



STOCK PRICE
\$1.02
 RATING
BUY
 TARGET PRICE
\$2.00

INITIATING COVERAGE

ISO has a LaRocque't in its Pocket

INVESTMENT BRIEF: We are initiating coverage of IsoEnergy Ltd. (ISO-V) with a target of \$2.00 per share, BUY rating, and 'Very High' risk rating. ISO is an early-stage (pre-resource) uranium exploration play primarily focussed on its 100%-owned Larocque East (LE) project in the eastern Athabasca Basin where it is drilling out the Hurricane Zone, originally discovered in summer 2018. ISO is one of a very small group of uranium companies delineating a new, high-grade discovery of potentially economic scale. Results of ongoing summer exploration drilling have the potential to move the stock while the cumulative data gathered will have implications for the maiden resource estimate at the new discovery, which will probably require at least another seasonal exploration program this winter. The timing of the maiden resource estimate for the Hurricane Zone will be dynamic and results-driven, but we expect we will likely see it by mid-2021.

KEY HIGHLIGHTS

- ◆ **Best New Uranium Discovery out there...** High-grade uranium discoveries of scale are scarce, and at the moment, ISO is one of the only companies delineating one that has been validated through multiple intersections with GTs greater than 30 (%m) and a mineralized intercept hit rate of >90% in holes drilled to date. The mineralized footprint has grown from the discovery hole back in 2018 to 575m by >40m by 11m, and is still open in most directions with many pivotal holes expected to be drilled and reported in the current drill program for stock-catalyzing news.
- ◆ **Looking for a Maiden Resource in Excess of 45 M pounds U₃O₈ with Much Larger Potential:** Our valuation approach integrates conceptual resource potential based on our assessment of drilling to-date and reasonable drill-supported upside. We expect ISO already has visibility on approximately 45 million pounds of uranium within the high-grade zone at Hurricane potentially averaging 8-10% U₃O₈, as summer 2020 drilling continues to add grade and dimensional confidence. We believe that it could easily surpass this initial target case with each extensional hole drilled, and see a reasonable resource range for the broader Hurricane Zone and peripherals of 45 – 65 Mlb U₃O₈ as a resource target, with the low-end based on drilling and geotechnical data published to-date and at the upper-end, some anticipated success for the balance of the current seasonal program and the yet-to-be scoped winter drill program.
- ◆ **Cashed-up - Attracting Top-Tier Capital:** ISO grabbed the market's attention recently with the announcement of a US\$6 million strategic investment by Queen's Road Capital. Concurrently ISO closed an oversubscribed \$4 million private placement, highlighting investor appetite for ISO shares.

OUTLOOK & RECOMMENDED ACTION

We recommend owning ISO for exposure to a new, high-grade uranium discovery.

- ◆ **Making a High-Grade Uranium Discovery as Fundamental Stars Align.** ISO is trading at ~US\$1.00-1.45 EV/lb U₃O₈ based on Haywood's conceptual initial resource target range of 45-65 Mlb. We see this valuation increasing with additional drilling and visibility on the timing of the maiden resource. Current 'consensus target'-implied EV/lb multiples for pre-production Athabasca Basin peers range from \$1.50 to \$4.28. In the context of our forward uranium price expectation (+\$40 in 2021), we note that historic EV/lb multiples in a rising uranium price environment were much higher than current. The prospect of a coincident positive movement of uranium price and ISO's growing discovery set-up to drive ISO shares higher in a vastly improving demand/supply backdrop for uranium.

CATALYSTS

1. **Drill Results from High-Grade Zone at Larocque East** – the ongoing and newly expanded 24 hole drill program has already put up bonanza grade assays with more likely.
2. **Step Out Drilling Identifying New Mineralized Zones** – ISO has intersected strong uranium mineralization on a parallel, untested structure to the south of the zone.
3. **Maiden Resource** – not expected until mid-2021, but the majority of work to be done will be in support of this major catalyst.

PROJECTED RETURN **96%**

RISK FACTOR **Very High**

SCENARIO ANALYSIS

Downside Scenario	Current Price	Price Target
\$0.65	\$1.02	\$2.00

↓36% ↑96%

KEY STATISTICS AND METRICS

52-Week High/Low	\$1.44/\$0.67
YTD Performance	155%
Dividend Yield	NA
Shares O/S	91.2M
Market Capitalization	\$93.0M
Cash	\$14.5M
Debt	US\$6M
Enterprise Value	\$86.4M
Daily Volume (3 mos.)	114,110
Currency	C\$ unless noted

HAYWOOD ESTIMATES (CAD)

	2019A	2020E	2021E
Revenue (\$M)	0	0	0
Net Income (\$M)	(2.2)	(2.3)	(2.5)

VALUATION

Our \$2.00 per share price target is based on a US\$2.00 EV/lb U₃O₈ multiple applied to the mid-point (55 Mlb) of our target maiden conceptual resource range plus a conservative longer term future resource adjustment of an additional 13.5Mlb. Undeveloped high-grade Athabasca Basin resource peers trade in a target-implied range of US\$1.47 - US\$4.28/lb U₃O₈.

INVESTMENT THESIS

Gaining Exposure to New Discoveries can Generate Returns even when Commodity Stagnates

We are initiating coverage of IsoEnergy Ltd. (ISO-V) with a share price target of \$2.00, with a BUY rating, and a 'Very High' risk rating. IsoEnergy is an early-stage pre-resource uranium exploration company focussed on its wholly-owned Larocque East uranium project in the eastern Athabasca Basin. IsoEnergy was originally spun out of NexGen Energy (NXE-T, Rating: Buy, Target: \$5.60) and NexGen remains the Company's largest shareholder at 53%. Following the spin-out in 2016, ISO drilled several priority targets within its eastern Athabasca project portfolio before hitting a broad uranium-mineralized now called the Hurricane Zone interval at the Larocque East property in July 2018 in the last drill hole of the summer exploration program, which immediately shifted the focus for the Company. Since then, Hurricane has been the main driver of the stock and is rapidly advancing toward its maiden resource estimate with drilling showing the required critical mass and grade for this unconformity-hosted uranium deposit.

ISO also provides optionality through a portfolio of other prospective uranium properties within the eastern Athabasca Basin, including the Geiger, Thorburn Lake and Radio projects. Two of which have returned uranium-mineralized intercepts that will likely be followed up on at some point in the future. All three are located proximal to significant orebodies and are highly prospective and could be optioned off, divested, or explored in the future. ISO also controls 22 other prospective projects, all of which are in, or on the periphery of the eastern Athabasca Basin, in addition to the Mountain Lake project in Nunavut, which has a historical 8.2 Mlb U₃O₈ resource (1.6 Mt grading 0.23% U₃O₈).

Our \$2.00 target price is a sum-of-parts Corporate NAV primarily underpinned by a US\$2.00 EV/lb U₃O₈ multiple applied to the mid-point (55 Mlb) of our target conceptual maiden resource range of 45-65 Mlb U₃O₈ for the Hurricane Zone at the Larocque East project. Undeveloped high-grade Athabasca Basin resource peers trade in a 'consensus target-implied' range of US\$1.47 - US\$4.28/lb U₃O₈. ISO shares are currently trading at ~US\$1.00-1.45 EV per conceptual resource pound (U₃O₈) based on our initial resource target range of 45-65 Mlb. We see this valuation increasing with additional drilling and visibility on size and timing of the maiden resource. Single-asset high-grade discovery-stage peers are rare, making it difficult to find a pure analogue to ISO in the current market. Current 'consensus target'-implied EV/lb multiples for pre-production Athabasca Basin peers range from \$1.50 to \$4.28. In the context of our forward uranium price expectations (+\$40 in 2021), we note that average historic EV/lb multiples in a rising uranium price environment were much higher than current as well.

Key Points:

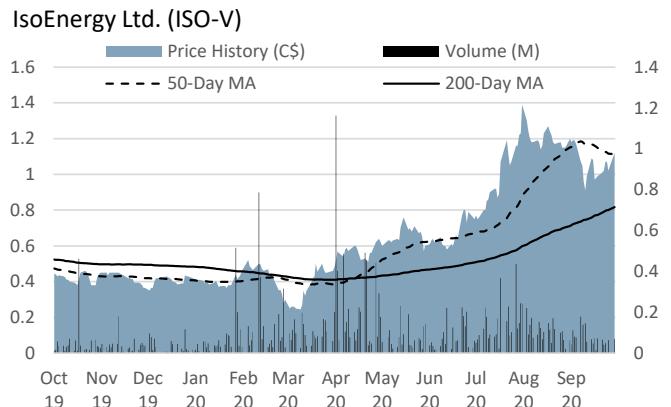
- ◆ **Best New Uranium Discovery out There:** High-grade uranium discoveries of scale are scarce, and at the moment, ISO is one of the only companies delineating one that has been validated through multiple intersections with GTs greater than 30 (%m) and a mineralized intercept hit rate of >90% in holes drilled to date. The Hurricane Zone has the makings of a potentially large, high-grade deposit at a relatively shallow depth with great potential to be economically attractive. The mineralized footprint has grown from the discovery hole back in 2018 to 575m by 40m by 11m and is still open in most directions with many pivotal holes expected to be drilled and reported in the current drill program.
- ◆ **Drill Results Will Drive Stock While We Wait for Uranium:** We like ISO's positioning in the market for its scarcity (few new discoveries being delineated) and for the timing relative to the vastly improved uranium sector demand/supply fundamentals of late. We have always noted to investors that during weaker commodity price environments, the market "always rewards discovery". ISO is no exception and its shares have appreciated 155% year-to-date, ranking 1st among all uranium names with a market cap >\$10M, while uranium prices remain fairly stagnant. ISO is one of a very small group of uranium companies delineating a new, high-grade discovery of potentially economic scale. Results of ongoing summer exploration drilling have the potential to move the stock while the cumulative data gathered will have implications for the maiden resource estimate at the new discovery, which will probably require at least another seasonal exploration program this winter before formulating. The timing of the maiden resource estimate for the Hurricane Zone will be dynamic and results-driven, but we expect we will likely see it by mid-2021.
- ◆ **Looking for a Maiden Resource in Excess of 45 M pounds U₃O₈ with Much Larger Potential:** Our valuation approach integrates conceptual resource potential based on our assessment of drilling to-date and reasonable drill-supported upside possibility within the timeframe which we expect to see a maiden resource (mid-2021). We expect ISO already has visibility on approximately 45 million pounds of uranium within the high-grade zone at Hurricane potentially averaging 8-10% U₃O₈, as summer 2020 drilling continues to add grade and dimensional confidence/growth. We believe that it could easily surpass this initial target case with each extensional hole drilled, and see a reasonable resource range for the broader Hurricane Zone and peripherals of 45 – 65 Mlb U₃O₈ as a resource target within the next 9-12 months. The low-end is based on drilling and geotechnical data published to-date and at the upper-end, we integrate anticipated success for the balance of the current seasonal program and the yet-to-be scoped winter drill program. We are not suggesting a cap on resource potential of the property, rather we aim to outline where we think ISO can get over the next two drill campaigns to support a compliant estimate. As such, our valuation also factors in a conservative longer-term future resource upside adjustment of an additional 13.5Mlb at Larocque East. We see plenty of untapped potential for additional resource on Larocque East, particularly as summer drilling edges out to the south and continues to intersect mineralization closer to the J- and K-faults.
- ◆ **Cashed-up - Attracting Top-Tier Capital:** ISO grabbed the market's attention recently with the announcement of a US\$6 million strategic investment by Queen's Road Capital, which has also made significant investment in other Basin uranium plays. This came concurrently with an oversubscribed \$4 million private placement which highlighted investor appetite and demand for the ISO shares. This leaves ISO fully-financed through to a major catalyst in the maiden resource estimate on the Hurricane Zone (mid-2021).



COMPANY PROFILE

- ◆ IsoEnergy Ltd. is an early-stage pre-resource uranium exploration company focussed on its wholly-owned Larocque East uranium project in the eastern Athabasca Basin where it is delineating a high-grade discovery coined the Hurricane Zone. IsoEnergy was originally spun out of NexGen Energy (NXE-T, Rating: Buy, Target: \$5.60) and NexGen remains the Company's largest shareholder at 53%. Following the spin-out in 2016 ISO drilled several priority targets within its portfolio of eastern Athabasca uranium projects before hitting a broad uranium-mineralized interval at Larocque East in July 2018 (Hurricane Zone) in the last drill hole of the summer exploration program, which immediately shifted the focus for the Company.
- ◆ Unique Position as the Only Company Delineating a New, High-Grade Uranium Deposit: Hurricane is the only new deposit that has been validated through multiple intersections with GTs greater than 30 and a mineralized intercept hit rate of >90% in holes drilled to date. The Hurricane Zone has the makings of a potentially large, high-grade deposit with great potential to be economically attractive.
- ◆ Financed Through Maiden Resource: We expect the maiden resource estimate on the Hurricane Zone at Larocque East to be released in mid-2021. If our estimated timeline holds, ISO should be easily financed through this major milestone, at which point we expect the stock will be trading significantly higher. We note that there is significant potential for the timing of the initial resource to shift based on exploration results.

