position to move the Arrow project through the permitting phase and into construction. We note the company will likely have enough funding to cover pre-commitment early works estimate at \$158M, to ensure construction can start very shortly after regulatory approval has been completed. We expect construction to start in 2023.

**Reiterate Outperform, Speculative Risk rating; Raise PT to \$6 from \$5:** We increased our P/NAV multiple to 0.8x, from 0.7x, due to greater confidence following the feasibility study. We also increased the value of NexGen's share of IsoEnergy to reflect an increase in market value.

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### Outperform Speculative Risk

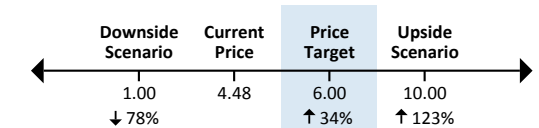
TSX: NXE; CAD 4.48

Price Target CAD 6.00 ↑ 5.00

#### WHAT'S INSIDE

<input type="checkbox"/> Rating/Risk Change	<input checked="" type="checkbox"/> Price Target Change
<input type="checkbox"/> In-Depth Report	<input checked="" type="checkbox"/> Est. Change
<input type="checkbox"/> Preview	<input checked="" type="checkbox"/> News Analysis

#### Scenario Analysis\*



\*Implied Total Returns

#### Key Statistics

Shares O/S (MM):	469.8	Market Cap (MM):	2,105
Dividend:	0.00	Yield:	0.0%
NAVPS:	8.25	P/NAVPS:	0.54x
		Enterprise Val. (MM):	821
		Avg. Daily Volume:	4,192,480

#### RBC Estimates

FY Dec	2019A	2020E	2021E	2022E
<b>EPS, Adj Diluted</b>	(0.04)	(0.16)	(0.07)	(0.07)
Prev.		(0.13)	(0.10)	
<b>P/AEPS</b>	NM	NM	NM	NM
<b>FCFPS</b>	(0.20)	(0.08)	(0.10)	(0.44)
Prev.		(0.09)	(0.14)	
<b>P/FCF</b>	nm	nm	nm	nm
<b>EPS, Adj Diluted</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
2019	0.02A	(0.03)A	0.00A	(0.03)A
2020	(0.03)A	(0.05)A	(0.06)A	(0.02)E
Prev.			(0.03)E	(0.03)E
2021	(0.02)E	(0.02)E	(0.02)E	(0.02)E
Prev.	(0.03)E	(0.03)E	(0.03)E	
<b>FCFPS</b>				
2019	(0.06)A	(0.05)A	(0.03)A	(0.06)A
2020	(0.03)A	(0.02)A	(0.02)A	(0.02)E
2021	(0.03)E	(0.03)E	(0.03)E	(0.03)E

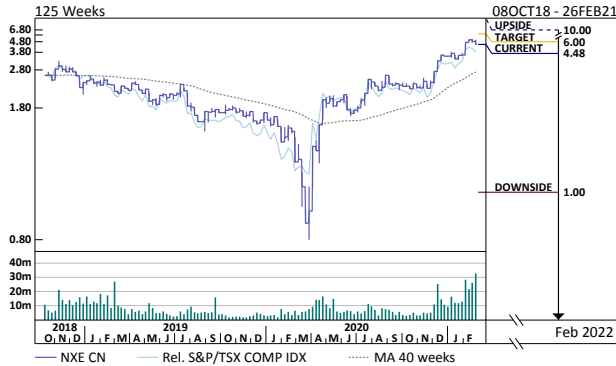
Major shareholders - CEF and Li Ka Shing (18% fully diluted); Mega Uranium (5% fully diluted)

All values in CAD unless otherwise noted.



### Target/Upside/Downside Scenarios

Exhibit 1: NexGen Energy Ltd.



Source: Bloomberg and RBC Capital Markets estimates for Upside/Downside/Target

#### Price target/base case

Our base case \$6 price target assumes – 1) full regulatory approvals are obtained by end-2022, a 3-year construction period begins in 2023, and first production starts in 2026; 2) capital and operating cost estimates that are in line with the FS; 3) an increased mineral resource of 400Mlbs U<sub>3</sub>O<sub>8</sub> supporting a 17-year mine life with total production of 371Mlbs U<sub>3</sub>O<sub>8</sub>; 4) long-term uranium realized price of US\$50/lb; and 5) a CAD/USD exchange rate of \$1.30.

#### Upside scenario

Our \$10 upside scenario assumes – 1) production starts in 2024 following relatively quick approvals and construction; 2) capital and operating cost estimates that are 10% lower than in the FS; 3) an increased mineral resource of 500Mlbs supporting a 19-year mine life with total production of 450Mlbs U<sub>3</sub>O<sub>8</sub>; 4) long-term uranium realized price of US\$60/lb; and 5) a CAD/USD exchange rate of \$1.30, in line with our base case.

#### Downside scenario

Our \$1 downside scenario assumes – 1) production starts in 2027 following relatively lengthy approvals and challenging construction; 2) capital and operating cost estimates that are 10% higher than in the FS; 3) a mineral resource of 300Mlbs, representing downside to the current resource estimate, supporting a 15-year mine life with total production of 230Mlbs U<sub>3</sub>O<sub>8</sub>; 4) long-term uranium realized price of US \$40/lb; and 5) a CAD/USD exchange rate of \$1.30, in line with our base case.

