

**Ticker:** ISO CN  
**Market cap:** C\$518m  
**RECOMMEND.** (unc): BUY

**SCPe cash:** C\$15m  
**Price:** C\$5.10/sh  
**TARGET** (unch): C\$7.10/sh

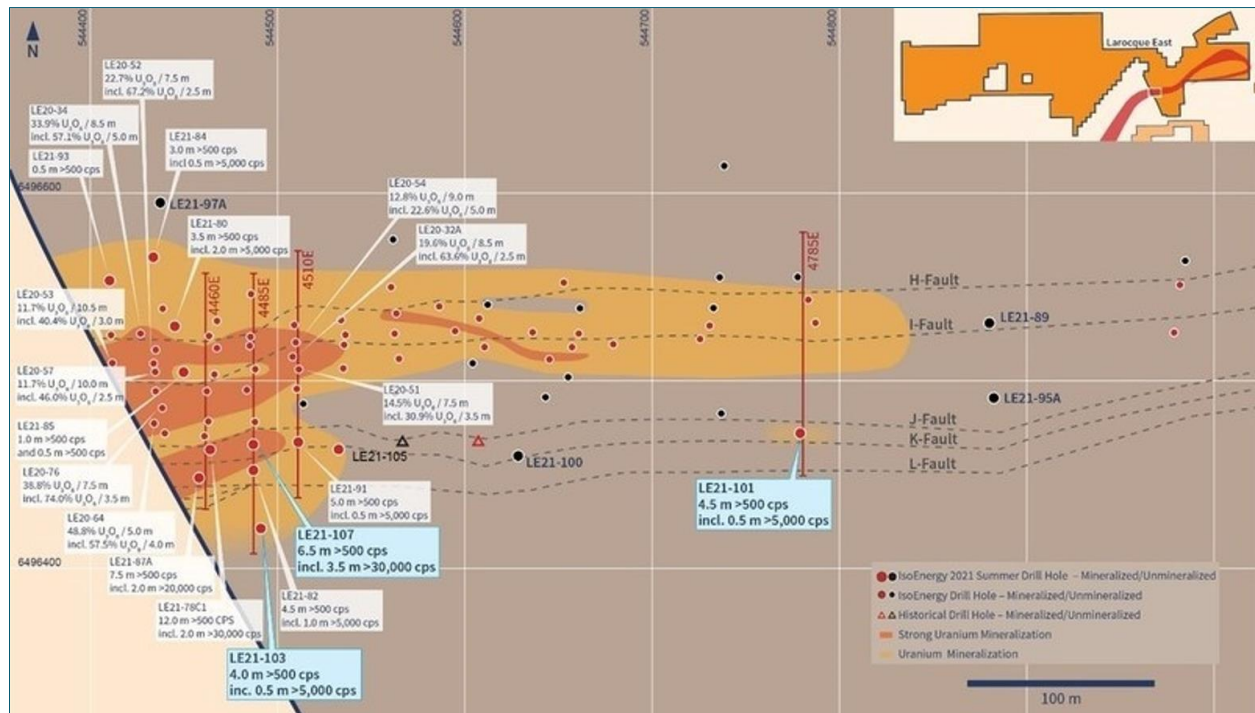
**Project:** Hurricane  
**Country:** Canada  
**RISK RATING:** VENTURE

We see two key takeaways from Iso’s 2021 drilling released today. First, the southern extension of the Hurricane Zone is very meaningful with mineralization extended 30m to the south and still open to the east, and north and south on some sections. Iso noted current dimensions of 375m along strike, up to 100m wide and up to 12m thick. For indicative purposes, a high grade core of 125m x 100m width x 10m vertical at 8% U3O8 = 70Mlbs, near our nominal estimate of 80Mlbs that underpins our valuation, although assays remain pending and we caution this maths is still quite speculative. Secondly, LE21-101 intrigues us, as the 4.5m @ 500cps including 0.5m @ 5,000cps intersected represent the edges of a new high grade orebody that could be a game changer for Iso. The potential to find additional high grade deposits by targeting resistivity anomalies along strike from Hurricane, to add to high grade baseload already drilled, makes Hurricane the most exciting new discovery in the Athabasca and uranium more broadly. **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.**