SCENARIO ANALYSIS



Source: Capital IQ, and Haywood Securities

TARGET PRICE

Our \$2.00 per share price target is primarily based on a US\$2.00 EV/lb U₃O₈ multiple applied to the mid-point (55 Mlb) of our target maiden conceptual resource range of 45-65 Mlb U₃O₈, with a 13.2Mlb longer term future resource upside adjustment on the project. Undeveloped high-grade Athabasca Basin resource peers trade in a target-implied range of US\$1.47 - US\$4.28/lb U₃O₈.

DOWNSIDE CASE

Our downside case takes a US\$0.75/lb average in-situ multiple as a floor for the conceptual resource at Larocque East, and implies a \$0.65/share price for ISO. This is aligned with where the stock traded following the initial lows seen during the global sell-off triggered by the global COVID-19 pandemic that impact almost all markets indiscriminately.

Our downside scenario price is a theoretical case based on notional valuation metrics and market assumptions. The downside price is solely intended for demonstrative purposes and is not to be regarded as a reflection of all market possibilities. It is not a guarantee that this company's share price will not drop below this price level and hence should not be taken as such.

KEY RISKS

- **Exploration Success:** Our valuation of ISO is heavily reliant on the Company successfully delineating a significant uranium resource with the next year (targeting initial size of 45-65 Mlb U₃O₈). Exploration is inherently extremely risky, and while we feel early work mitigates uncertainty to some degree, failure to continue to demonstrate this resource potential would negatively impact our valuation and possibly our BUY recommendation.
- **Financial:** ISO is a pre-revenue, pre-resource exploration-stage company. As such, it will rely on external funding sources in the form of future equity dilution or debt capital at uncertain costs.
- **Commodity Price & Company Forecasts:** Our forecasts include a significant increase in future uranium price. The timing and degree of uranium price appreciation, if any, is highly uncertain.

Company Website

www.isoenergy.ca

Key Management

Craig Parry, President & CEO
Steve Blower, Vice President - Exploration



IsoEnergy Ltd. (ISO-V)



IsoEnergy Ltd. (ISO-TSXV,\$1.02)

Rating: Buy

Risk: Very High

Valuation: 1.0x NAV

Target Price (C\$)

\$2.00

Mkt. Cap, C\$M

\$93

Craig Parry

CEO

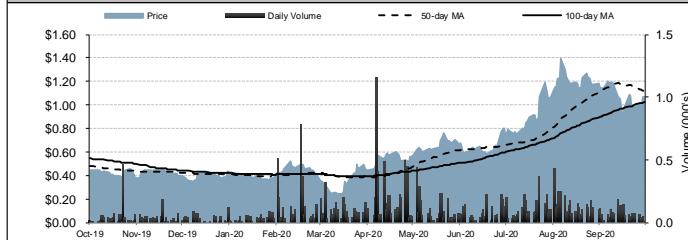
Company Website

www.isoenergy.ca

Capital Structure

	Shares	Millions
Shares Outstanding	91.2	
Fully Diluted Shares	115.9	
Ownership	Shares O/S (mln)	% O/S
NexGen Energy Ltd.	48.3	52.9%
COS Investment Management Limited	1.1	1.2%
Ninepoint Partners LP	0.9	1.0%
Parry, Craig Andrew	0.3	0.3%
Exchange Traded Concepts, LLC	0.3	0.3%

HISTORICAL PERFORMANCE



Financial Summary (CAD\$mln)

Year-end Dec 31	2019A	2020E	2021E	2022E	2023E
Shares Outstanding, mln	84.3	91.6	101.7	104.5	107.4
FD Shares, mln	98.1	106.6	106.7	109.1	109.2
EPS	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)
Op. CFPS (before WC)	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)

Income Statement (CAD\$M)

	Revenue	0.0	0.0	0.0	0.0
	General & Admin	1.4	1.5	1.5	1.5
	Net Income	(2.2)	(2.3)	(2.5)	(2.6)

Balance Sheet (CAD\$M)

	Cash & Equivalents	12.3	13.0	11.7	6.2
	Debt	8.2	7.8	7.8	7.9
Cash Flow (CAD\$M)					
Operating CF (before WC)	(1.8)	(2.2)	(2.5)	(2.5)	(2.5)
Financing CF	6.3	12.2	7.2	5.3	1.2
Investing CF	(4.2)	(4.3)	(4.1)	(4.1)	(4.1)
Change in Cash	0.2	5.7	0.7	(1.3)	(5.5)

NET ASSET VALUE

	CSM	CS/sh
Larocque East (Estimated Maiden Resource)	147.4	1.38
Larocque East (Project Upside)	36.2	0.34
Other Project Areas Upside Adjustment	30.0	0.28
Corporate Adjustments	(4.3)	(0.03)
Total	209.3	1.97

COMPARABLES

Company	Ticker	Price C\$	EV (US\$M)	Global R&R M/b	EV/lb U3O8 US\$/lb	P/NAV
NexGen Energy Ltd.	TSX:NXE	\$2.29	\$713	348.75	\$2.04	0.42x
Denison Mines Corp.	TSX:DML	\$0.49	\$235	157.03	\$1.50	0.41x
Fission Uranium Corp.	TSX:FCU	\$0.33	\$118	135.20	\$0.87	0.51x
Boss Resources Limited	ASX:BOE	\$0.06	\$84	71.40	\$1.18	
Azarga Uranium Corp.	TSX:AZZ	\$0.18	\$28	43.56	\$0.63	0.34x
Selected Company Average				\$1.24	0.42x	
IsoEnergy Ltd.	TSXV:ISO	\$1.02	\$65	68.50*	\$0.95	0.52x*

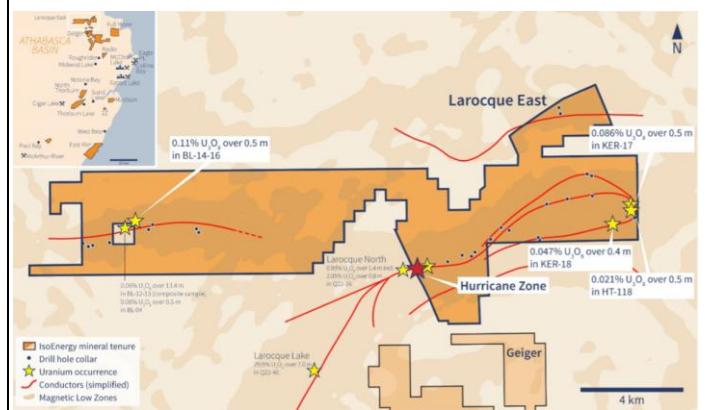
*Based on haywood estimates

Exploration Projects

Larocque East (100% Owned)

Acquired from Cameco in May 2018, and covers a 15-kilometre-long northeast extension of the Larocque Lake conductor system, consisting of 20 mineral claims totaling 8,371 hectares.

- The Hurricane zone lies 35 km from Orano's McLean Lake mill and occurs at a relatively shallow depth of ~320m below surface. Known uranium mineralization is interpreted to occur "on a major basement tapping fault system that has caused a ridge in the sub-Athabasca unconformity".
- Hurricane Zone**
- The discovery hole, LE18-01A, was drilled in July 2018 and included a subinterval of 1.0m grading 6.45% U3O8 (within 8.5m grading 1.26% U3O8). Hole LE18-01A, was ISO's first ever drill hole at Larocque East and the final hole of its summer 2018 8-hole program (the other 7 drill holes tested its Geiger property).
- In winter 2019, ISO conducted follow up drilling with 11 of 12 drill holes intersecting significant uranium mineralization. Highlights include LE19-02: 3.5m @ 10.4% U3O8.
- The Company believes that there is significant potential for additional expansion of its Hurricane Zone as it remains open along-strike to the east and on most sections.
- Its 2 drill rig, summer 2020 program consists of ~20 drill holes for a total of ~8,000 metres. Results received to date continue to demonstrate the potential for the Hurricane zone to evolve into a significant new deposit. Specifically, the first chemical assays from the summer program returned 9.0m at 12.8% U3O8, including 4.0m at 27.1% U3O8, which included 0.5m returning 52.5% U3O8 in hole LE20-54.



Other Properties

- Geiger** covers numerous intersections of weak uranium and uranium pathfinder mineralization with 8 walk-up drill targets. The property was expanded in March 2018 with the Dawn North acquisition. Last drilled in summer 2018 where 7 drill holes followed up on winter 2018 program.
- Thorburn Lake** is located 7km east of the Cigar Lake Mine. ISO completed 7,100 metres of drilling in 16 drill holes in 2016 and 2017, and following a new geophysical survey completed in late 2017 on southwest half of the property, several new drill targets have been generated.
- Radius** is located 2km east of and along strike of the Roughrider deposit, which Rio Tinto acquired for \$587M in February 2012. The property has a shallow unconformity depth of ~150m and hosts what is believed to be the metasedimentary corridor and structure associated with the Roughrider deposit. The property was last drilled in 2016 and 2017 where ISO completed 23 holes totalling 8,859m.
- Collins Bay Extension** is a new acquisition located along-trend of, and within 7km of, the Eagle Point - Collins Bay - Rabbit Lake (Rabbit Lake) uranium mine and mill complex.

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Source: Bloomberg, Capital IQ, Company Reports, and Haywood Securities



Catalysts

Hurricane Zone Expansion and Resource Delineation will Define ISO in the Near Term - Expect the Summer 2020 Exploration Program to Continue to Deliver

♦ **Expanding the high-grade zone at Hurricane:** We have been highlighting IsoEnergy in our Haywood Junior Exploration Report for quite some time and have been closely following the pivotal summer 2020 exploration program as it follows up on what is growing into a sizable high-grade discovery. Summer 2020 drilling is expanding high-grade mineralization to the south at Hurricane with incremental step-outs along the 4435E section. ISO has now intersected high-grade uranium within metres of the J and K-faults on this line, expanding the high-grade area and certainly adding significant future resource pounds. The proximity to the J/K-faults increases the potential that mineralization occurs along these faults and represents significant potential upside. ISO reported assay results from holes LE20-64, -62, and -57 yesterday and they did NOT disappoint. Based on scintillometer results released on September 3rd (-57) and 17th (-64, -62), we expected these holes to carry very high-grade uranium. The holes are located along the same section as strongly-mineralized and earlier reported (scint results) hole '57', stepping out 11m and 28m respectively.

- Hole LE20-64 intersected 5.0m grading 48.8% U₃O₈, including 4.0m grading 57.5% U₃O₈ (from 324.0m depth)
- Hole LE20-62 intersected 4.5m grading 6.2% U₃O₈, including 2.5m grading 11.1% U₃O₈ (from 321.0m depth)
- Hole LE20-57 intersected 10.0m grading 11.7% U₃O₈, including 2.5m grading 46.0% U₃O₈ (from 343.8m depth)

We expect ISO to continue to deliver stock-moving in-fill and expansion drill results in/around the high-grade zone of Hurricane for the remainder of the current program with 10 more holes to come focused on expansion of the western Hurricane zone to the south.

♦ **Big resource upside potential to the east:** The second drill rig at Larocque East is working several hundred metres to the east of the Hurricane high-grade zone in an area ISO refers to as the "along strike gap" and is seeing success, intersecting multiple mineralized intercepts of significant width and implied grade (based on initial radioactivity data). Following up on step-outs drilled in 2019 (e.g. LE19-06, 4.0m at 3.8% U₃O₈ & LE19-16A, 7.0m at 5.4%), ISO is seeing mineralization scattered across the eastern extension of Hurricane along the H- and I-Faults that cut through Hurricane to the west. Assays have just been published on a few holes with radioactivity levels that suggested at least low grade uranium is present. Hole LE20-59 and LE20-61 are ~50m apart along strike and returned 5.0m grading 0.2% U₃O₈, including 0.5m grading 0.9% (from 342m depth) and 9.0m grading 0.3% U₃O₈, including 0.5m grading 1.4% (from 313m depth), respectively. These are widely spaced holes in sparsely drilled area that haven't been tactically followed up on yet, but they suggest the potential for a significant second deposit/future resource area close to Hurricane along the H/I-Faults. Also, to the east, there is at least one mineralized 'historic' drill hole along the same line as LE20-59 that is south of the K-Fault, with tons of untested space in between. The technical team at ISO has proven its ability to interpret drill core and geotechnical data and vector in quickly on the hot zones at Hurricane delivering a >90% hit-rate for mineralized holes in the early stages of discovery and we expect that the same expertise applied to the east will yield efficient exploration of the eastern targets, with the potential for big stock catalyzing news and significant upside to our base case valuation.

♦ **The 'big east' beyond the "along strike gap" represents true blue sky:** ISO has identified ~15km of conductors (Figure 4) on the Larocque East property, with only about 2km on the western end being drill-tested to-date. Some 'historical' drill holes have confirmed the presence of elevated uranium content all the way out to the eastern boundary. Other geotechnical work, including a 2019 resistivity survey that covered the western half of the property (~4km along strike of Hurricane), indicate that basement conductors are increasing in intensity as they move east. ISO's interpretation is that the conductive channels were likely formed by faulting of "graphitic para-gneiss", a basement rock type which is often associated with Athabasca Basin uranium mineralization.