### Investment summary

NexGen Energy is a uranium development and exploration company, focused on the Athabasca Basin in Saskatchewan. The company’s flagship Rook I project contains the large, high-grade Arrow deposit, which we consider as one of the best undeveloped uranium assets globally.

**Top tier uranium mine in development:** We think the deposit has potential to be developed into a top-tier uranium mine with production comparable to or above today’s largest mines, while realizing operating costs at the lower end of the cost curve.

**Favourable geology a unique benefit:** Arrow benefits from favourable geology, which is a distinct advantage that separates the project from other undeveloped uranium assets, helping to reduce estimated capital costs, operating costs, and technical risks.

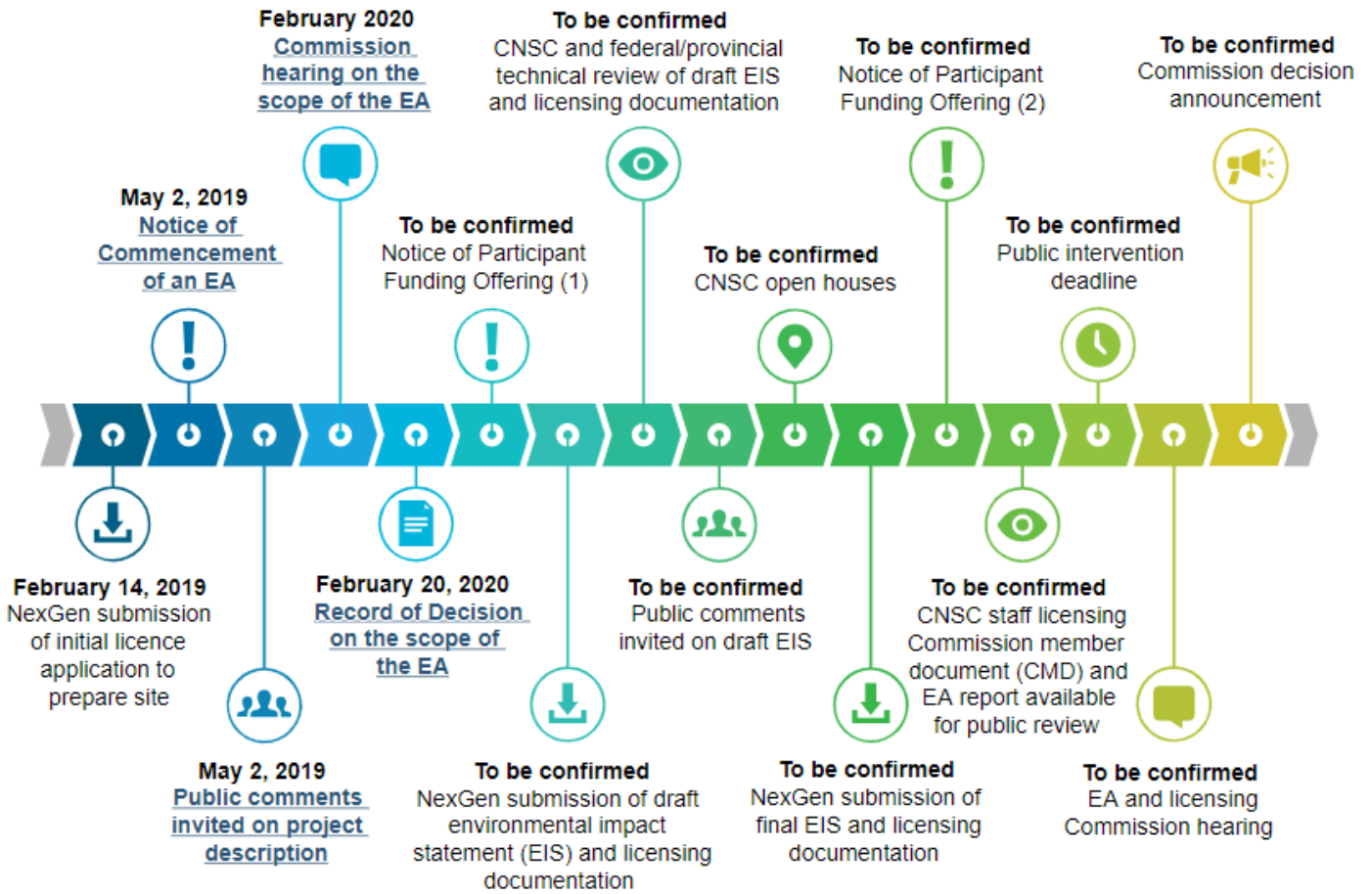
**Large resource with potential upside:** We see potential to support a project life and annual product beyond the parameters currently envisioned in the PEA, which adds to future long-term strategic value and optionality.

**Strategic asset with takeover potential:** We view the Arrow project as a potential long-term strategic asset in the uranium and nuclear industry, as the start-up should coincide with an increasing uranium supply deficit beyond the mid-2020s.

#### Potential risks

1) **Permitting delays**, especially with respect to uranium mine development due to heightened sensitivities and concerns regarding nuclear material and radiation. 2) **Technical challenges and construction delays**, given the limited uranium mine development in the Western Athabasca region and lack of infrastructure. 3) **Financing risk**, as a pre-production company with debt and developing a uranium mine while market conditions remain challenging. 4) **Uranium price**, which has a significant impact on future cash flows and profitability. 5) **CAD/USD exchange rate**, as the company's costs are primarily based on CAD while sales will primarily be in USD.

