

Ticker: ISO CN
Market cap: C\$324m
RECOMMEND. (unc): BUY

Net cash: C\$13m
Price: C\$3.28/sh
TARGET (unc): C\$7.10/sh

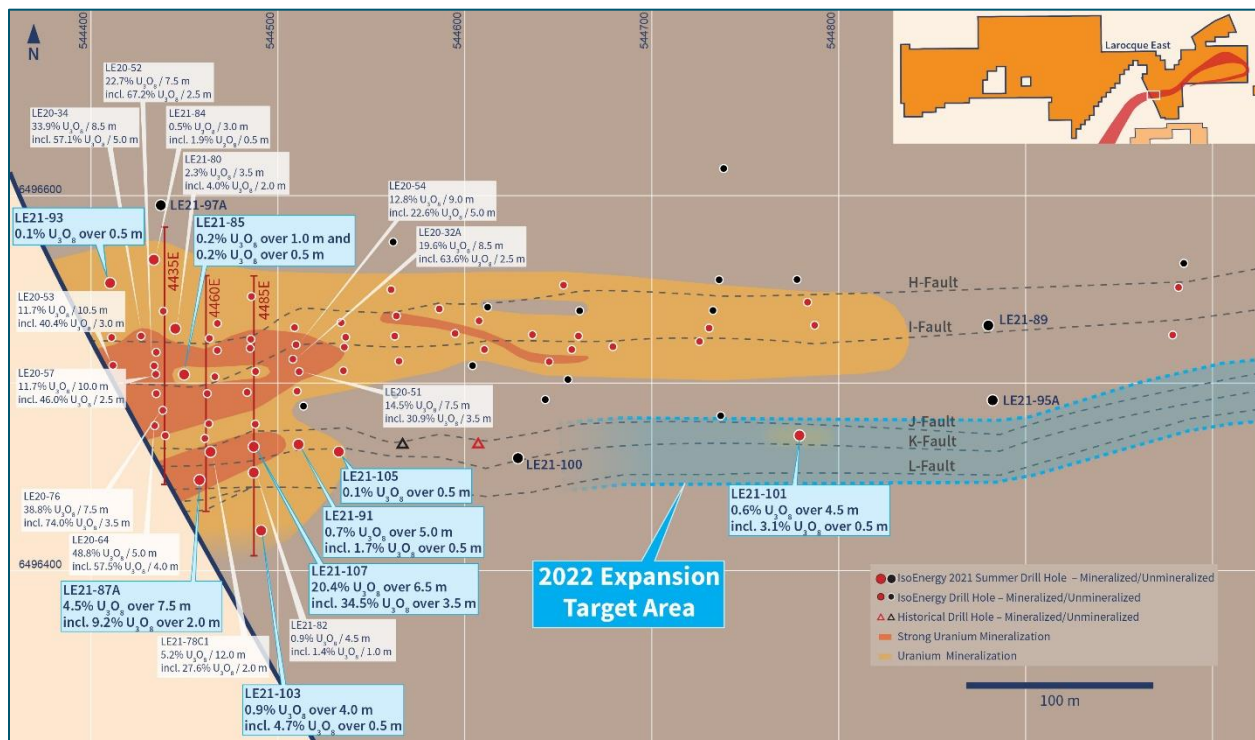
Project: Hurricane
Country: Canada
RISK RATING: VENTURE

We see three takeaways from today’s assay results from 2021 drilling. First, **4.5m @ 0.5% U₃O₈** at hole LE21-101 targeting the J-L faults confirm the prospectivity of this new zone. The size and grade of the intercept, including a higher grade 0.5m @ 3.1% sub-intercept, could indicate the edges of a new zone or at least a useful satellite. Second, hole LE21-07 (**6.5m @ 20.4%**), is one of the highest grade intercepts to date at Hurricane which will add lbs to the resource model and is a reminder that Hurricane’s grade and thickness are world class. Third, the assays confirm that first pass scintillometer results are indicative of economic potential. We think this is important because the 2022 Winter program is very exciting in our view – testing the J-L faults as well as large resistivity anomalies up to 10km away along strike. The ability to get meaningful indications from field scintillometer results means that ISO should be able to generate good news flow through the field season independent of currently long assay turnaround times. **We maintain our BUY rating and C\$7.10/sh price target based on a C\$9.00/lb nominal exploration target of 80Mlbs.** Stepping back, Iso’s Hurricane is the most exciting new discovery in the Athabasca since NexGen’s Arrow and Fission’s PLS deposits. What excites us most about Iso is the company’s willingness to bank the world class Hurricane discovery and step out regionally to drill other anomalies. While this is riskier than incremental near mine infill, it also means that Iso could make another transformational discovery this field season.