**Completed summer drilling grows Hurricane and intersects new zone to the East**

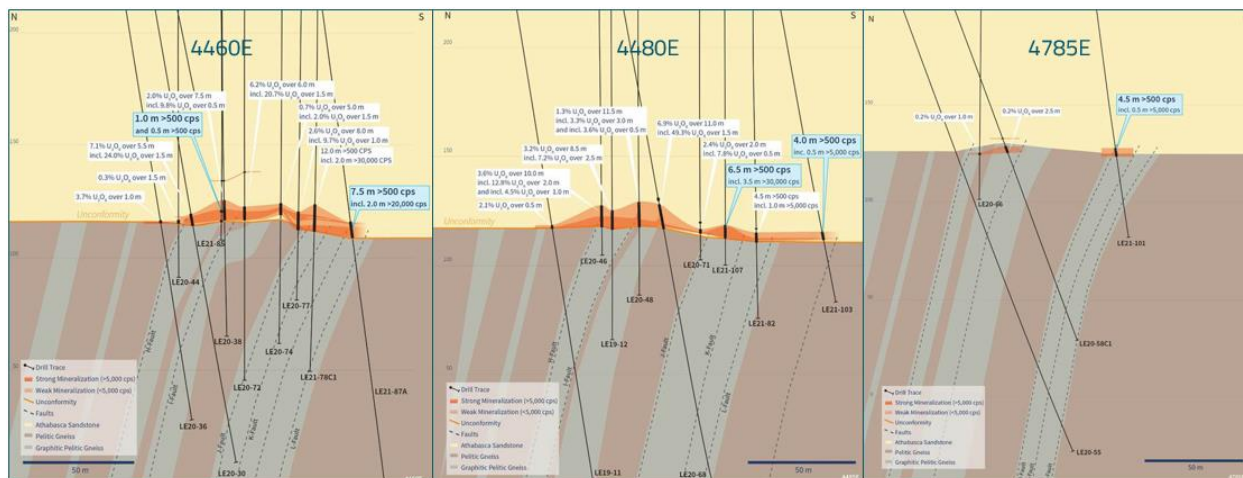
IsoEnergy released scintillometer reading results from summer 2021 drilling at Hurricane with assays pending. The program successfully expanded mineralization to the south up to 31m on some line sections to a total width of up to 125m. Notable results to the south included LE21-107 (section 4485E, 6.5m >500cps incl 1.0m >5,000cps) and LE21-103 (section 4485, 4.0m >500cps incl 0.5 >5,000cps). LE21-101 intersected 4.5m >500cps and could represent a new mineralized zone to the east and along a parallel conductor. The mineralized zone now extends 375m along strike, up to 125m wide, and up to 12m thickness. Mineralization intersected to date straddles the sub-Athabasca unconformity, ~320m below surface. A follow-up drill program is currently being planned for execution in early 2022.