Exhibit 2: NexGen Rook I permitting process timeline



Source: CNSC



Exhibit 3: RBC Uranium S&D Outlook

S&D (Mlbs U3O8)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	CAGR 20-30E	CAGR 20-35E
<b>Generating Capacity (GWe)</b>	<b>338</b>	<b>346</b>	<b>358</b>	<b>362</b>	<b>371</b>	<b>370</b>	<b>367</b>	<b>370</b>	<b>370</b>	<b>380</b>	<b>381</b>	<b>384</b>	<b>398</b>	<b>405</b>	<b>407</b>	<b>417</b>	<b>1%</b>	<b>1%</b>
North America	52	53	54	55	54	52	52	50	50	49	49	48	48	48	48	48	-1%	0%
South America	1	1	1	1	1	1	1	1	1	1	1	1	1	3	2	3	7%	3%
West & Central Europe	52	50	50	47	48	50	48	45	43	45	44	43	43	42	40	41	-2%	-2%
East Europe	19	20	22	21	25	24	23	23	24	23	23	23	22	24	25	25	0%	0%
Africa	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	9%	3%
Central Asia & Middle East	1	1	1	4	2	1	3	2	3	4	8	5	6	5	6	7	17%	10%
East Asia	41	37	49	53	49	39	40	41	43	50	52	53	52	54	54	57	4%	2%
Other Asia	4	4	3	3	4	4	6	8	8	10	10	8	9	9	11	9	8%	6%
<b>Demand</b>	<b>171</b>	<b>167</b>	<b>181</b>	<b>186</b>	<b>183</b>	<b>172</b>	<b>175</b>	<b>173</b>	<b>173</b>	<b>183</b>	<b>188</b>	<b>181</b>	<b>182</b>	<b>185</b>	<b>187</b>	<b>191</b>	<b>1%</b>	<b>0%</b>
Africa	20	19	20	23	23	21	20	19	19	19	18	18	18	18	18	18	-1%	-4%
Australia	15	16	14	17	16	16	12	12	12	12	12	13	14	15	16	16	0%	-2%
Canada	34	36	34	18	18	9	9	18	27	36	36	36	36	24	18	18	7%	5%
Kazakhstan	61	64	61	56	59	47	59	59	62	63	62	62	60	60	60	60	2%	1%
Russia	8	8	8	8	9	9	9	9	9	9	9	9	9	9	9	9	0%	0%
Ukraine	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	0%	0%
Uzbekistan	8	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	0%	0%
United States	3	3	3	1	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA
Other	7	7	6	6	6	7	7	7	7	7	7	7	7	7	7	7	0%	0%
<b>Mine Supply</b>	<b>159</b>	<b>164</b>	<b>157</b>	<b>141</b>	<b>143</b>	<b>121</b>	<b>128</b>	<b>137</b>	<b>149</b>	<b>158</b>	<b>156</b>	<b>157</b>	<b>156</b>	<b>145</b>	<b>140</b>	<b>140</b>	<b>1%</b>	<b>0%</b>
Russia	14	16	18	16	16	15	15	15	15	15	14	13	11	11	11	9	-5%	-4%
United States	8	6	5	4	3	3	1	1	2	1	2	1	2	2	3	1	-11%	-8%
Other	18	17	17	19	18	15	14	12	11	10	9	9	8	9	8	8	-6%	-5%
<b>Secondary Supply</b>	<b>40</b>	<b>39</b>	<b>39</b>	<b>38</b>	<b>36</b>	<b>33</b>	<b>29</b>	<b>29</b>	<b>28</b>	<b>26</b>	<b>25</b>	<b>23</b>	<b>21</b>	<b>21</b>	<b>22</b>	<b>17</b>	<b>-6%</b>	<b>-5%</b>
Mine Supply	159	164	157	141	143	121	128	137	149	158	156	157	156	145	140	140	1%	0%
Secondary Supply	40	39	39	38	36	33	29	29	28	26	25	23	21	21	22	17	-6%	-5%
<b>Total Supply</b>	<b>199</b>	<b>203</b>	<b>196</b>	<b>180</b>	<b>180</b>	<b>154</b>	<b>158</b>	<b>166</b>	<b>177</b>	<b>184</b>	<b>181</b>	<b>180</b>	<b>177</b>	<b>166</b>	<b>162</b>	<b>157</b>	<b>0%</b>	<b>-1%</b>
<b>Surplus/Deficit</b>	<b>29</b>	<b>36</b>	<b>16</b>	<b>-6</b>	<b>-3</b>	<b>-18</b>	<b>-17</b>	<b>-7</b>	<b>4</b>	<b>2</b>	<b>-6</b>	<b>-1</b>	<b>-5</b>	<b>-19</b>	<b>-25</b>	<b>-34</b>		
Supply as % of demand	117%	121%	109%	97%	98%	90%	90%	96%	102%	101%	97%	99%	97%	90%	87%	82%		
<b>Spot Price (US\$/lb)</b>	<b>\$37</b>	<b>\$26</b>	<b>\$22</b>	<b>\$25</b>	<b>\$26</b>	<b>\$29</b>	<b>\$32</b>	<b>\$33</b>	<b>\$33</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$40</b>	<b>\$40</b>	<b>\$40</b>	<b>\$50</b>	<b>5%</b>	<b>6%</b>
<b>Term Price (US\$/lb)</b>	<b>\$47</b>	<b>\$40</b>	<b>\$31</b>	<b>\$31</b>	<b>\$32</b>	<b>\$32</b>	<b>\$34</b>	<b>\$35</b>	<b>\$38</b>	<b>\$40</b>	<b>\$40</b>	<b>\$40</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>5%</b>	<b>4%</b>