6.5m @ 20.4% U₃O₈, confirmation of prospectivity of J-L faults highlight 2021 assays

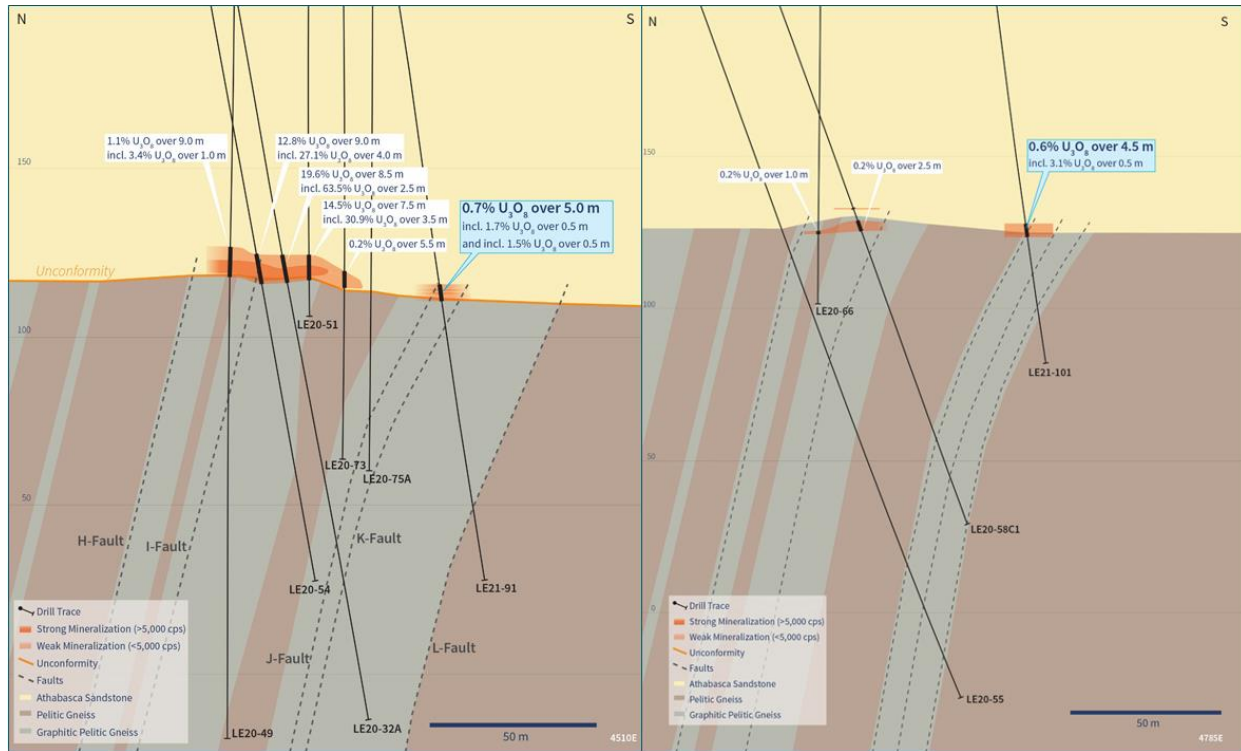
Iso released the final assay results from the summer 2021 drilling program at the Hurricane Zone. The program targeted infill and extension of the Hurricane Zone as well as step outs along strike. Best intercepts included 6.5m @ 20.4% U₃O₈ (LE21-107) from 325.5m and 7.5m @ 4.5% U₃O₈ (LE21-87A) from 331m. Hole LE21-101 targeting a step out along the H-L faults hit 4.5m @ 0.5% U₃O₈ (following on 4.5m @ 500cps).