♦ **Hurricane high-grade zone pushing up on the Cameco-Orano JV boundary has surely gotten their attention:** The Hurricane Zone is rapidly evolving, with some very high-grade holes occurring within metres of the Larocque East property's eastern boundary (e.g. LE20-53 at 10.5m grading 11.7% U₃O₈, including 3.0m grading 40.4% U₃O₈). Discoveries like the Hurricane Zone, with its concentration of high-grade uranium, are rare and it would be hard to conceive of this natural mineralization event respecting the man-made property boundary between Larocque East (ISO) and Cameco and Orano's Larocque Lake North area. Certainly, Cameco and Orano are watching all goings-on in the Basin closely and will be taking note of the positioning and grade of the Hurricane Zone. We would not be surprised to see Cameco and Orano drill testing right near this boundary in the near future. It is quite possible that significant uranium extends onto Larocque Lake North, which could make Larocque East (and ISO) a strategic target for either Cameco or Orano. We note that the 2019 NI 43-101 technical report on Larocque East shows unmineralized historical holes west of the Larocque East border, but the closest appears >150m west of the boundary. The value of high-grade uranium can amass quickly over short distances. Other eastern Basin developers are defining new techniques (such as ISR) for extraction of unconformity hosted uranium mineralization that could be applicable to a deposit like Hurricane with lower OPEX and CAPEX hurdles than conventional mining. Hurricane could become strategic on several fronts. On the conventional mining side, Hurricane is only ~40km from the McLean Lake Mill as well.



- ◆ **Uranium supply/demand balance most bullish in years.** Our bullish view on the uranium sector continues to be driven by the effect of production cuts from the world's largest suppliers designed to improve the demand-supply balance and increase uranium prices. We believe substantially higher prices will be required to incentivize new mine construction to backfill the accelerating supply shortfall we outline from 2027. In the near-term, the uranium price impact of supply shortfalls is expected to be moderated by the global inventory surplus accumulated over the last 8 years, but we expect prices to build steadily toward "new supply" incentive prices in coming years. We believe that the uranium equity universe will lead the charge higher in anticipation of higher uranium prices, as the sector offers its most compelling value proposition since pre-Fukushima. ISO is perfectly positioned to benefit from improving fundamentals.

Valuation, Target Price, & Recommended Action

ISO In-Situ Valuation with Plenty of Upside

Below we outline our key model inputs and assumptions that drive our target price. The most important overall input in our model is the in-situ valuation of our target conceptual maiden resource range of 45-65 Mlb U₃O₈ for the Hurricane Zone at the Larocque East project. As mentioned, we have applied a US\$2.00 EV/lb U₃O₈ multiple to the mid-point (55 Mlb) of this target maiden resource, with the mid-point assumptions broken out in Figure 1 and Figure 3.

The low-end of this estimate range is based on drilling and geotechnical data published to-date and at the upper-end, we integrate anticipated success for the balance of the current seasonal program and the yet-to-be scoped winter 2021 drill program. This target resource range is not intended to suggest a cap on resource potential of the property, rather we aim to outline where we think ISO can get over the next two drill campaigns to support a compliant estimate. We see the property having strong potential for discovery of additional orebodies with unlimited potential. As a conservative credit for what we see as mid-term additional resource discovery potential on the property, we have factored in an additional upside adjustment of 13.5Mlb at Larocque East at the same assumed EV/lb multiple of US\$2.00 EV/lb U₃O₈. For context, undeveloped high-grade Athabasca Basin resource peers trade in a target-implied range of US\$1.47 - US\$4.28/lb.

Figure 1: Hurricane Zone - Haywood Maiden Resource Estimated Range Mid-Point

Hurricane Zone - Haywood Maiden Resource Estimated Range Mid-Point				Total
	High-Grade Area	Lower Grade Halo	Eastern Extension	
Volume (m ³)	67,500	19,000	18,750	105,250
Specific Gravity (g/cc)	3.58	2.90	3.04	3.36
Ore (tonnes)	241,710	55,019	57,048	353,778
Grade (U ₃ O ₈ %)	9.00%	2.00%	3.50%	7.02%
Ib/tonne conv.				2,204.6
Pounds U ₃ O ₈	47,959,238	2,425,938	4,401,941	54,787,117

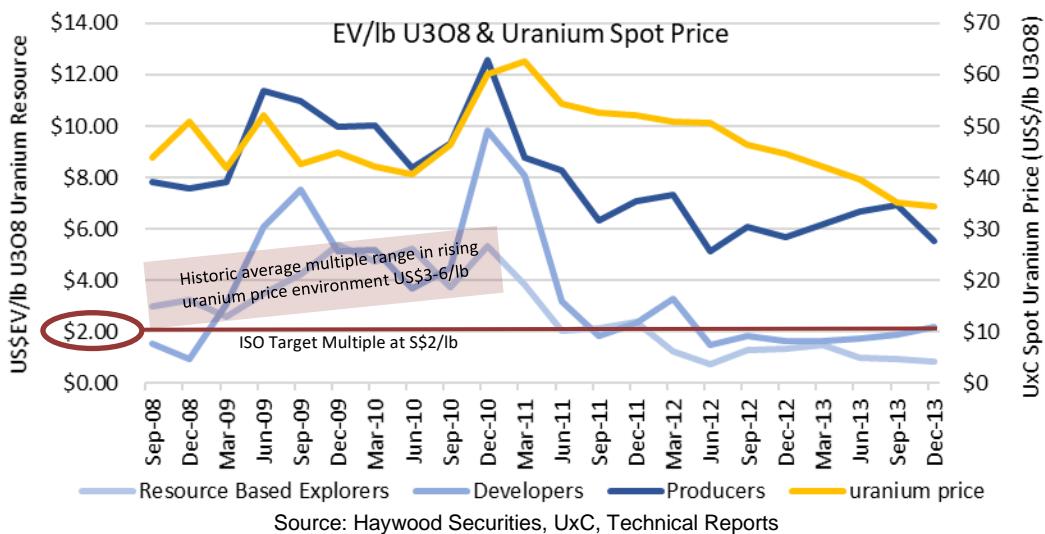
Source: Haywood Securities

Our EV/lb multiple of US\$2/lb is a premium to current market peers, but we have constructed this in the context of uranium peers controlling more mature resources, possibly supported by economic studies suggesting viability as well as historical EV/lb multiples in a rising uranium price environment. We have taken an average of 'consensus target-price implied' EV/lb multiples of select peers and aligned these with historic EV/lb multiples as appropriate for ISO's transition from "pre-resource" to a "resource-based explorer".

It is worth noting that our 2021 uranium price forecast for an average of +US\$40/lb implies near-term appreciation in uranium price that currently hovers around the US\$30/lb mark. For context, in Figure 2 we provide historic average EV/lb multiples for various stages of development. As can be observed in the figure, as uranium prices surpassed US\$40/lb on a positive trajectory, EV/lb multiples averaged just under US\$3-6/lb U₃O₈. In a rising uranium price environment, as we forecast, uranium stocks often trade multiples significantly higher than our US\$2/lb multiple for ISO. As such, if uranium prices move more quickly and/or higher than anticipated, ISO could easily exceed our target. This coupled with the strong potential for discovery upside beyond that embedded in our valuation, could mean a strong premium multiple for a presently unique uranium play.



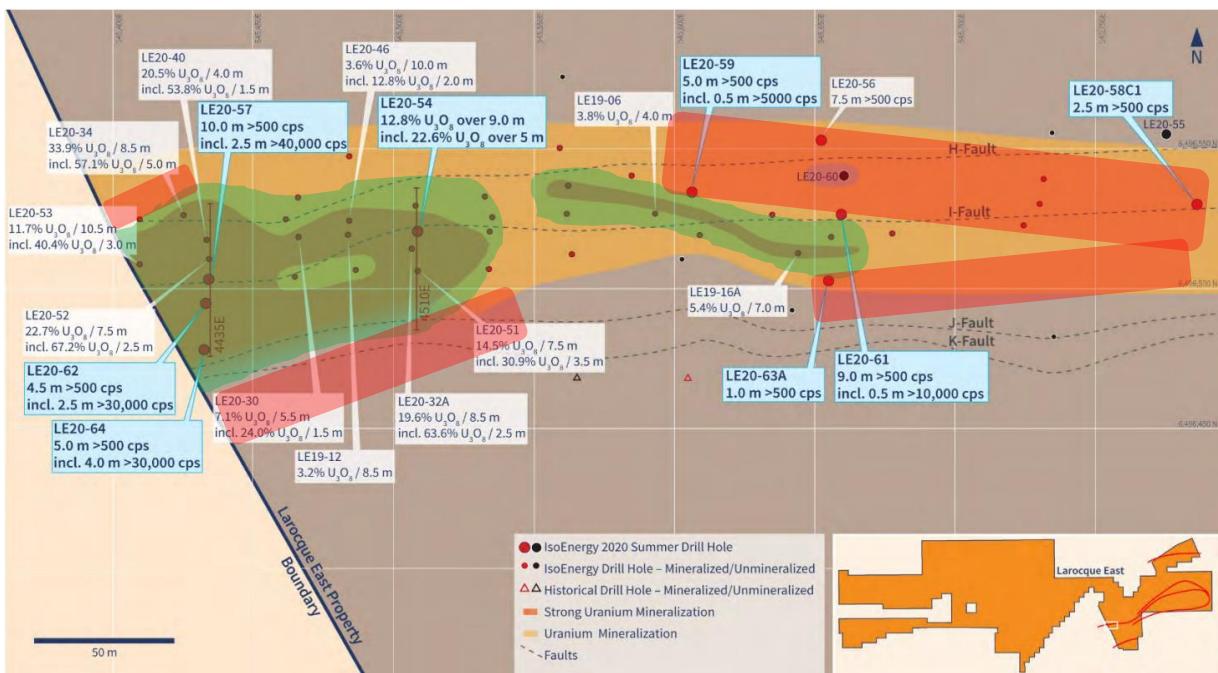
Figure 2: Historic EV/lb Multiples vs Uranium Price



In Figure 3 we have modified IsoEnergy graphics to highlight (shaded in Green) the Haywood conceptual resource zone(s) for the mid-point maiden resource range and near-term resource growth upside areas (shaded Red, e.g. the J- and K-Faults and the “along strike gap”). In Figure 4 we have modified the LE resistivity survey map provided by ISO to highlight the big growth potential on LE beyond Hurricane and beyond our assumptions for near-term resource definition. It’s worth noting that we see substantial resource-upside potential at LE beyond our target range for the maiden resource estimate. It is difficult to assess the potential pounds in un/under-drilled areas, but the uranium showings to the east, the abundance of conductive pathways, and the existence of Hurricane itself along the H-/I-Faults suggests great potential for discovery of another ore-body like Hurricane within the system.

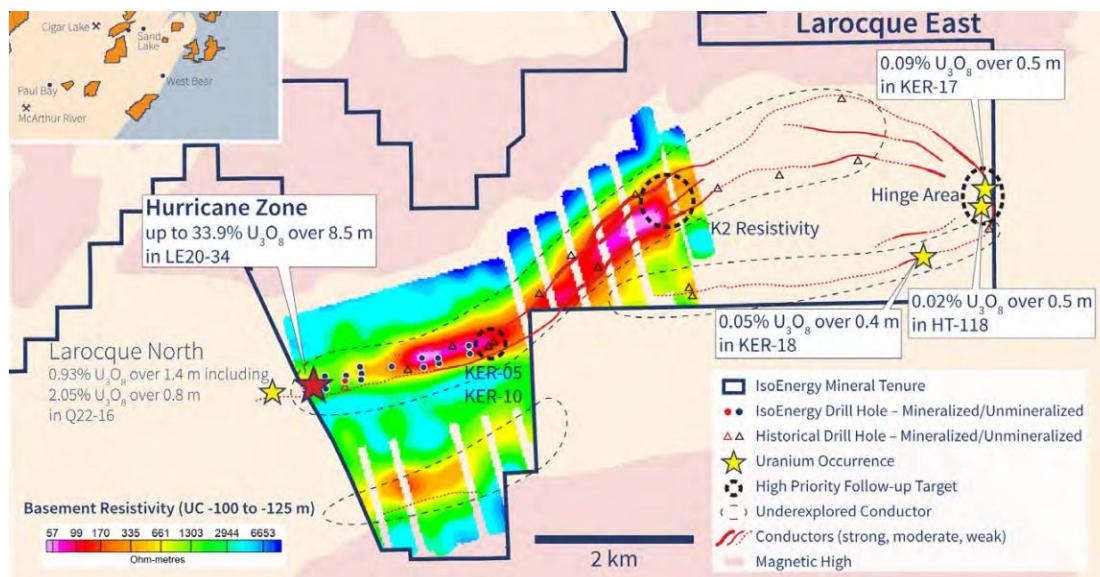
The red-shaded areas are areas that we see as having near-term resource upside with additional drilling. While excluded from our conceptual resource target range, there is a very good chance that with additional drilling, these zones could serve to increase our resource target range over the next year.

