

Ticker: ISO CN
Market cap: C\$355m
RECOMMEND. (unc): BUY

Net cash: C\$13m
Price: C\$3.51/sh
TARGET (unc): C\$7.10/sh

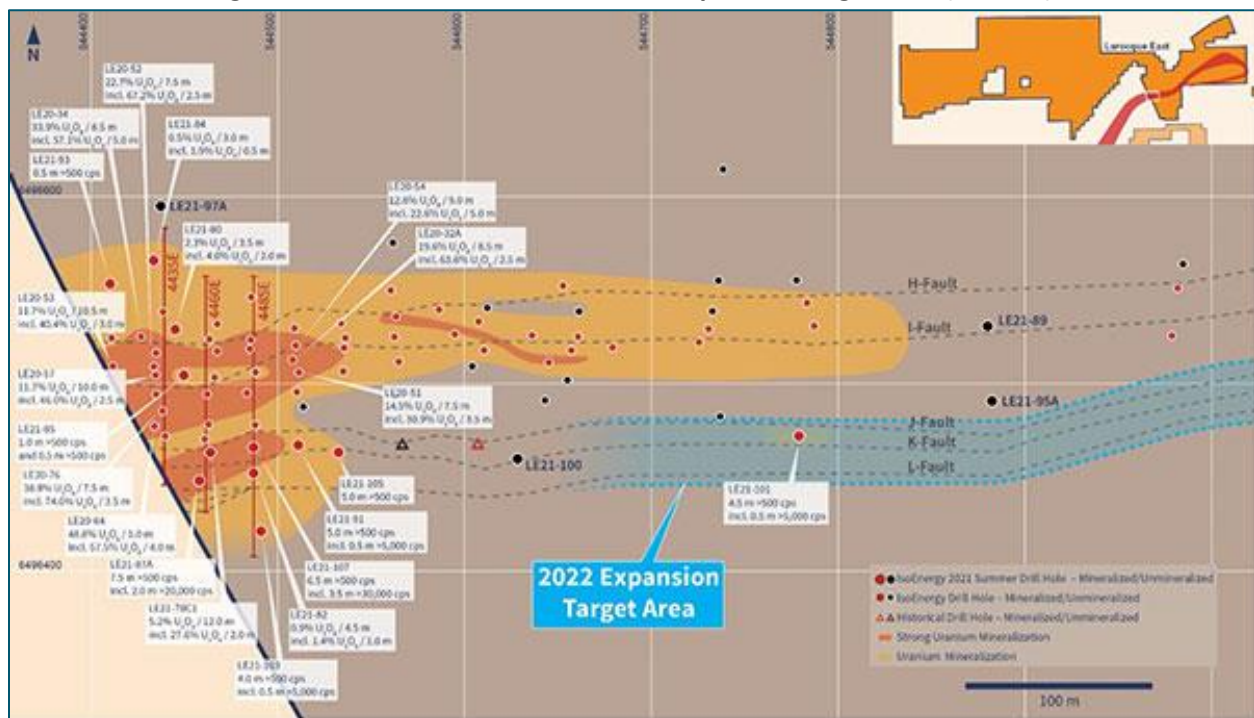
Project: Hurricane
Country: Canada
RISK RATING: VENTURE

What really excites us about Iso’s winter exploration plans released today is the focus on step outs and regional targets that could again be transformational for Iso. The 2,400m targeting the J-K-L faults could add a second zone of mineralization near Hurricane. Moreover, 9,500m targeting the big resistivity anomaly along trend to the east could represent a second major discovery, one that would transform the project and validate the use of resistivity targeting on the Laroque East property. Stepping back, drilling to date has determined that Hurricane has world class widths and grades with potential for 50-80Mlbs. Since the deposit abuts the property boundary with Cameco, and is well drilled along strike to the east, drilling new targets along trend shows that management won’t sit idle on low-risk infill and is instead willing to take the risks needed to advance Hurricane/Larocque East to “will be a mine” territory quickly. We think the combination of this approach and the proven prospectivity of the property offer the best upside of current uranium explorers. **We maintain our BUY rating and C\$7.10/sh price target based on a C\$9.00/lb on a nominal exploration target of 80Mlbs.**