Source: UxC, Company reports, RBC Capital Markets estimates

## Reiterate Outperform, Speculative Risk rating and Raise Price Target to \$6

We rate NexGen shares **Outperform, Speculative Risk** with a **\$6 price target**. We value NexGen based on a NAV analysis using an 8% discount and 0.8x P/NAV multiple. The discount rate is in-line with the rate used to evaluate other mining projects. The P/NAV multiple reflects a typical multiple assigned to a post-feasibility study development stage company that is not expected to start production until the mid-2020s while dealing with uncertainties in the interim related to regulatory approvals, construction delays, potential technical risks, and financing. We assign a Speculative Risk qualifier for the same reasons that influence the P/NAV multiple we use in our valuation. Our price target supports an Outperform rating.

Our base case valuation assumes – 1) full regulatory approvals are obtained by end-2022, a 3-year construction period begins in 2023, and first production starts in 2026; 2) capital and operating cost estimates that are in line with the FS; 3) an increased mineral resource of 400Mlbs U<sub>3</sub>O<sub>8</sub> supporting a 17-year mine life with total production of 371Mlbs U<sub>3</sub>O<sub>8</sub>; 4) long-term uranium realized price of US\$50/lb; and 5) a CAD/USD exchange rate of \$1.30.

### Exhibit 4: NexGen valuation

Net Asset Value	DR (%)	NAV (C\$M)	NAV/sh	% Total	P/NAV	Value/sh
<b>Operating</b>						
Arrow	8%	\$3,695	\$7.19	94%	0.8x	\$5.75
Corp G&A	8%	(\$180)	(\$0.35)	(5%)	1.0x	(\$0.35)
<b>Balance Sheet (end-21E)</b>						
Cash		\$188	\$0.37	5%	1.0x	\$0.37
IsoEnergy (52.5% owner)		\$133	\$0.26	3%	1.0x	\$0.26
<b>Total</b>		<b>\$321</b>	<b>\$0.62</b>	<b>8%</b>	<b>1.0x</b>	<b>\$0.62</b>
Cash from options		\$84	\$0.16	2%	1.0x	\$0.16
<b>Total NAV</b>		<b>\$3,919</b>	<b>\$8.25</b>	<b>100%</b>	<b>0.8x</b>	<b>\$6.19</b>

