



Nexgen Energy Ltd.: Massive Growth Potential for 2017

Description

Nexgen Energy Ltd. ([TSX:NXE](#)) is a relatively new addition to the Toronto Stock Exchange; it has been publicly trading on the TSX since July. From the time of its large private placement in early 2015 at \$0.50 per share, the company's stock has seen a cumulative increase of approximately 430%, driven in large part by a number of factors that position the company well to be a fantastic large-cap stock in the uranium space.

What does Nexgen do?

Nexgen is a Canada-based uranium exploration company engaged in the exploration of a number of early stage uranium properties located in Saskatchewan. The company's principle asset is its Rook 1 project located in the Athabasca Basin, which the company currently holds a 100% interest in.

The Rook 1 property is the site of the company's famous Arrow discovery in 2014, Bow discovery in 2015, and Harpoon discovery in 2016. Nexgen has been very successful in exploring its early stage uranium sites, having found high-grade uranium deposits in its exploration areas.

Company discoveries, future exploration, and development

Given the company's success in finding high-grade uranium deposits on its Rook 1 property, Nexgen has engaged in further follow-up drilling to determine the size of its high-grade uranium zones and drill test for additional uranium deposits further out on its Rook 1 property, determining the flat-lying zone of uranium deposits on its property to gauge better how much uranium may be mined from current deposit areas.

The company found the following results:

Structure	Tonnage	Grade	Metal
A1	380,000	0.50	4,200,000
A2	1,480,00	0.85	27,600,000
A2 High Grade	410,000	13.26	120,500,000

A3	1,130,000	1.90	47,300,000
A4	80,000	1.35	2,300,000
Total	3,480,000	2.63	201,900,000

In dissecting these results, we learn the average grade of uranium appears to be very high in substantial amounts (nearly 3.5 million tonnes).

Company's next steps

Nexgen will continue to drill on its existing sites to explore for additional uranium deposits and get sites ready for eventual development. At the time of development, the company may decide to move into production itself or contract out the property for development by another firm, retaining royalties or other forms of compensation.

As Nexgen is an exploration company, it doesn't have any revenues and holds a large accumulated deficit. That said, the company has sufficient working capital to continue its drilling operations for the next two years without taking out further debentures or engaging in additional private placements moving forward.

As of now, these continued positive results prove to be very valuable to Nexgen, and this remains one of my top speculative picks over the short to medium term. Should Nexgen announce further discoveries or begin exploration on other sites, expect the company's stock price to continue its impressive streak of increases in the future.

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