High reward winter 2022 program targets big resistivity anomaly to the east, and J-L faults

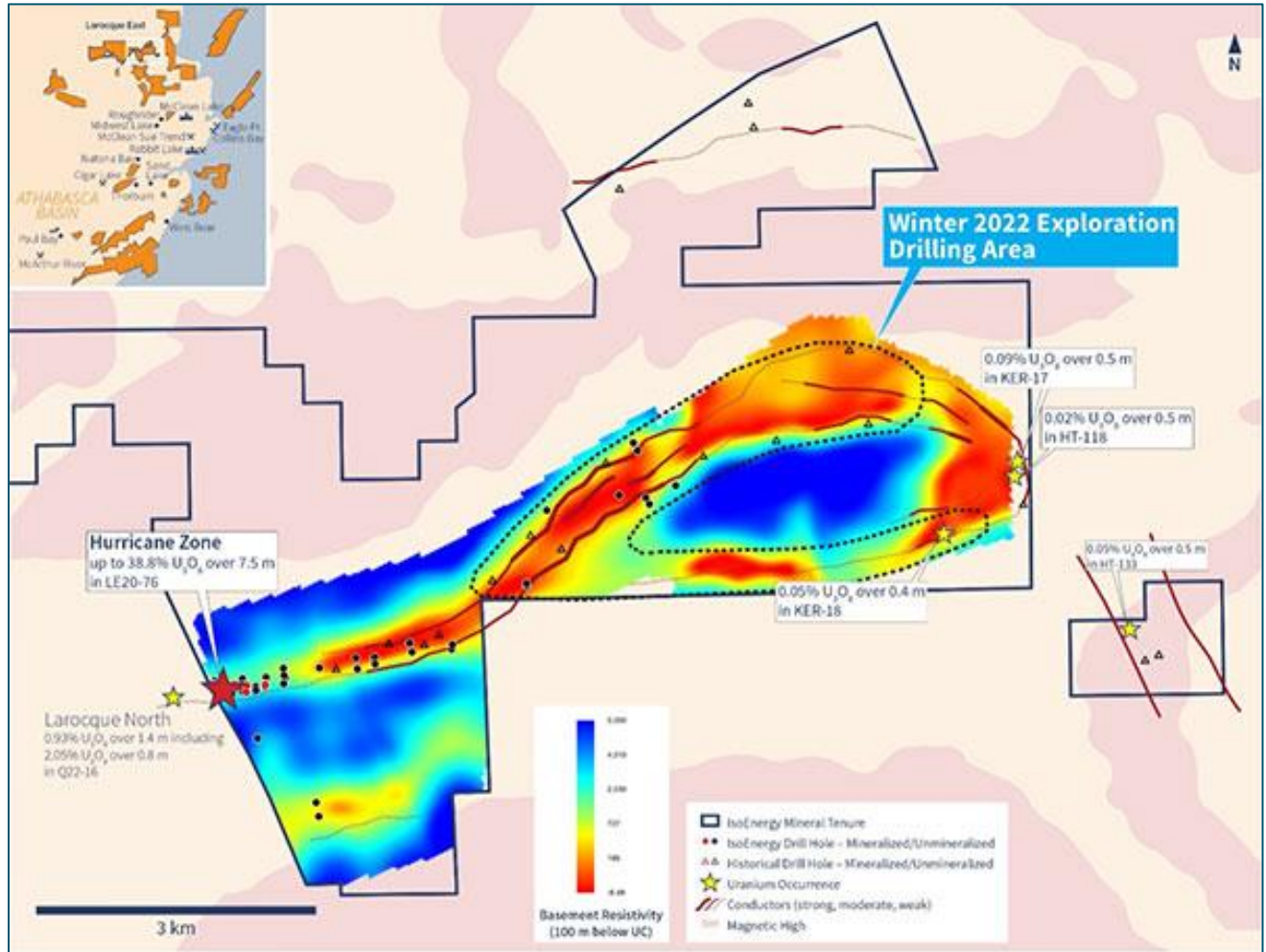
Iso announced commencement of its 2022 Winter Exploration program. 9,500m of diamond drilling is planned to target resistivity anomalies on the Larocque Lake conductive trend that runs up to 8km east of Hurricane. 2,400m of DD are planned to follow up LE21-101 (4.5m >500cps incl 0.5m >5,000cps) on the J-L faults, located on a parallel trend and east of Hurricane. Mineralization in this area is open along strike to the east and for up to 150m to the west. Fixed Loop Transient Electromagnetic (FLTEM) surveying is underway at the Geiger project and also planned for the Ranger and Hawk projects.