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



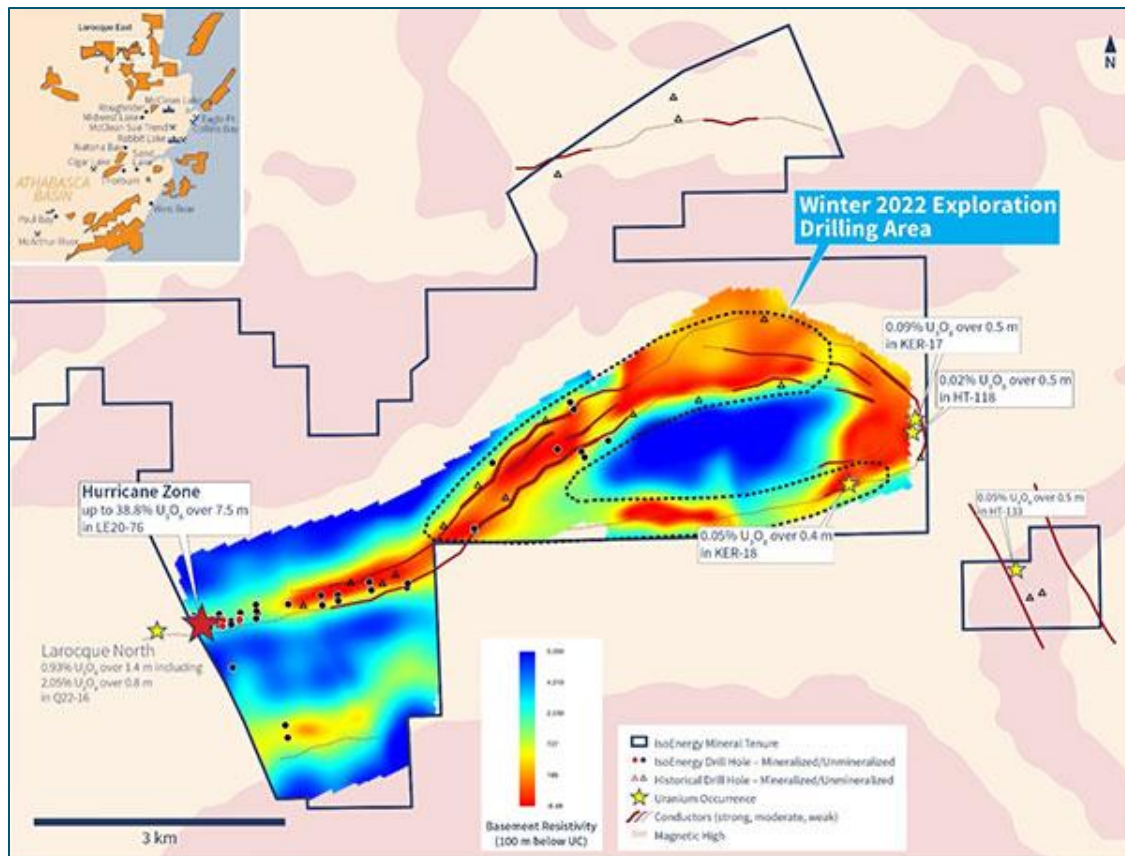
Source: IsoEnergy

Figure 2: Cross sections through Hurricane (Section 4510E) and J-L step out (4785E)



Source: IsoEnergy

Figure 3: 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

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Ticker: ISO CN	Price / mkt cap:	C\$3.24/sh, C\$328m	Project PNAV today:	0.46x	Asset:	Hurricane			
J Chan / B Gaspar / E Magdzinski	Rec / 1xNAV PT:	BUY, C\$7.10/sh	1xNAV _{1Q21} FF FD:	C\$7.10/sh	Country:	Saskatchewan, Canada			
SOTP project valuation				Commodity price					
	C\$m	O/ship	NAVx	C\$/sh	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
Cash (3Q21)	14.9	100%	1.00x	0.12	USD/CAD	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	3.59
Asset NAV@ US\$60/lb	854		PT:	7.10	TOTAL	nmf	nmf	nmf	nmf
			Market P/NAV	0.46x	Capital structure	Basic	FD		
					Shares (m)	101.1	120.5		

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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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Summary of Recommendations as of February 2022	
BUY:	50
HOLD:	1
SELL:	0
UNDER REVIEW:	0
TENDER:	1
NOT RATED:	0
TOTAL	52

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