Figure 3: Larocque East Haywood Modified Graphic Showing Mid-Case Resource Footprint (Shaded GREEN)



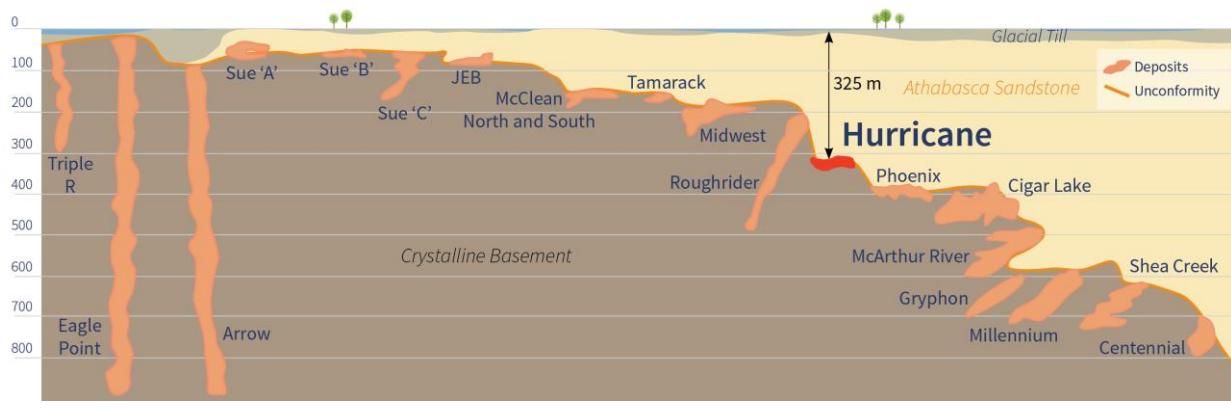
In Figure 4 we remind readers that known uranium mineralization at LE occurs over 1,000 metres of strike length and that the property has over 15km of conductors related to the Larocque trend identified, where ISO has only begun to drill-test ~2km of that on the western end of the property. As shown in Figure 4, the conductors are increasing in intensity as we move east of the Hurricane Zone. ISO's interpretation is that these are "likely caused by faulted, graphitic para-gneiss", which we agree is a "very favorable basement rock-type for uranium in the Athabasca Basin". The existence of Hurricane supports this claim and adds significant confidence in the potential for additional deposits at LE. Figure 5 is helpful in comparing Hurricane in terms of depth and scale to other major deposits in the Basin, many of which have been previously exploited or are currently being mined. The Hurricane Zone plus the 'along strike gap' and/or additional resource potential east of the Hurricane Zone may eventually evolve into a Phoenix/Gryphon analogy, where a Preliminary Feasibility Study suggest very positive economics. The ISR mining approach being developed by Denison for the Phoenix unconformity deposit could unlock huge potential in deposits like Hurricane in the Basin.

Figure 4: Larocque East Resistivity Survey



Source: IsoEnergy (Haywood cropped)

Figure 5 Visualization of Major Uranium Discoveries with-in and surrounding the Athabasca Basin



Source: IsoEnergy



Below is a breakdown of our implied enterprise value based on our targeted resource and weighted average implied US\$ EV/lb U₃O₈ levels.

Figure 6. Summary of In-Situ Credits Applied to ISO's Targeted Resource for Valuation

Summary Totals	Mrk Implied EV/lb based on Haywood Resource Estimate	Base Estimates	Low Estimates	High Estimates
Implied EV (CAD\$000's)				
Larocque East (Estimated Maiden Resource)	69,382	147,400	44,220	221,100
Larocque East (Project Upside)	17,030	36,180	10,854	54,270
Total Implied EV (CAD)	86,412	183,580	55,074	275,370
U3O8 Contained (000's lbs)				
Larocque East (Estimated Maiden Resource)	55,000	55,000	44,000	66,000
Larocque East (Project Upside)	13,500	13,500	10,800	16,200
Total (000 lbs)	68,500	68,500	54,800	82,200
Total Tonnes (000's)	443	443	354	531
Assumed Grade	7.02%	7.02%	7.02%	7.02%
Weighted Average Implied EV/lb (US\$)	0.95	2.00	0.75	2.50

Source: Haywood Securities

We assign IsoEnergy Ltd. (ISO-V) with a share price target of \$2.00, with a BUY rating, and a 'Very High' risk rating.

Our \$2.00 target price is based on a Corporate NAV sum-of-parts valuation that is primarily supported by the in-situ valuation of the mid-point (55 Mlb) of our target conceptual maiden resource range of 45-65 Mlb U₃O₈ for the Hurricane Zone at the Larocque East project plus a 13.5Mlb additional upside adjustment for the longer term resource growth potential on the property. We have applied an overall US\$2.00 EV/lb U₃O₈ multiple to our estimated resource. Additionally, to account for the Company's portfolio of other prospective uranium properties within the eastern Athabasca Basin, including the Geiger, Thorburn Lake and Radio projects, we have applied a conservative additional regional upside adjustment of \$30M in arriving at our corporate NAV of 209.3M, or \$1.97 NAV per share after factoring in corporate adjustments. **Figure 7 is a summary of our valuation on a per-share basis.**

Figure 7: ISO's Valuation Summary – per share basis

NET ASSET VALUE		
	C\$M	C\$/sh
Larocque East (Estimated Maiden Resource)	147.4	1.38
Larocque East (Project Upside)	36.2	0.34
Other Project Areas Upside Adjustment	30.0	0.28
Corporate Adjustments	(4.3)	(0.03)
Total	209.3	1.97

Source: Haywood Securities

Our downside case takes a US\$0.75/lb average in-situ multiple as a floor for the conceptual resource at Larocque East and implies a \$0.65/share price for ISO. This is aligned with where the stock traded following the initial lows seen during the global sell-off triggered by the global COVID-19 pandemic that impact almost all markets indiscriminately.

Recommended Action

Figure 6 shows ISO is currently trading at an EV/lb of US\$0.95 at our current resource estimates, a substantial discount undeveloped high-grade Athabasca Basin resource peers trade in a target-implied range of US\$1.47 - US\$4.28/lb U₃O₈.

We believe that, **even in a stagnant commodity price environment, ISO has the ability to delivery returns on the back of expected stock moving catalysts as it completes its summer drill program and we approach the release of the Company's maiden resource estimate.** High-grade uranium discoveries of scale are scarce, and at the moment, ISO is one of the only companies delineating one that has been validated through multiple intersections with GTs greater than 30 and a mineralized intercept hit rate of >90% in holes drilled to date. We have always noted to investors that during weaker commodity price environments, the market "always rewards discovery". ISO is no exception and its shares have appreciated 155% year-to-date, ranking 1st among all uranium names with a market cap >\$10M,

We recommend buying IsoEnergy Ltd. as we like ISO's positioning in the market for its scarcity (few new discoveries being delineated) and for the timing relative to the vastly improved uranium sector demand/supply fundamentals of late.



Company & Project Overview

Unleashing the East at Larocque with the Hurricane Zone

IsoEnergy is a mineral exploration company focused on its portfolio of uranium exploration properties in the Athabasca Basin. Core assets within the portfolio includes Larocque East, Geiger, Radio, Thorburn and a number of recently acquired properties which are all 100% owned by IsoEnergy. Recently, the Company has been focused on further expansion and delineation of its Hurricane Zone (discovered in July 2018) on its 15,878ha Larocque East property. When ISO acquired Larocque East in May of 2018 from Cameco, 20% of the holes previously drilled on the property were mineralized but the Hurricane Zone remained elusive. After a thorough review of historical drill core, ISO discovered the zone in July 2018 with its first drill hole on the property. The intersection included a subinterval of 1.0m grading 6.45% U₃O₈ (within 8.5m grading 1.26% U₃O₈). ISO quickly turned data into discovery, taking only 11 weeks to hone in on the Hurricane Zone after the property was purchased. Winter 2019 drilling was extremely promising with 11 of 12 drill holes intersecting significant uranium mineralization (Figure 12). Since discovery in summer 2018 Hurricane has grown to a mineralized footprint of 575 m x 40 m x 11 m thick. In total, the Company drilled 29 follow up holes in 2019 and an additional 14 as part of its winter program in 2020. Following the successful completion of its 2020 winter drill program, where drilling at the western extension of the Hurricane Zone delivered some exceptional results, including highlight hole LE20-34 returning 8.5 metres at 33.9% uranium (including 57.1% U₃O₈ over 5.0m), ISO scoped its 2020 'summer' work program which is underway and delivering great results. The Hurricane Zone lies ~40 km from Orano's McLean Lake mill (see Figure 8) and occurs at a relatively shallow depth of ~320m below surface. Known uranium mineralization is interpreted to occur "on a major basement tapping fault system that has caused a ridge in the sub-Athabasca unconformity".

There is significant potential for additional expansion of the Hurricane Zone as it remains open along-strike to the east and on most sections. The 2 drill rig, 'summer' program is expected to consist of ~20 drill holes for a total of ~ 8,000 metres. Results received to-date continue to demonstrate the potential for the Hurricane Zone to evolve into a significant new deposit. Specifically, the first chemical assays from the summer program returned 9.0m at 12.8% U₃O₈, including 4.0m at 27.1% U₃O₈ (scint results registering >30k cps), which included 0.5m returning 52.5% U₃O₈ (>65.5kcps, off-scale radio activity) in hole LE20-54. Meanwhile, a second rig is showing deposit potential a few hundred metres to the East. See Figure 13 for a summary of drill highlights at Hurricane. Once the full extent of the Hurricane Zone has been defined, ISO will release a maiden Mineral Resource estimate on the deposit (likely within the next 12 months), **which we expect will fall in the range of 45-65 Mlb U₃O₈ at an average grade of 7-10% U₃O₈**. With \$14.5M in its treasury, the Company should be funded through to the resource estimate if it comes in the next 12-months, but the timing of the resource is an estimate, note company guidance and this estimated timeline could easily evolve as exploration results come in.

The Hurricane Zone at Larocque East (Figure 10, 11) and its potential to evolve into an economic resource is central to our valuation. We've been on site to review drill core and technical data firsthand, solidifying our view that ISO has the right team and strategy to attack the deposit and is rapidly uncovering its potential. Thus far uranium mineralization is mainly encountered at the unconformity, but the potential for basement-hosted sources beneath Hurricane and elsewhere on the property remain and is part of ISO's tactical approach to exploration at the project.

The management of IsoEnergy is led by CEO Craig Parry, a geologist, who is the former founder of Tigers Realm Group, Tigers Realm Coal, EMR Capital and a founding director of NexGen Energy Ltd. He also led geology and resources for Rio Tinto's Kintyre uranium project and advised on its sale to Cameco. Steve Blower, VP Exploration, has over 20 years' experience in the minerals industry and over 10 years of experience exploring for uranium in the Athabasca Basin and has been instrumental in strategically adding to ISO's project portfolio through his regional knowledge.

Figure 8: Overview of IsoEnergy's Athabasca Basin Uranium Project Portfolio



Unleashing the East at Larocque with the Hurricane Zone

We visited Larocque East (LE) last summer (July 2019). Below are an aerial photo of the camp and a ground photo of the facilities. At that time, the camp was wisely built to accommodate the aggressive drilling that would eventually be required as Hurricane continued to expand with high grade intercepts.

Figure 9: Iso Camp at Larocque East – Overbuilt to support aggressive drilling as needed.