Source: Company reports, RBC Capital Markets estimates

# Model

## Exhibit 5: NXE Arrow Project

Arrow Deposit	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E	2039E	2040E	2041E	2042E	2043E	2044E	2045E		
CAD\$ millions unless noted																														
<b>Production</b>																														
Resource Extracted (Mlbs U3O8)	362	362	362	362	362	362	362	362	345	323	300	277	254	231	208	185	162	140	117	94	71	48	25	2	0	0	0	0		
Processed Ore ('000 tonnes)	0	0	0	0	0	0	0	0	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	113	0	0	0		
Grade (U <sub>3</sub> O <sub>8</sub> )	-	-	-	-	-	-	-	-	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	-	-		
Recovery (%)	-	-	-	-	-	-	-	-	91%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%		
<b>Production (Mlbs U3O8)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>21.8</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>5.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
<b>Sales Volume (MM lbs)</b>																														
Sales volume (MM lbs)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.8	22.9	22.9	22.9	22.9	22.9	22.9	22.9	22.9	22.9	22.9	22.9	22.9	22.9	22.9	22.9	22.9	5.7	0.0	0.0	0.0	
<b>Realized Price</b>																														
USD/CDN Exchange rate (US\$)	\$0.76	\$0.78	\$0.75	\$0.74	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	
CDN/USD Exchange rate (C\$)	\$1.32	\$1.28	\$1.33	\$1.35	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	
Uranium Spot Price (US\$/lb U3O8)	\$24.54	\$25.85	\$29.49	\$31.50	\$32.50	\$32.50	\$35.00	\$35.00	\$35.00	\$40.00	\$40.00	\$40.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	
Uranium Term Price (US\$/lb U3O8)	\$30.77	\$31.88	\$32.46	\$34.00	\$35.00	\$37.50	\$40.00	\$40.00	\$40.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	
Realized Price (US\$/lb)	\$27.65	\$28.86	\$30.98	\$32.75	\$33.75	\$35.00	\$37.50	\$37.50	\$45.00	\$45.00	\$45.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	
Realized Price (C\$/lb)	\$36.53	\$37.03	\$41.12	\$44.08	\$43.90	\$45.50	\$48.75	\$48.75	\$58.50	\$58.50	\$58.50	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	
<b>Revenue (\$MM)</b>																														
Total Revenue (\$MM)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,061	\$1,340	\$1,340	\$1,340	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	
Transportation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$7)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	
<b>Net Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,053</b>	<b>\$1,332</b>	<b>\$1,332</b>	<b>\$1,332</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	<b>\$1,481</b>	
<b>Cost of Goods (\$MM)</b>																														
Mining Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$68	\$17	\$0	\$0
Processing Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$16	\$0	\$0
Tailings Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$4	\$0	\$0	\$0
D&A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$161	\$149	\$138	\$128	\$120	\$111	\$104	\$98	\$92	\$86	\$81	\$77	\$73	\$70	\$66	\$63	\$15	\$0	\$0	\$0	\$0	
<b>Total COGS (\$MM)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$307</b>	<b>\$295</b>	<b>\$284</b>	<b>\$274</b>	<b>\$265</b>	<b>\$257</b>	<b>\$250</b>	<b>\$243</b>	<b>\$237</b>	<b>\$232</b>	<b>\$227</b>	<b>\$223</b>	<b>\$219</b>	<b>\$215</b>	<b>\$212</b>	<b>\$209</b>	<b>\$52</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
Cost per pound (\$/lb)	-	-	-	-	-	-	-	-	\$14.11	\$12.88	\$12.40	\$11.97	\$11.58	\$11.23	\$10.92	\$10.63	\$10.37	\$10.14	\$9.92	\$9.73	\$9.56	\$9.40	\$9.26	\$9.14	\$9.06	-	-	-	-	
Cash cost per pound (\$/lb)	-	-	-	-	-	-	-	-	\$6.70	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	-	-	-	
<b>Earnings Summary (\$MM)</b>																														
Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,061	\$1,340	\$1,340	\$1,340	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	\$1,488	
Cost of Goods	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$307)	(\$295)	(\$284)	(\$274)	(\$265)	(\$257)	(\$250)	(\$243)	(\$237)	(\$232)	(\$227)	(\$223)	(\$219)	(\$215)	(\$212)	(\$209)	(\$52)	\$0	\$0	\$0	\$0	
<b>Gross Profit</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$754</b>	<b>\$1,045</b>	<b>\$1,056</b>	<b>\$1,065</b>	<b>\$1,223</b>	<b>\$1,231</b>	<b>\$1,238</b>	<b>\$1,245</b>	<b>\$1,251</b>	<b>\$1,256</b>	<b>\$1,261</b>	<b>\$1,266</b>	<b>\$1,269</b>	<b>\$1,273</b>	<b>\$1,276</b>	<b>\$1,279</b>	<b>\$320</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
Gross Profit (%)	-	-	-	-	-	-	-	-	71%	78%	79%	80%	82%	83%	83%	84%	84%	85%	85%	85%	85%	85%	86%	86%	86%	-	-	-	-	
Royalties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$173)	(\$236)	(\$238)	(\$240)	(\$274)	(\$275)	(\$276)	(\$277)	(\$278)	(\$279)	(\$280)	(\$280)	(\$281)	(\$281)	(\$282)	(\$282)	(\$282)	(\$282)	(\$282)	(\$282)	(\$282)	
SG&A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	(\$28)	
<b>EBIT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$552</b>	<b>\$780</b>	<b>\$789</b>	<b>\$798</b>	<b>\$921</b>	<b>\$928</b>	<b>\$934</b>	<b>\$939</b>	<b>\$944</b>	<b>\$949</b>	<b>\$953</b>	<b>\$957</b>	<b>\$960</b>	<b>\$963</b>	<b>\$966</b>	<b>\$969</b>	<b>\$242</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
DD&A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$161	\$149	\$138	\$128	\$120	\$111	\$104	\$98	\$92	\$86	\$81	\$77	\$73	\$70	\$66	\$63	\$15	\$0	\$0	\$0	\$0	
<b>EBITDA</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$713</b>	<b>\$929</b>	<b>\$927</b>	<b>\$926</b>	<b>\$1,040</b>	<b>\$1,039</b>	<b>\$1,038</b>	<b>\$1,037</b>	<b>\$1,036</b>	<b>\$1,035</b>	<b>\$1,035</b>	<b>\$1,034</b>	<b>\$1,033</b>	<b>\$1,033</b>	<b>\$1,033</b>	<b>\$1,032</b>	<b>\$1,032</b>	<b>\$258</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$157)	(\$204)	(\$204)	(\$204)	(\$229)	(\$229)	(\$228)	(\$228)	(\$228)	(\$228)	(\$228)	(\$227)	(\$227)	(\$227)	(\$227)	(\$227)	(\$227)	(\$57)	\$0	\$0	\$0	
Tax Rate	0%	0%	0%	0%	0%	0%	0%	0%	28%	26%	26%	26%	25%	25%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	23%	23%	0%	0%	0%	
Effective Tax Rate	0%	0%	0%	0%	0%	0%	0%	0%	60%	57%	56%	56%	55%	54%	54%	54%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	
Operating cash cost (\$/lb)	-	-	-	-	-	-	-	-	\$7.35	\$6.98	\$6.98	\$6.98	\$6.98	\$6.98	\$6.98	\$6.98	\$6.98	\$6.98	\$6.98	\$6.98	\$6.98	\$6.98	\$6.98	\$6.98	\$6.98	-	-	-	-	
Operating cash w/ royalties (\$/lb)	-	-	-	-	-	-	-	-	\$15.31	\$17.31	\$17.38	\$17.44	\$18.95	\$19.00	\$19.05	\$19.09	\$19.13	\$19.17	\$19.20	\$19.23	\$19.25	\$19.28	\$19.30	\$19.32	\$19.33	-	-	-	-	
<b>Cash Flow (\$MM)</b>																														
<b>Initial Capital Cost</b>																														
Underground Mining	\$0	\$0	\$0	\$0	\$0	\$67	\$107	\$94	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Processing	\$0	\$0	\$0	\$0	\$0	\$60	\$96	\$84	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Infrastructure	\$0	\$0	\$0	\$0	\$0	\$33	\$53	\$46	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	\$0	\$0	\$0	\$0	\$0	\$125	\$201	\$176	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Pre-commitment early works	\$0	\$0	\$0	\$0	\$158	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sustaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$9	\$0	\$0	\$0	
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$158</b>	<b>\$286</b>	<b>\$457</b>	<b>\$400</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$36</b>	<b>\$9</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
Accumulated Capex	\$0	\$0	\$0	\$0	\$158	\$443	\$900	\$1,300	\$1,336	\$1,372	\$1,408	\$1,444	\$1,480	\$1,516	\$1,552	\$1,588	\$1,624	\$1,660	\$1,696	\$1,732	\$1,768	\$1,804	\$1,840	\$1,876	\$1,885	\$1,885	\$1,885	\$1,885	\$1,885	
Operating Cash flow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$556	\$725	\$723	\$722	\$811	\$810	\$809	\$808	\$807	\$806	\$805	\$804	\$803	\$802	\$801	\$800	\$799	\$0	\$0	\$0	\$0	
Capex	\$0	\$0	\$0	\$0	(\$158)	(\$286)	(\$457)																							