**Figure 1. Plan view of 2021 drilling results at Hurricane**



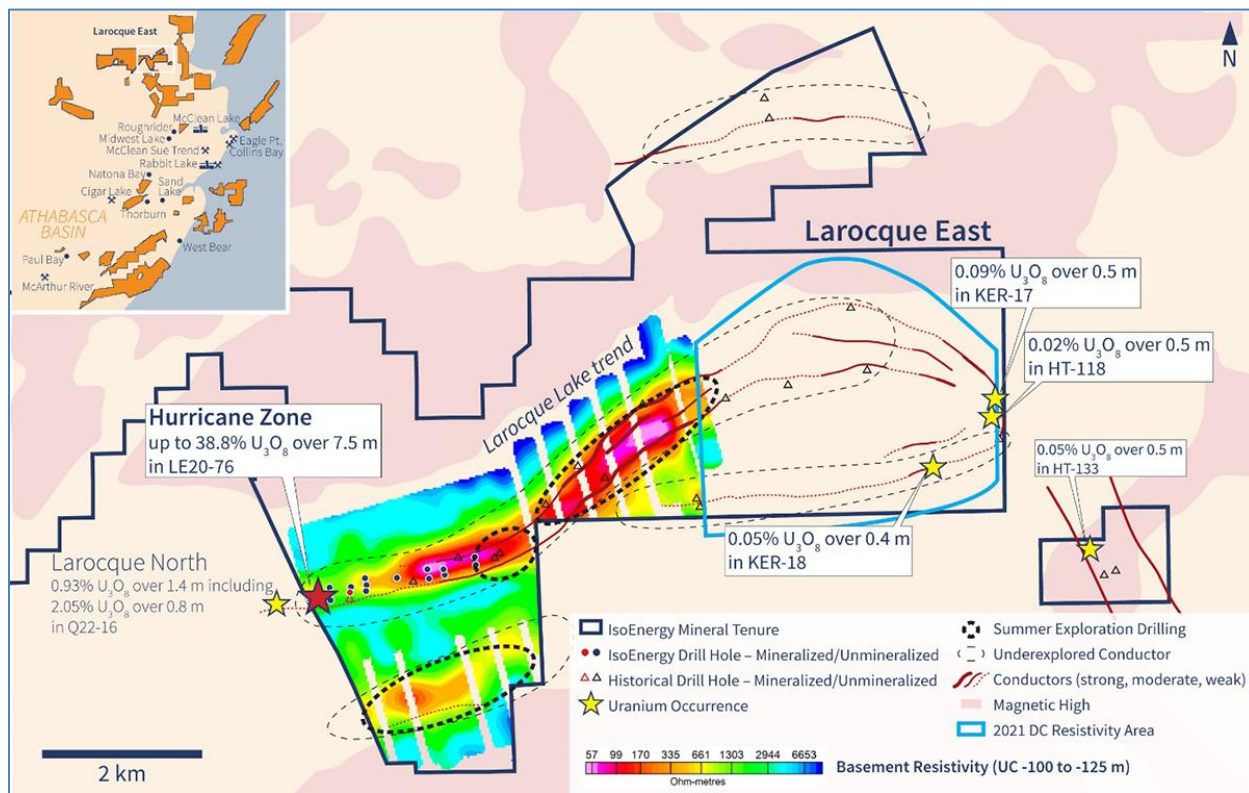
Source: IsoEnergy

Figure 2: Cross sections (A) line-4460E, (B) Line-4485E; (C) Line-4785 (east new zone)



Source: IsoEnergy

Figure 3: Lacroque East exploration targets including conductors and basement resistivity survey results



Source: IsoEnergy

## Why we like IsoEnergy

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

## Catalysts

1. **4Q21:** Assay results from Summer 2021 drilling

## Research

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Ticker: ISO CN		Price / mkt cap:		C\$5.12/sh, C\$518m		Project PNAV today:		0.72x		Asset:		
J Chan / B Gaspar / E Magdzinski		Rec / 1xNAV PT:		BUY, C\$7.10/sh		1xNAV <sub>1021</sub> FF FD:		C\$7.10/sh		Country:		
SOTP project valuation		C\$m	O/ship	NAVx	C\$/sh	Commodity price		CY21E	CY22E	CY23E	CY24E	CY25E
Indicative 80Mlbs at US\$7/lb @ Hurricane		705	100%	1.00x	5.86	LT uranium price (US\$/lb)		60.00	60.00	60.00	60.00	60.00
Cash (3Q20)		14.9	100%	1.00x	0.12	USD/CAD		0.79	0.79	0.79	0.79	0.79
Interest payable on converts (C\$m)		(1.9)	100%	1.00x	(0.02)	Measured, ind. & inf. - Hurricane		kt	% U3O8	Mlbs	EV/lb U3O8	
Cash from options		10.2	100%	1.00x	0.08	Reserves (2P)		nmf	nmf	nmf	nmf	
C\$25m for licences, C\$100m for Larocque East		125	100%	1.00x	1.04	SCPe Indicative		417	8.77%	80.6	5.87	
Asset NAV8% US\$60/lb		854			PT: 7.10	TOTAL		nmf	nmf	nmf	nmf	
					Market P/NAV	0.72x	Capital structure		Basic	FD		
							Shares (m)		101.1	120.3		

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

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BUY:	49
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	49

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