Source: Haywood Securities Inc

Figure 10: Highlighting the Larocque Conductive Trend

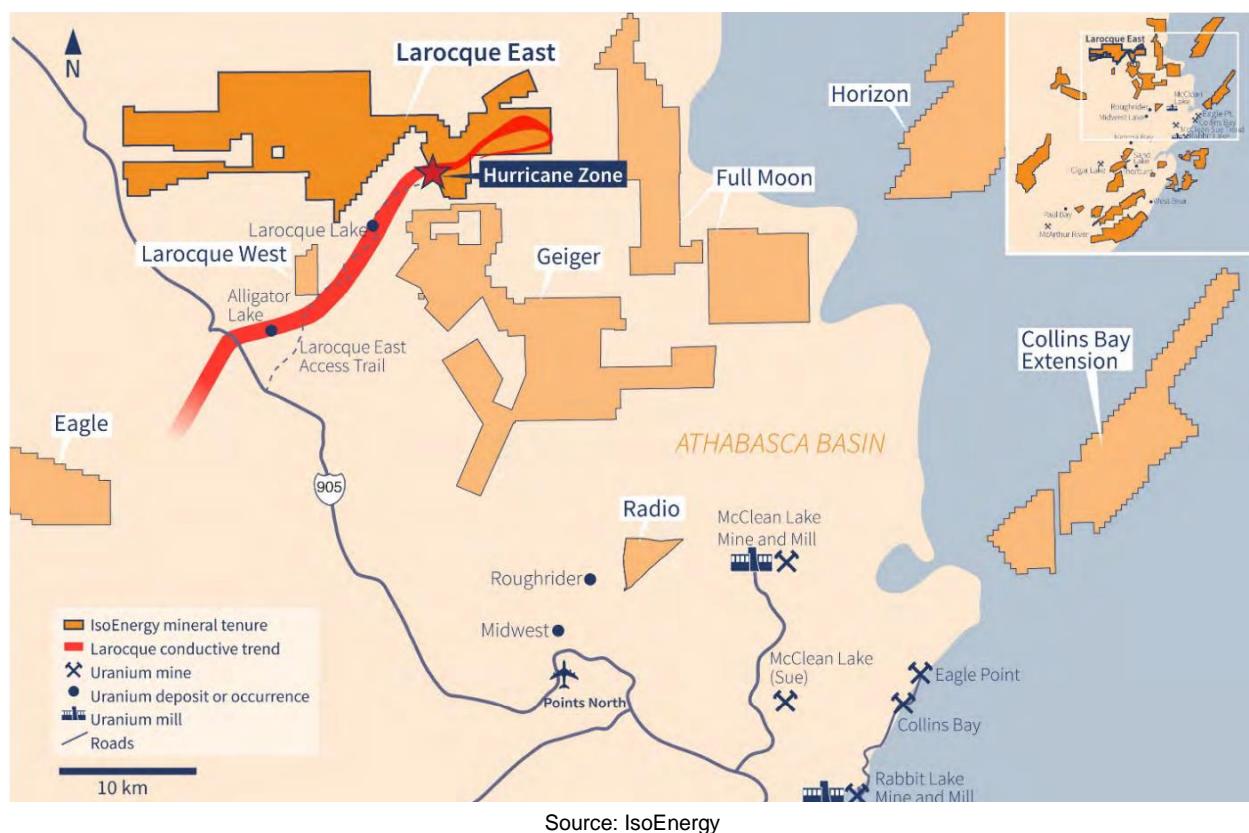
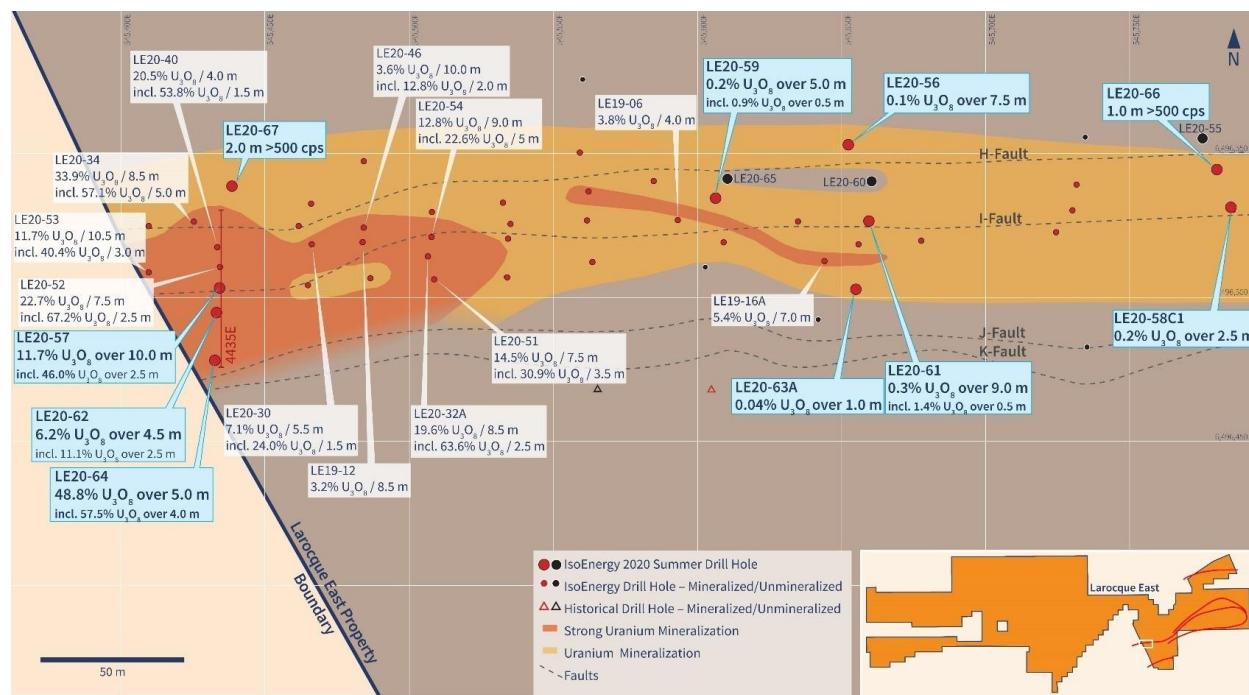


Figure 11: Location of 2020 Drill Holes at Hurricane Zone (newer results highlighted in blue)



Unleashing the East at Larocque with the Hurricane Zone

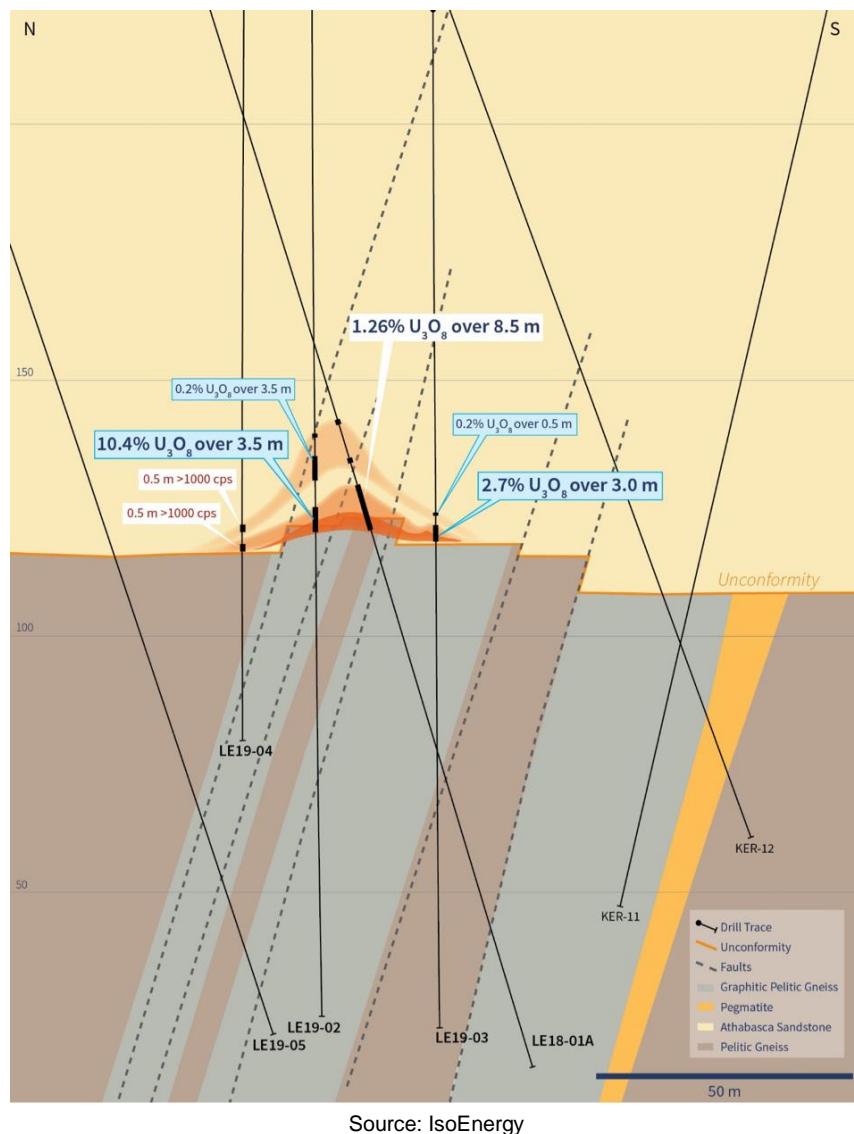
While we were on site, we had the opportunity to examine core and validate geologic interpretation first-hand. For reference below, we have included the 4560E cross-section, which includes the discovery hole at Hurricane, as well as hole LE19-02 (see core photos and description in Figures 12, 13, 14). We examined full-length core sections from several holes drilled at Hurricane and LE.

We provide core photos and detailed descriptions (Figure 13) of 4 select high-grade holes at Hurricane which span ~100m of the high-grade strike of Hurricane. From west to east moving along strike:

- Figure 17 – Line 4485E - Hole LE19-12 (8.5m @ 3.2% U₃O₈ from 320.5m depth)
- Figure 16 – Line 4535E - Hole LE19-09 (4.5m @ 4.2% U₃O₈ from 325.0m depth)
- Figure 12 & 14 – Line 4560E - Hole LE19-02 (3.5m @ 10.4% U₃O₈ from 326.5m depth)
- Figure 15 – Line 4585E - Hole LE19-06 (4.0m @ 3.8% U₃O₈ from 332.0m depth)

The descriptions in Figure 13 provide a good overview of the typical mineralization and rock characteristics encountered at the Hurricane deposit, which is a fairly typical Athabasca Basin unconformity-style uranium deposit.

Figure 12: Cross-Section Including Discovery Hole (4560E)



Source: IsoEnergy



Figure 13: Haywood summary of alteration and structure exhibited in drill core from select holes at Larocque East

Hole ID	LE19-02	LE19-06	LE19-09	LE19-12
Mineralized Intercepts	3.5m @ 0.2% U₃O₈ from 316.5	2.0m @ 0.4% U₃O₈ from 328.0	4.5m @ 4.2% U₃O₈ from 325.0	8.5m @ 3.2% U₃O₈ from 320.5
	3.5m @ 10.4% U₃O₈ from 326.5	4m @ 3.8% U₃O₈ from 332.0		
Sandstone Alteration				
bleaching	from 143.0 to 251.0	from 233.0 to 325.0	from 250.0 to 300.5	from 227.4 to 329.0
structurally controlled desilicification and/or bleaching	from 251.0 to 329.0	from 229.0 to 329.0	from 265.5 to unconformity	from 268.0
hydrothermal hematite and/or limonite	from 277.0 to 298.0	from 229.0 to 329.0	from 260.5 to 329.0	from 282.5 to 318.5
grey alteration	from 311.0 to 317.5	from 325.0 to 336.0	from 330.7	from 282.5 to 318.5
Unconformity	329.0	336.0	330.7	329.0
Basement Alteration				
Clay, limonitic, hydrothermal hematite	from 314.8 to 329.8	from 330.7 to 343.2	from 329.0 to 350.0	
Argillic alteration	from 331.7 to 344.0	from 336.0 to 347.8	from 329.0 to 350.0	
Sandstone Structure				
fracturation	from 252.5 to	from to	from to	from to
clay coated breccia	from 254.0 to 279.5	from to	from to	from to
Steeply dipping faults and fractures	from to	from 314.5 to 336.0	from 199.0 to 278.3	from 254.5 to 299.2
Basement Structure				
graphitic cataclasis and/or faulting	from 344.5 to 379.4	from 349.2 to 352.0	from to	from 333.0 to 343.8

Mineralization occurs within ->

Source: Haywood Securities Inc (taken from observations and more specific interpretations by IsoEnergy)

Figure 14: Core photo of high-grade section from Hole LE19-02 (3.5m @ 10.4% U₃O₈ from 326.5m depth)

Source: Haywood Securities Inc

Figure 15: Core photo of high-grade section from Hole LE19-06 (4.0m @ 3.8% U₃O₈ from 332.0m depth)



Source: Haywood Securities Inc

Figure 16: Core photo of high-grade section from Hole LE19-09 (4.5m @ 4.2% U₃O₈ from 325.0m depth)



Source: Haywood Securities Inc

Figure 17: Core photo of high-grade section from Hole LE19-12 (8.5m @ 3.2% U₃O₈ from 320.5m depth)



Source: Haywood Securities Inc

Figure 18: TOP - Core photo of first assayed hole of summer 2020 drilling (LE20-54; 9.0m at 12.8% U₃O₈ and 3.9% Ni from a downhole depth of 329.5 metres); BOTTOM – ISO President/CEO Craig Parry examines LE19-14B with handheld scintillometer during summer 2019 site visit.