Exhibit 6: NXE Earnings Model

Earnings Model													
<i>CAD\$ millions unless noted</i>	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,061	\$1,340	\$1,340	\$1,340	\$1,488
Finance income	\$2	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Net Revenue</b>	<b>\$2</b>	<b>\$2</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,061</b>	<b>\$1,340</b>	<b>\$1,340</b>	<b>\$1,340</b>	<b>\$1,488</b>
<b>Cost of Goods</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$508)	(\$560)	(\$550)	(\$542)	(\$568)
<b>G&amp;A</b>	\$7	(\$4)	(\$45)	(\$18)	(\$17)	(\$17)	(\$17)	(\$17)	(\$17)	(\$17)	(\$17)	(\$17)	(\$17)
<b>Impairment</b>	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Gain/loss on FX</b>	\$4	(\$2)	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>EBITDA</b>	<b>\$15</b>	<b>(\$1)</b>	<b>(\$42)</b>	<b>(\$16)</b>	<b>(\$16)</b>	<b>(\$16)</b>	<b>(\$16)</b>	<b>(\$16)</b>	<b>\$697</b>	<b>\$913</b>	<b>\$911</b>	<b>\$910</b>	<b>\$1,024</b>
DD&A	(\$2)	(\$2)	(\$2)	(\$2)	(\$1)	(\$1)	(\$1)	(\$1)	(\$162)	(\$150)	(\$139)	(\$129)	(\$120)
EBIT	\$13	(\$4)	(\$44)	(\$18)	(\$17)	(\$17)	(\$17)	(\$17)	\$535	\$763	\$772	\$781	\$904
Interest expense	(\$12)	(\$12)	(\$13)	(\$14)	(\$14)	(\$14)	(\$14)	(\$14)	(\$14)	(\$14)	(\$14)	(\$14)	(\$14)
EBT	\$1	(\$16)	(\$57)	(\$32)	(\$31)	(\$31)	(\$31)	(\$31)	\$522	\$749	\$759	\$767	\$890
Taxes	\$0	(\$1)	(\$2)	\$0	\$0	\$0	\$0	\$0	(\$115)	(\$165)	(\$167)	(\$169)	(\$196)
Tax rate	26%	6%	3%	0%	0%	0%	0%	0%	-22%	-22%	-22%	-22%	-22%
<b>Net Income</b>	<b>\$1</b>	<b>(\$17)</b>	<b>(\$59)</b>	<b>(\$32)</b>	<b>(\$31)</b>	<b>(\$31)</b>	<b>(\$31)</b>	<b>(\$31)</b>	<b>\$407</b>	<b>\$584</b>	<b>\$592</b>	<b>\$598</b>	<b>\$694</b>
Non-controlling interests	(\$1)	\$1	\$0	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)
<b>Net Income to Shareholders</b>	<b>\$1</b>	<b>(\$16)</b>	<b>(\$58)</b>	<b>(\$33)</b>	<b>(\$31)</b>	<b>(\$31)</b>	<b>(\$31)</b>	<b>(\$31)</b>	<b>\$406</b>	<b>\$584</b>	<b>\$591</b>	<b>\$597</b>	<b>\$694</b>
Shares	346	355	370	456	470	470	470	470	470	470	470	470	470
<b>EPS</b>	<b>\$0.00</b>	<b>(\$0.04)</b>	<b>(\$0.16)</b>	<b>(\$0.07)</b>	<b>(\$0.07)</b>	<b>(\$0.07)</b>	<b>(\$0.07)</b>	<b>(\$0.07)</b>	<b>\$0.86</b>	<b>\$1.24</b>	<b>\$1.26</b>	<b>\$1.27</b>	<b>\$1.48</b>