Figure 1. Near-Hurricane Winter 2022 expansion target area (2,400m)



Source: IsoEnergy

Figure 2: Larocque Lake winter 2022 exploration drilling area (9,500m)



Source: IsoEnergy

Why we like IsoEnergy

1. Well-funded East Athabasca explorer building on high-grade, world class discovery
2. Large 2,771km² land package in the prolific Athabasca basin
3. 40km distance to mills and shallower mineralisation than typical unconformity hosted deposit

Catalysts

1. **1Q22:** Winter 2022 exploration program targeting Larocque Lake trend and J-L fault areas

Research

Justin Chan (London) M: +44 7554 784 688 jchan@sprott.com

Brock Salier (London) M: +44 7400 666 913 bsalier@sprott.com

Brandon Gaspar (Toronto) M: +1 437 533 3142 bgaspar@sprott.com

Eleanor Magdzinski (Toronto) M: +1 705 669 7456 emagdzinski@sprott.com

Ticker: ISO CN		Price / mkt cap:		C\$3.51/sh, C\$355m		Project PNAV today:		0.49x		Asset:		Hurricane		
J Chan / B Gaspar / E Magdzinski		Rec / 1xNAV PT:		BUY, C\$7.10/sh		1xNAV ₁₀₂₁ FF FD:		C\$7.10/sh		Country:		Saskatchewan, Canada		
SOTP project valuation					Commodity price					CY21E	CY22E	CY23E	CY24E	CY25E
	C\$m	O/ship	NAVx	C\$/sh	LT uranium price (US\$/lb)	60.00	60.00	60.00	60.00	60.00				
Indicative 80Mlbs at US\$7/lb @ Hurricane	705	100%	1.00x	5.86	USD/CAD	0.79	0.79	0.79	0.79	0.79				
Cash (3Q21)	14.9	100%	1.00x	0.12	Measured, ind. & inf. - Hurricane		kt	% U3O8	Mlbs	EV/lb U3O8				
Interest payable on converts (C\$m)	(1.9)	100%	1.00x	(0.02)	Reserves (2P)	nmf	nmf	nmf	nmf					
Cash from options	10.2	100%	1.00x	0.08	SCPe Indicative	417	8.77%	80.6	3.95					
C\$25m for licences, C\$100m for Larocque East	125	100%	1.00x	1.04	TOTAL	nmf	nmf	nmf	nmf					
Asset NAV8% US\$60/lb	854			PT: 7.10	Capital structure		Basic	FD						
				Market P/NAV	0.49x	Shares (m)	101.1	120.4						

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TENDER: The analyst recommends tendering shares to a formal tender offering

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NOT RATED ((N/R): The stock is not currently rated

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9	The analyst has been reimbursed for travel expenses for a site visit by the issuer	NO

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Summary of Recommendations as of January 2022	
BUY:	50
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	1
NOT RATED:	0
TOTAL	51

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