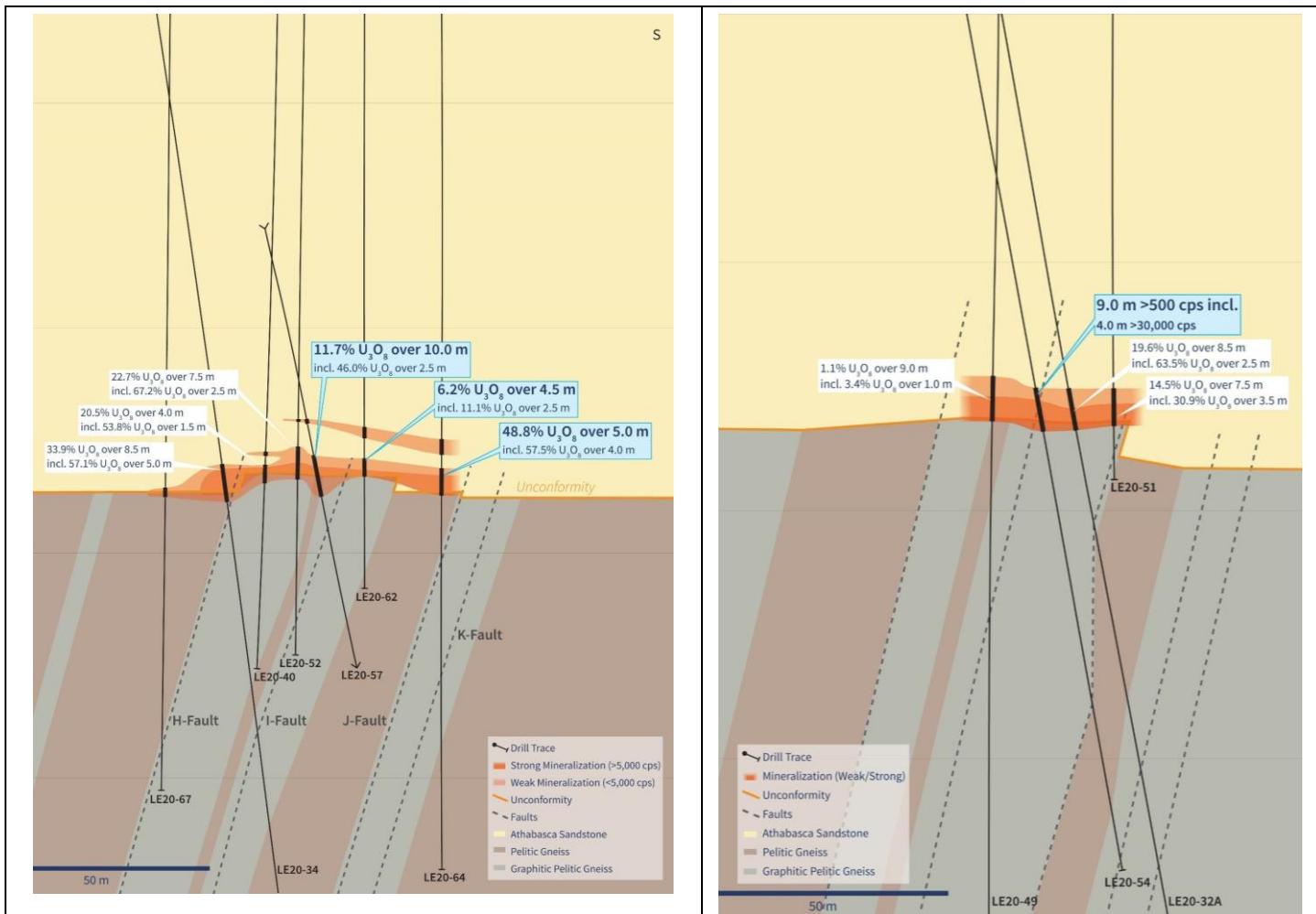


Source: Haywood Securities Inc & IsoEnergy

Summer 2020 Drilling Expanding Hurricane and Showing Up-Side Potential

Figure 19: LEFT: Cross-section (4435E) showing relative location of LE20-62 and LE20-64

Figure 19: RIGHT: Cross-section (4510E) showing relative location of LE20-54 and LE20-32A



LE20-62 & -64 have expanded mineralization >30m to the south, close to the nearby "J" fault which remains open along-strike to the east for 200m. Mineralization has now been defined over 48m in width along the 4435E cross-section.

- ♦ **Hole LE20-64 intersected 5.0m grading 48.8% U₃O₈, including 4.0m grading 57.5% U₃O₈ (from 324.0m depth)** – drilled ~17.0m south of hole LE20-62.
- ♦ **New Hole LE20-62 intersected 4.5m grading 6.2% U₃O₈, including 2.5m grading 11.1% U₃O₈ (from 321.0m depth)** – drilled ~11.0m south of hole LE20-57.
- ♦ **Hole LE20-57 intersected 10.0m grading 11.7% U₃O₈, including 2.5m grading 46.0% U₃O₈.** – see Figure 19.

- ♦ **Hole LE20-54 returned 9.0m at 12.8% U₃O₈ and 3.9% Ni from a downhole depth of 329.5 metres (scint results registering >500 cps), including 4.0m at 27.1% U₃O₈ and 5.2% Ni (scint results registering >30k cps), which included 0.5m returning 52.5% U₃O₈ and 1.6% Ni (scint results of >65.5kcps [off-scale radio activity])**
- ♦ This hole was drilled ~7.0 m north of previously reported hole LE20-32A which delivered the following results:
- ♦ **LE20-32A Scint Results:** 8.5 m registering >500 cps radioactivity, including 2.5 m at >20k cps, including 1.5 m >65.5k cps (off-scale)
- ♦ **LE20-32A Assay Results:** 8.5 m grading 19.6% U₃O₈ from 318.5m depth, including 2.5m grading 63.6% U₃O₈ from 322.5m depth

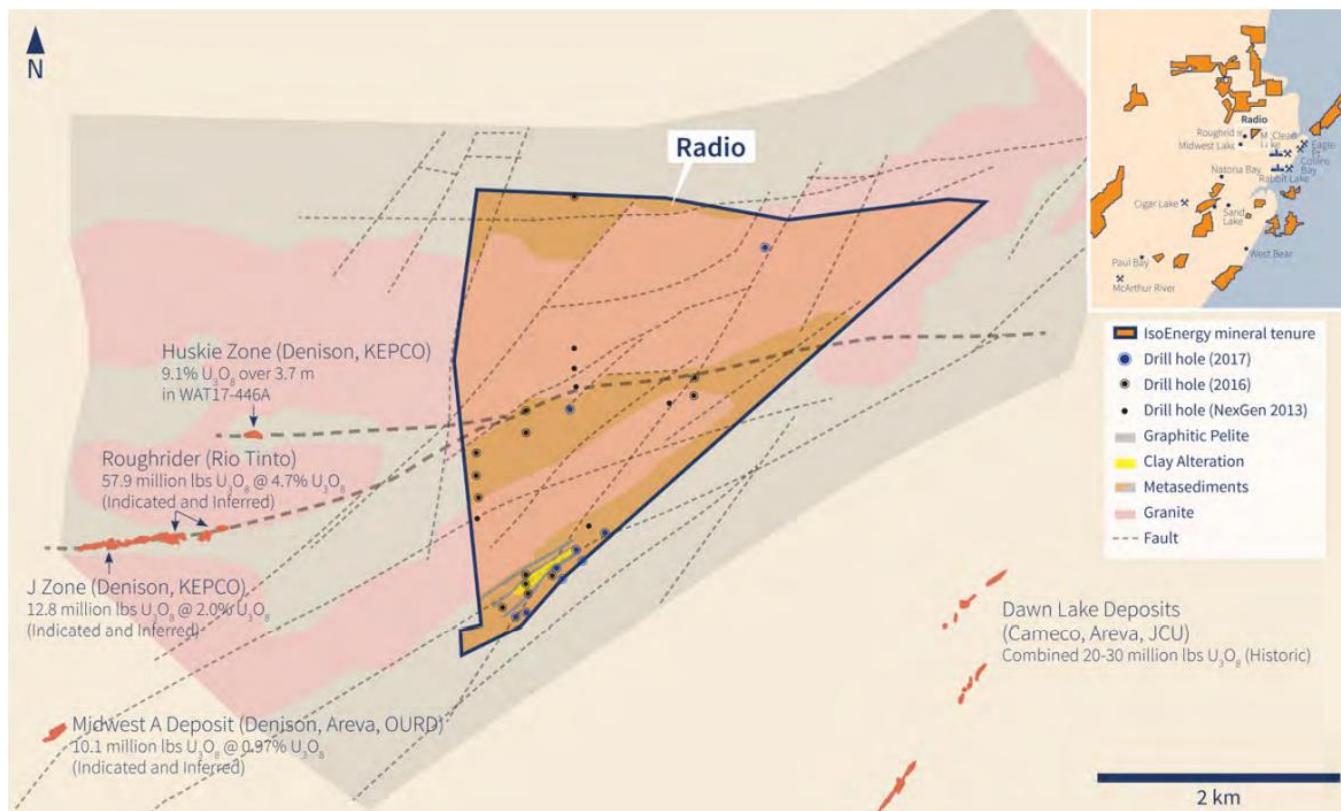
Source: IsoEnergy, Haywood Comments and Presentation



Other Drill Ready Projects

Radio –The project is located 2km east of Rio Tinto's Roughrider uranium deposit (acquired for \$587m by Rio Tinto via the acquisition of Hathor Exploration in 2012) and is believed to host the same metasedimentary corridor and structure associated with the Roughrider deposit. Prior to ISO's ownership, one drilling campaign was completed by NexGen in 2013 where it drilled 9 holes for a total of 3,473 metres. During this campaign, attributes known to be associated with high-grade uranium mineralization in the eastern Athabasca, including clay alteration, structural disruption in the Athabasca sandstone and alteration and structures in basement rocks, were encountered in drill core, highlighting the prospectivity of the property. ISO has completed a total of 23 drill holes (8,859 metres) over the course of two campaigns in 2016 and 2017 on the property, where drilling successfully located a large zone of strong basement hosted clay alteration in the southern magnetic low corridor (similar to the alteration zone surrounding the Roughrider deposit).