Source: Company reports, RBC Capital Markets estimates

Exhibit 7: NXE Cash Flow Model

Cash Flow													
<i>CAD\$ millions unless noted</i>	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Earnings	\$1	(\$17)	(\$59)	(\$32)	(\$31)	(\$31)	(\$31)	(\$31)	\$407	\$584	\$592	\$598	\$694
D&A	\$2	\$2	\$2	\$2	\$1	\$1	\$1	\$1	\$162	\$150	\$139	\$129	\$120
Share-based payments	\$14	\$11	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8
Interest expense	\$12	\$12	\$11	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Unrealized FX loss (gain)	(\$4)	\$1	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	(\$33)	(\$21)	\$27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in non-cash WC													
<b>Cash from Operations</b>	<b>(\$8)</b>	<b>(\$13)</b>	<b>(\$10)</b>	<b>(\$15)</b>	<b>(\$15)</b>	<b>(\$15)</b>	<b>(\$15)</b>	<b>(\$15)</b>	<b>\$584</b>	<b>\$749</b>	<b>\$746</b>	<b>\$742</b>	<b>\$830</b>
PP&E	(\$38)	(\$58)	(\$19)	(\$32)	(\$190)	(\$286)	(\$457)	(\$400)	(\$36)	(\$36)	(\$36)	(\$36)	(\$36)
Sale/Acquisition of S-T investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Cash from Investing</b>	<b>(\$38)</b>	<b>(\$58)</b>	<b>(\$19)</b>	<b>(\$32)</b>	<b>(\$190)</b>	<b>(\$286)</b>	<b>(\$457)</b>	<b>(\$400)</b>	<b>(\$36)</b>	<b>(\$36)</b>	<b>(\$36)</b>	<b>(\$36)</b>	<b>(\$36)</b>
Equity issued	\$10	\$7	\$24	\$164	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuance of convertible debentures	\$0	\$0	\$28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	(\$8)	(\$9)	(\$5)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Cash from Financing</b>	<b>\$2</b>	<b>(\$1)</b>	<b>\$48</b>	<b>\$164</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Change in cash and equivalents	(\$44)	(\$72)	\$18	\$117	(\$205)	(\$300)	(\$472)	(\$415)	\$548	\$713	\$710	\$706	\$794
Cash & equiv., beginning of period	(\$17)	(\$57)	(\$130)	(\$111)	\$6	(\$199)	(\$499)	(\$971)	(\$1,386)	(\$838)	(\$124)	\$585	\$1,292
FX impact on cash held	\$4	(\$1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash & equiv., end of period	(\$57)	(\$130)	(\$111)	\$6	(\$199)	(\$499)	(\$971)	(\$1,386)	(\$838)	(\$124)	\$585	\$1,292	\$2,085

Source: Company reports, RBC Capital Markets estimates



Exhibit 8: NXE Balance Sheet Model

Balance Sheet													
<i>CAD\$ millions unless noted</i>	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Cash and cash equivalents	\$125	\$52	\$71	\$188	(\$17)	(\$317)	(\$789)	(\$1,203)	(\$656)	\$58	\$767	\$1,474	\$2,267
Short-term investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amounts receivable	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepaid expenses	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Current assets</b>	<b>\$126</b>	<b>\$53</b>	<b>\$71</b>	<b>\$188</b>	<b>(\$16)</b>	<b>(\$317)</b>	<b>(\$788)</b>	<b>(\$1,203)</b>	<b>(\$655)</b>	<b>\$58</b>	<b>\$768</b>	<b>\$1,474</b>	<b>\$2,268</b>
Deposits	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Exploration and evaluation assets	\$194	\$252	\$271	\$303	\$335	\$335	\$335	\$335	\$335	\$335	\$335	\$335	\$335
Property & Equipment	\$7	\$8	\$8	\$6	\$163	\$447	\$903	\$1,302	\$1,176	\$1,062	\$959	\$866	\$782
<b>Total Assets</b>	<b>\$327</b>	<b>\$314</b>	<b>\$350</b>	<b>\$497</b>	<b>\$481</b>	<b>\$465</b>	<b>\$450</b>	<b>\$434</b>	<b>\$856</b>	<b>\$1,455</b>	<b>\$2,062</b>	<b>\$2,675</b>	<b>\$3,385</b>
Accounts payable	\$6	\$4	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6
Flow-through liability	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Short-term loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
<b>Current liabilities</b>	<b>\$7</b>	<b>\$5</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>
Deferred income tax liability	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Deferred lease inducement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Convertible debentures	\$138	\$120	\$177	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30
Other	\$0	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3
<b>Total liabilities</b>	<b>\$145</b>	<b>\$127</b>	<b>\$188</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>
Share capital	\$209	\$219	\$246	\$556	\$556	\$556	\$556	\$556	\$556	\$556	\$556	\$556	\$556
Reserves	\$42	\$52	\$54	\$54	\$54	\$54	\$54	\$54	\$54	\$54	\$54	\$54	\$54
Accumulated deficit	(\$85)	(\$106)	(\$164)	(\$181)	(\$196)	(\$212)	(\$227)	(\$243)	\$179	\$778	\$1,385	\$1,998	\$2,707
Non-controlling interests	\$17	\$22	\$26	\$26	\$26	\$26	\$26	\$26	\$26	\$26	\$26	\$26	\$26
<b>Shareholders Equity</b>	<b>\$182</b>	<b>\$186</b>	<b>\$162</b>	<b>\$456</b>	<b>\$440</b>	<b>\$424</b>	<b>\$409</b>	<b>\$393</b>	<b>\$815</b>	<b>\$1,414</b>	<b>\$2,021</b>	<b>\$2,634</b>	<b>\$3,344</b>
<b>Total liabilities &amp; equity</b>	<b>\$327</b>	<b>\$314</b>	<b>\$350</b>	<b>\$497</b>	<b>\$481</b>	<b>\$465</b>	<b>\$450</b>	<b>\$434</b>	<b>\$856</b>	<b>\$1,455</b>	<b>\$2,062</b>	<b>\$2,675</b>	<b>\$3,385</b>
<b>Net Debt</b>	<b>(\$125)</b>	<b>(\$52)</b>	<b>(\$71)</b>	<b>(\$188)</b>	<b>\$17</b>	<b>\$317</b>	<b>\$789</b>	<b>\$1,203</b>	<b>\$656</b>	<b>(\$58)</b>	<b>(\$767)</b>	<b>(\$1,474)</b>	<b>(\$2,267)</b>
Change	\$40	\$73	(\$19)	(\$117)	\$205	\$300	\$472	\$415	(\$548)	(\$713)	(\$710)	(\$706)	(\$794)