Figure 20: Radio Property – 5 Walk-up Drill Targets

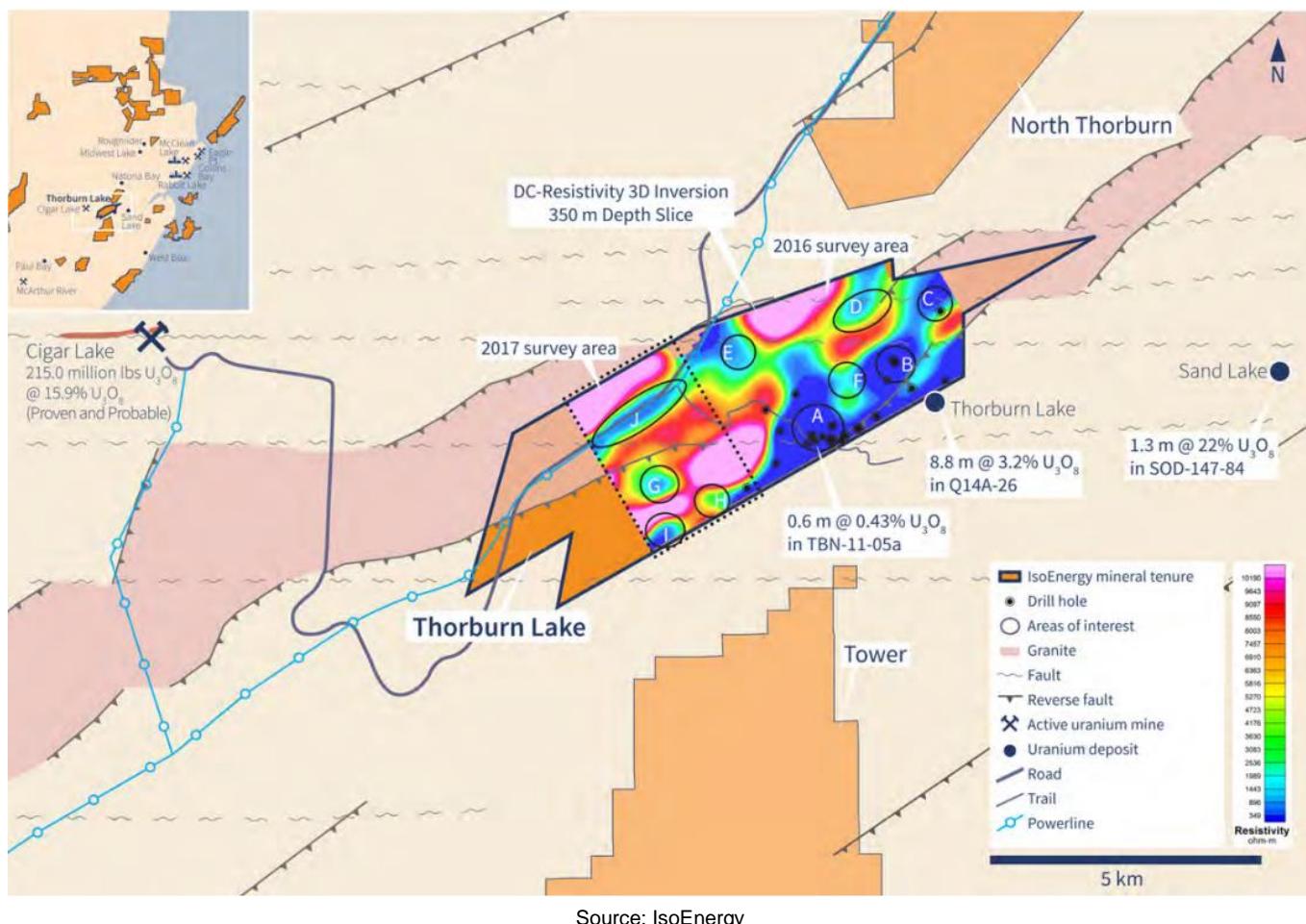


Source: IsoEnergy



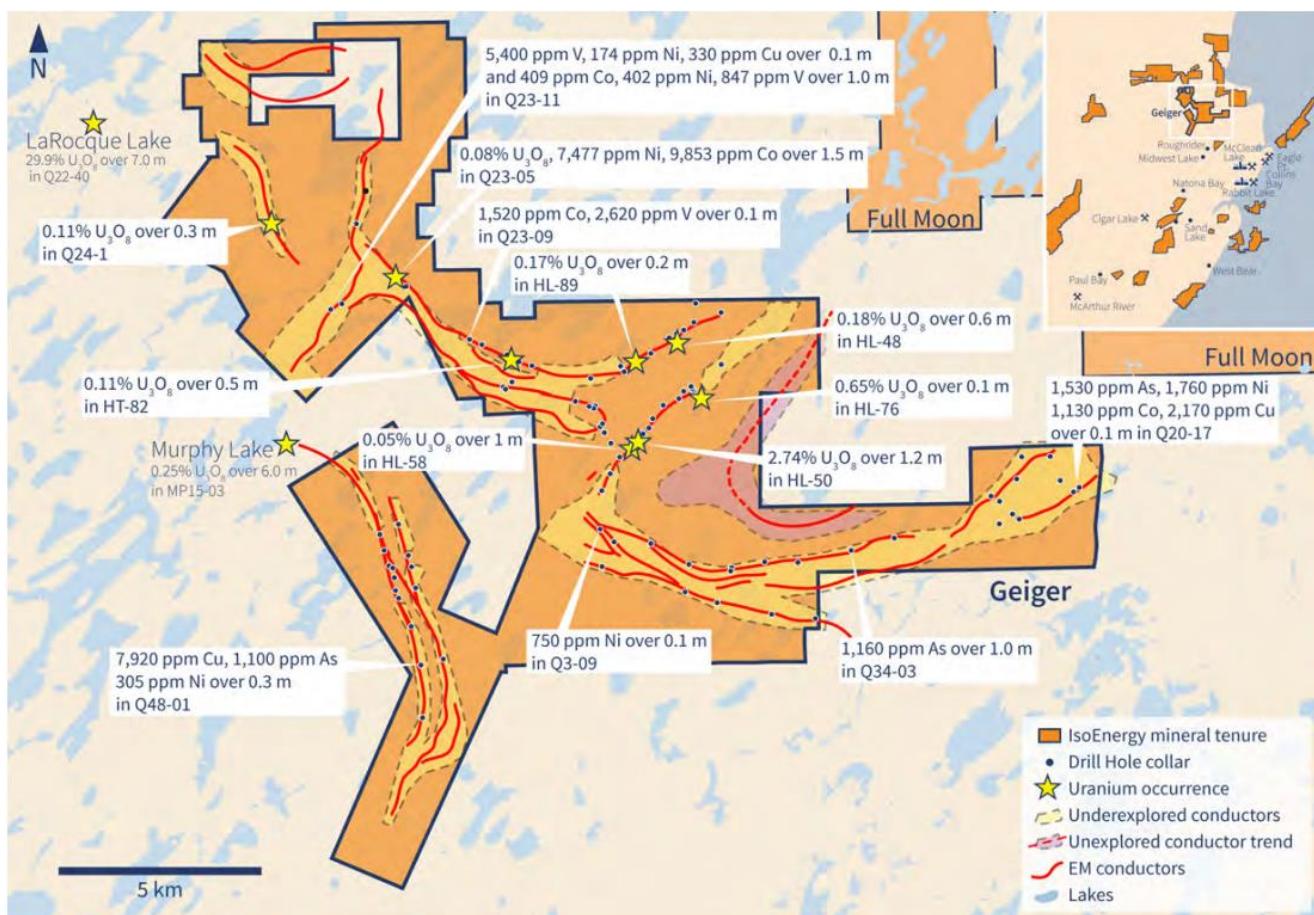
Thorburn Lake – The 100%-owned project is located on trend of the prolific Cigar Lake deposit (Cameco, CCO-T, not rated), 7km to the east (Figure 8). Prior to ISO's ownership, drilling in 2008 identified anomalous uranium mineralization at the unconformity, intersecting a 5.1 metre interval grading 90 ppm U₃O₈. Follow-up drilling on the property in 2011 included 10 holes. Four of which returned anomalous unconformity-hosted uranium mineralization. The best result was hole TBN-11-05a, which returned 8.0 metres grading 0.019% U₃O₈, including 0.6 metres grading 0.17% U₃O₈. Visible pitchblende veins and disseminations were reportedly observed in the core. Since then ISO has completed a total of 16 holes (7,100 metres) over two programs in 2016 and 2017 to follow up on 2011 results. The Company's 2016-2017 drilling extended favourable structure and graphitic units to the northeast and continued to intersect sporadic uranium mineralization and alteration, leaving numerous remaining drill targets to follow up on. Additionally, in late 2017, ISO completed a geophysical survey on the essentially unexplored southwest half of the property which generated several other new targets warranting follow up drilling. Given the promising preliminary results, this under-explored land package will justify further work at some point and could provide attractive optionality in a rising uranium price environment.

Figure 21: Thorburn Lake – 7 Walk-up Drill-Ready Targets



Geiger – The 100%-owned project is located 13km northwest of ISO's Radio property and within 20km of the Roughrider and Midwest deposits as well as the McClean Lake uranium mine and mill (Figure 8). The property is located adjacent to the Wollaston-Mudjatik transition zone (a major crustal suture related to most of the major uranium deposits in the eastern Athabasca Basin). According to the Company, sandstone cover at Geiger is relatively thin and ranges between 101-358m. The property was expanded in March 2018 with the Company's Dawn North Acquisition to reach a total expanded property area of 12,594 hectares. Prior to ISO's first drill program on the property in winter 2018, a total of 56 historic drill holes were completed along 20 kilometres of graphitic conductors (for reference, the project has a total of around ~135km of graphitic conductors). Notably, drill hole HL-50 intersected 2.74% U₃O₈ over 1.2 metres and historic drill hole HL-48 intersected 0.18% U₃O₈ over 0.6 metres (see Figure 22). ISO has completed two drill programs on the property, 9 drill holes in its winter 2018 program and an additional 7 drill holes as part of its 8 drill hole summer 2018 program. More notable of the two programs was the Company's winter results, which returned highlight hole GG18-09. The hole was designed to test extensions of basement hosted uranium mineralization in historic drill hole HL-50 (2.7% U₃O₈ over 1.2 metres), where it returned a 15.0 metre interval (207.0 to 222.0 metres) averaging 0.03% U₃O₈, 2,600 ppm Cu, 998 ppm Ni, 943 ppm Zn and 2.4 g/t Ag and a second deeper interval of 0.7 metre averaging 0.02% U₃O₈ and 795 ppm Cu from 251.8-252.5 metres. Numerous other drilling targets remain on the Geiger property and the Company believes that there is additional potential along a completely undrilled 4 km conductor on the east side of the property (see Figure 22).

Figure 22: Geiger – 8 “Walk-up” Drill Targets



Source: IsoEnergy



U₃O₈ Comparables

Figure 23: Select U₃O₈ Company EV/Ib Comparables

Company	Symbol	Share Price (CAD)	Share Price (USD)	Shares Out	Market Capitalization (US\$M)	Working Cap (US\$M)	Enterprise Value (US\$M)	Global Reserves and Resources Uranium (Mlb)	Global USD EV/Ib U3O8
IsoEnergy Ltd.	TSXV:ISO	C\$ 1.02	\$0.81	91.2	\$70	\$12	\$65	68.50*	US \$0.95
NexGen Energy Ltd.	TSX:NXE	C\$ 2.27	\$1.73	376.8	\$652	\$54	\$713	348.75	US \$2.04
Denison Mines Corp.	TSX:DML	C\$ 0.48	\$0.36	673.3	\$244	\$12	\$232	157.03	US \$1.48
Fission Uranium Corp.	TSX:FCU	C\$ 0.31	\$0.24	488.0	\$115	\$10	\$113	135.20	US \$0.84
Berkeley Energia Limited	ASX:BKY	C\$ 0.65	\$0.50	258.6	\$127	\$10	\$117	89.40	US \$1.31
Boss Resources Limited	ASX:BOE	C\$ 0.06	\$0.05	1823.6	\$87	\$2	\$85	71.40	US \$1.19
Global Atomic Corporation	TSX:GLO	C\$ 0.65	\$0.50	151.8	\$75	\$4	\$72	292.49	US \$0.24
GoviEx Uranium Inc.	TSXV:GXU	C\$ 0.14	\$0.10	474.8	\$49	\$0	\$49	0.00	
UEX Corporation	TSX:UEX	C\$ 0.15	\$0.11	406.7	\$47	\$2	\$44	99.50	US \$0.44
Laramide Resources Ltd.	TSX:LAM	C\$ 0.24	\$0.18	165.6	\$30	\$2	\$36	122.73	US \$0.30
Toro Energy Limited	ASX:TOE	C\$ 0.01	\$0.01	2853.9	\$27	\$5	\$35	90.90	US \$0.39
Deep Yellow Limited	ASX:DYL	C\$ 0.30	\$0.24	245.1	\$57	\$8	\$49	159.30	US \$0.30
Azarga Uranium Corp.	TSX:AZZ	C\$ 0.18	\$0.14	200.7	\$28	\$0	\$28	43.56	US \$0.64
Bannerman Resources Limited	ASX:BMN	C\$ 0.03	\$0.03	1058.8	\$27	\$3	\$24	257.17	US \$0.09
Plateau Energy Metals Inc.	TSXV:PLU	C\$ 0.23	\$0.18	104.9	\$18	\$0	\$18	0.00	
A-Cap Energy Limited	ASX:ACB	C\$ 0.02	\$0.01	871.9	\$13	\$1	\$18	190.56	US \$0.10
Forsys Metals Corp.	TSX:FSY	C\$ 0.16	\$0.12	166.9	\$20	\$1	\$19	127.00	US \$0.15
Western Uranium & Vanadium Corp.	IQ2781131	C\$ 0.75	\$0.57	30.1	\$17	\$1	\$16	0.00	
Vimy Resources Limited	ASX:VMY	C\$ 0.03	\$0.02	777.4	\$18	\$4	\$16	117.01	US \$0.14
Energy Metals Limited	ASX:EME	C\$ 0.10	\$0.08	209.7	\$17	\$12	\$5	61.11	US \$0.08
Overall Average									US \$0.61

* Based on haywood estimates

Source: S&P Capital IQ, SNL Financial, Bloomberg, Haywood Securities, Company Reports

Figure 24. Select U₃O₈ Company Price/NAV comparables

Company	Ticker	Price 09-Oct-20	MCAP \$ million	EV \$ million	Cash \$ million	NAVPS Consensus	P/NAV
IsoEnergy Ltd.	TSXV:ISO	\$1.02	\$93	\$86	\$15	\$1.97 *	0.52x
NexGen Energy Ltd.	TSX:NXE	\$2.29	\$863	\$968	\$76	\$5.46	0.42x
Denison Mines Corp.	TSX:DML	\$0.49	\$327	\$308	\$8	\$1.18	0.41x
Fission Uranium Corp.	TSX:FCU	\$0.33	\$159	\$155	\$14	\$0.64	0.51x
Berkeley Energia Limited	ASX:BKY	\$0.64	\$166	\$151	\$86	\$0.00	-
Boss Resources Limited	ASX:BOE	\$0.06	\$114	\$110	\$4	\$0.00	-
Global Atomic Corporation	TSX:GLO	\$0.62	\$94	\$89	\$5	\$0.00	-
GoviEx Uranium Inc.	TSXV:GXU	\$0.14	\$64	\$80	\$1	\$0.60	0.23x
UEX Corporation	TSX:UEX	\$0.16	\$63	\$60	\$3	\$0.56	0.28x
Laramide Resources Ltd.	TSX:LAM	\$0.25	\$41	\$48	\$0	\$0.00	-
Toro Energy Limited	ASX:TOE	\$0.01	\$35	\$46	\$3	\$0.00	-
Deep Yellow Limited	ASX:DYL	\$0.30	\$74	\$63	\$11	\$0.00	-
Azarga Uranium Corp.	TSX:AZZ	\$0.18	\$36	\$36	\$1	\$0.53	0.34x
Bannerman Resources Limited	ASX:BMN	\$0.03	\$35	\$31	\$4	\$0.00	-
Plateau Energy Metals Inc.	TSXV:PLU	\$0.24	\$25	\$24	\$2	\$0.98	0.24x
A-Cap Energy Limited	ASX:ACB	\$0.02	\$17	\$24	\$0	\$0.00	-
Forsys Metals Corp.	TSX:FSY	\$0.16	\$27	\$25	\$1	\$0.00	-
Western Uranium & Vanadium Corp	IQ278113163	\$0.74	\$22	\$20	\$2	\$0.00	-
Vimy Resources Limited	ASX:VMY	\$0.03	\$24	\$19	\$7	\$0.26	0.12x
* Based on haywood estimates							Average 0.32x

Source: Company Reports, Haywood Securities



Risks

Significant Investment Risks

Overall Risk – Very High: We rank ISO as Very High Risk in all sub-categories except Political Risk, given ISO is early, pre-resource exploration stage, with no certainty of: future exploration success, meeting or exceeding our assumptions regarding future resource definition, eventual project development, or cash-flow generation. Significant risk considerations include the following:

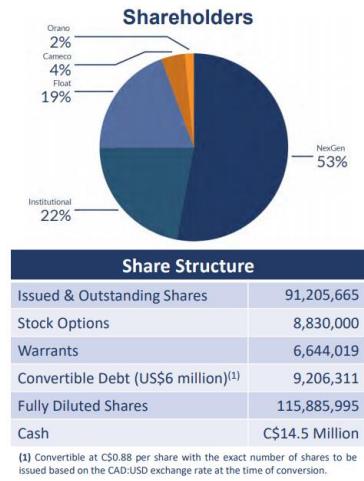
- ◆ **Commodity Price – Very High:** Our forecasts include a significant increase in future uranium price. The timing and degree of uranium price appreciation, if any, is highly uncertain. Our investment thesis for ISO is underpinned by the eventual future establishment of uranium resources of economic scale. Our valuation is based on higher future trading multiples assigned to in-situ resources. Failure to reach these higher commodity prices would negatively impact our valuation.
- ◆ **Continued Exploration Success – Very High:** ISO is focused on uranium exploration, with key assets within Canada's Athabasca Basin. A significant component of our valuation includes continued success in exploring for, and defining, additional uranium resources at core projects. Exploration success is a fundamental risk, where failure to identify and define uranium resources could materially impact our valuation.
- ◆ **Valuation Risk – Very High:** Given ISO is early exploration stage (pre-resource definition), coupled with the use of an in-situ resource valuation methodology based on our estimated resource potential (rather than estimated project economics), there is a high degree of uncertainty in the valuation, and as such we assign a 'Very High Valuation Risk' rating. ISO's current market valuation is speculative, likely based on the market's evaluation of the sector and the Company's historical and anticipated press releases, further exploration success, evidence of economic viability, analyst opinion, and corporate communications could all impact valuation.
- ◆ **Financial Risk – Very High:** ISO does not generate any cash flow from the operations of its core business and is not forecast to do so over the next few years. The Company will be reliant on external sources of support, including future equity financings to fund ongoing operations.
- ◆ **Forecast Risk – Very High:** Every component of our formal valuation involves assumptions that will very likely differ from any eventual outcome to some degree, with each potentially impacting our valuation of ISO shares. These assumptions include definition of a resource base meeting or exceeding our assumptions as well as commodity and foreign exchange rate forecasts.
- ◆ **Political Risk – Moderate:** ISO's core uranium project assets are located in Saskatchewan, in and around the Athabasca Basin. The region has a long and stable history of uranium mining and exploration, with well-established regulatory authorities and governing procedures, where complex larger scale uranium mining operations have been brought into commercial operation in the recent past.



ISO's Capital Structure

Figure 25 outlines ISO's current share count and dilutive instruments and Figure 26 shows dilution detail based on the Company's last reported financial statements.

Figure 25: ISO's Capital Structure and Dilution Summary as of October



Source: IsoEnergy

Figure 26: ISO's Dilution Summary Detail as of Last Reported Financial Statements

Option Dilution Summary (as of June 30, 2020 option balances)						
Shares Represented	Options WASP	WARCL*	Total Value	Total ITM	Total ITM Value	
8,155,000	\$0.66	2.43	\$5,395,175	8,155,000	\$5,395,175	
Number of options	Exercise price per option	Number of options exercisable	Exercise price per option	Vesting	Remaining contractual life (years)	Expiry date
3,100,000	\$1.00	3,100,000	\$1.00		1.0	October 25, 2021
100,000	\$1.00	100,000	\$1.00		1.0	October 24, 2021
250,000	\$1.00	250,000	\$1.00		1.2	January 4, 2022
50,000	\$1.00	50,000	\$1.00		1.6	May 25, 2022
400,000	\$0.57	400,000	\$0.57		2.2	January 8, 2023
1,080,000	\$0.36	719,994	\$0.36	(i)	2.8	July 30, 2023
40,000	\$0.36	40,000	\$0.36		2.8	July 30, 2023
1,250,000	\$0.42	833,331	\$0.42	(i)	3.2	December 28, 2023
50,000	\$0.42	50,000	\$0.42		3.2	December 28, 2023
100,000	\$0.50	100,000	\$0.50		3.7	June 5, 2024
1,685,000	\$0.385	561,665	\$0.385	(i)	4.3	January 24, 2025
50,000	\$0.385	12,500	\$0.385	(ii)	4.3	January 24, 2025
8,155,000	\$0.66	6,217,490	\$0.75			

* WARCL = Weighted Average Remaining Contract Life in years

(i) 1/3 annually with 1/3 vesting immediately

(ii) 25% quarterly starting one quarter after the grant date

Warrant Dilution Summary (as of June 30, 2020 warrant balances)					
Shares Represented	Warrant WASP	WARCL*	Total Value	Total ITM	Total ITM Value
7,332,833	\$0.58	0.89	\$4,230,570	7,332,833	\$4,230,570
Number of warrants	Weighted Av. Exercise price per warrant	Remaining contractual life (years)		Expiry date	
478,685	\$0.38	0.2		December 20, 2020	
2,400,260	\$0.60	0.5		April 21, 2021	
4,028,429	\$0.60	1.2		December 6, 2021	
425,459	\$0.45	1.2		December 3, 2021	
7,332,833	\$0.58				

* WARCL = Weighted Average Remaining Contract Life in years

Source: IsoEnergy (Haywood calculations and Presentation)



Appendix A - Senior Management & Board of Directors

Craig Parry, President, CEO and Director

Mr. Parry has over 20 years in the resources sector as a geologist and executive. He is a co-founder, former director and now senior advisor of NexGen Energy Ltd. He is also currently the Chairman of Skeena Resources Ltd. and Vizsla Resources Corp. He was a co-founder of the Tigers Realm Group and was appointed to the Boards of Tigers Realm Minerals, Tigers Realm Metals and NexGen Energy Ltd. in 2011. Mr. Parry was the founder of Tigers Realm Coal and was CEO from 2012 to 2015 where he oversaw the acquisition of the Amaam Coal projects, led the discovery of the Amaam North Coal deposit and led the development of the Amaam North Coal mine and related transport and port infrastructure. He was responsible for the business development activities of the Tigers Realm Group since inception in 2008 to 2015. He was also the Business Development Manager for G-Resources Limited where he was responsible for mergers and acquisitions from 2009 to 2012 and Principal Geologist - New Business at Oxiana Limited responsible for strategy and business development initiatives in bulk and energy commodities. Finally, at Rio Tinto, Mr. Parry led exploration programs for iron ore, copper, diamonds, coal and bauxite in Australia, Asia and South America and was Principal Geologist for the Kintyre Uranium project pre-feasibility study. Mr. Parry holds an Honours Degree with University Medal in Geology from the University of New South Wales and is a Member of the Australian Institute of Mining and Metallurgy.

Steve Blower, Vice President – Exploration

Mr. Blower is a Professional Geologist with 30 years of experience in the minerals industry including mine geology, resource estimation and exploration for a variety of commodities. For the past 14 years, he has been involved in uranium exploration in the Athabasca Basin with Pitchstone Exploration Ltd., Denison Mines Corp. and now IsoEnergy Ltd. At Denison, Mr. Blower led the team that added 75M lbs of U₃O₈ mineral resources to the Wheeler River project through expansion of the Phoenix deposit and the discovery of the Gryphon basement hosted uranium deposit. Prior to Denison Mines Mr. Blower was President, CEO and a director of Pitchstone Exploration Ltd. until its sale in 2012 to Fission Energy. Mr. Blower is a Professional Geoscientist with a B.Sc. degree in Geological Sciences from the University of British Columbia and an MSc. in Geological Sciences from Queen's University.

Janine Richardson, Chief Financial Officer

Ms. Richardson is a Chartered Professional Accountant and has worked in the mining industry for over 30 years. Ms. Richardson graduated from McMaster University with a Bachelor in Economics and has a Diploma in Accounting from Wilfred Laurier University. Ms. Richardson is currently the CFO of NxGold Ltd. From 2010 to 2017, Ms. Richardson was CFO of Hillsborough Resources Limited, a privately-owned coal producer. Between 2006 and present, Ms. Richardson provided financial consulting services to several publicly listed mining companies, primarily in the gold sector, including Atlantic Gold Corporation, Primero Mining Corp., Yukon-Nevada Gold Corp., Rio Alto Mining Ltd. and Goldgroup Mining Inc. From 1991 to 2006 Ms. Richardson was Director of Group Accounting at Placer Dome Inc. which then operated 17 mines across five countries. At Placer Dome Inc., Ms. Richardson was responsible for the financial reporting of global operations and integrating new acquisitions. From 1985 to 1991 Ms. Richardson was a manager in the audit group (mining) at Ernst & Young LLP, Toronto.

Andy Carmichael, Senior Geologist

Professional Geologist with 16+ years in mineral exploration, including 13+ years in uranium exploration in the Athabasca Basin, Hornby Bay Basin, Colorado Plateau, and Namibia. Mr. Carmichael previously worked on the Triple-R, Phoenix, Gryphon, and J-Zone uranium deposits.

Leigh Curyer, Chairman of the Board

Mr. Curyer has over 20 years experience in the resources and corporate sector. Mr. Curyer is the current President & CEO of NexGen Energy Ltd. and was previously the CFO and head of corporate development of Southern Cross Resources (now Uranium One). Mr. Curyer's uranium project assessment experience has been focused on assets located in Canada, Australia, USA, Africa, Central Asia and Europe, incorporating operating mines, advanced development projects and exploration prospects. While CFO of Southern Cross Resources (now Uranium One), Mr. Curyer managed the exploration, permitting and feasibility study of the Honeymoon Uranium Project in South Australia, ensuring full compliance with NI43-101 reporting. Mr. Curyer is a member of the Institute of Chartered Accountants Australia.

Christopher McFadden, Director

Mr. McFadden is a lawyer with 21 years' experience in exploration and mining and is currently the President & CEO of NxGold Ltd. and the Chairman of NexGen Energy Ltd. Mr. McFadden was previously Manager, Business Development at Newcrest Mining Limited, and before that was Head of Commercial, Strategy and Corporate Development for Tigers Realm Coal Limited, which is listed on the Australian Stock Exchange. Prior to 2010, Mr. McFadden was a Commercial General Manager with Rio Tinto's exploration division with responsibility for gaining entry into new projects through negotiation with government or joint venture partners, or through acquisition. Mr. McFadden holds a combined law/commerce degree from Melbourne University and an MBA from Monash University.



Richard Patricio, Director

Richard Patricio is currently a Director of NexGen Energy Ltd. and is the President and Chief Executive Officer of Mega Uranium Ltd. (since February 2015), having been its Executive Vice President since 2005. Until recently, Mr. Patricio was also the CEO of Pinetree Capital Ltd. (a TSX-listed investment company specializing in early stage resource investments). Mr. Patricio previously worked as in-house General Counsel for a senior TSX-listed manufacturing company. Prior to that, he practiced law at Osler LLP in Toronto where he focused on mergers and acquisitions, securities law and general corporate transactions. Mr. Patricio received his law degree from Osgoode Hall and was called to the Ontario bar in 2000.

Trevor J. Thiele, Director

Mr. Thiele has over 30 years experience in senior finance roles in medium to large Australian ASX listed companies. He has been CFO for companies involved in the Agribusiness sector (Elders and Viterra) and the Biotechnology sector (Bionomics). During which time, he was actively involved in IPO's, capital raisings, corporate restructures, mergers and acquisitions, refinancing and joint ventures. Mr. Thiele is currently a Director of NexGen Energy and non-executive director of a number of non-listed Australian entities, including the role of Chairman of the board for two of these entities. Mr. Thiele holds a Bachelor of Arts in Accountancy from the University of South Australia and he is a member of the Institute of Chartered Accountants in Australia.



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Analyst Certification

I, Colin Healey, hereby certify that the views expressed in this report (which includes the rating assigned to the issuer's shares as well as the analytical substance and tone of the report) accurately reflect my/our personal views about the subject securities and the issuer. No part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations.

Important Disclosures

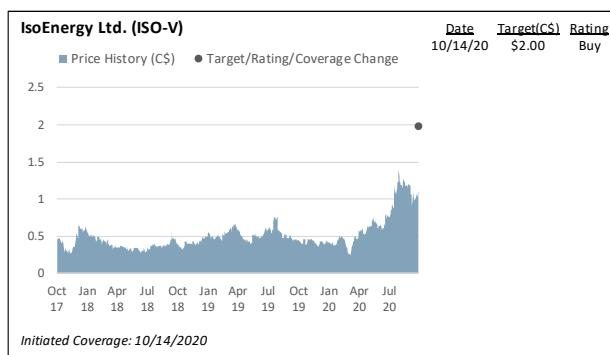
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- ◆ As of the end of the month immediately preceding this publication either Haywood Securities, Inc., one of its subsidiaries, its officers or directors beneficially owned 1% or more of Azarga Uranium Corp (AZZ-T), NexGen Energy Ltd. (NXE-T), Plateau Energy Metals Inc. (PLU-V).
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Distribution of Ratings (as of October 14, 2020)

	%	#	IB Clients (TTM)
Buy	72.7%	72	83.3%
Hold	6.1%	6	5.6%
Sell	0.0%	0	0.0%
Tender	0.0%	0	0.0%
UR (Buy)	1.0%	1	0.0%
UR (Hold)	0.0%	0	0.0%
UR (Sell)	0.0%	0	0.0%
Dropped (TTM)	20.2%	20	11.1%

Price Chart, Rating and Target Price History (as of October 14, 2020)



B: Buy; H: Hold; S: Sell; T: Tender; UR: Under Review

Source: Capital IQ and Haywood Securities

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