Source: Company reports, RBC Capital Markets estimates



## Valuation

**We rate NexGen shares Outperform, Speculative Risk with a \$6 price target.** We value NexGen based on a NAV analysis using an 8% discount and 0.8x P/NAV multiple. The discount rate is in line with the rate used to evaluate other developing mine projects. The P/NAV multiple reflects a typical multiple assigned to a development stage company that is not expected to start production until the mid-2020s while dealing with uncertainties in the interim related to regulatory approvals, construction delays, potential technical risks, and financing. We assign a Speculative Risk qualifier for the same reasons that influence the P/NAV multiple we use in our valuation. Our price target supports an Outperform rating.

## Risks to rating and price target

1) Permitting delays, especially with respect to uranium mine development due to heightened sensitivities and concerns regarding nuclear material and radiation. 2) Technical challenges and construction delays, given the limited uranium mine development in the Western Athabasca region and lack of infrastructure. 3) Financing risk, as a pre-production company with debt and developing a uranium mine while market conditions remain challenging. 4) Uranium price, which has a significant impact on valuation. 5) CAD/USD exchange rate, as operations are located in Canada while uranium sales are primarily in USD.

## Company description

NexGen Energy is a uranium development and exploration company, focused on the Athabasca Basin in Saskatchewan. The company's flagship Rook I project contains the large, high-grade Arrow deposit, which we consider as one of the best undeveloped uranium assets globally. A feasibility study has been completed for the Arrow project confirming robust economics, while the company is working to complete environmental permitting that started in early-2019. Additionally, NexGen has discovered several other areas of potentially significant uranium mineralization within the Rook I project area (South Arrow, Bow, Harpoon). The company also owns a majority interest in junior uranium exploration company IsoEnergy.



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RBC Capital Markets, LLC makes a market in the securities of NexGen Energy Ltd..

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#### Risk Rating

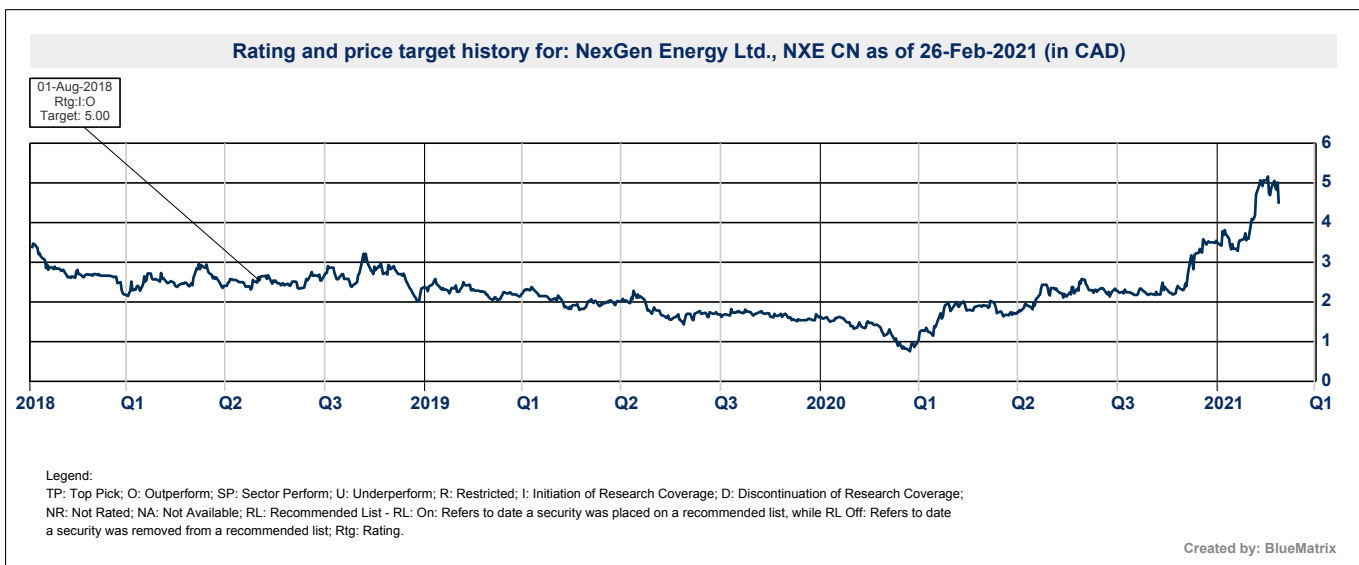
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			Count	Percent
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#### NexGen Energy Ltd.

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