

## COMMENCING WINTER EXPLORATION PROGRAM

# ISO Kicks off Winter Exploration Program for its Eastern Athabasca Properties

**OUR TAKE:** This morning, ISO announced that work has commenced on its winter 2022 exploration program. The program is to include exploration work on four projects including ISO's flagship 100%-owned Larocque East Project. ISO is planning to conduct 11,900m of diamond drilling at Larocque East, with a goal of further expanding its Hurricane Zone and exploring the Larocque Lake conductive trend. This will include both follow-up drilling and the drilling of new geophysical targets on the property east of Hurricane, which extend for roughly 8 kms along the trend. Furthermore, ISO plans to complete geophysical FLTEM (Fixed Loop Transient Electro Magnetic) surveys at the Geiger, Ranger and Hawk projects, where survey work at Geiger is already underway, with an intent to get the three projects to a drill ready state. Of the 11,900m of drilling planned for Larocque East, 2,400m are intended for Hurricane to follow-up mineralization intersected by drill hole LE21-101, which intersected 4.5m of radioactivity registering >500 CPS on the scintillometer from 324.5m depth, including 0.5m registering >5,000 CPS from 327.5m depth last November (see [Flash dated Nov. 16, 2021](#)). Notably, the nearest drill hole to LE21-101 is 150m to the west and mineralization remains largely untested to the east, representing significant upside potential. According to the Company, follow-up drilling is planned as a series of systematic step outs to evaluate the potential for material expansion (see Figure 2). The remaining 9,500m are earmarked to test priority targets along the highly prospective Larocque Lake conductive trend which, as noted above, extends for up to 8 kilometers to the east of the Hurricane Zone (see Figure 3).

Overall, the Company's 2021 exploration program was successful in significantly increasing the width of the Hurricane zone on key sections and highlighting the growing resource potential on the property. We are excited to see what 2022 has in store for the Company as it prepares for its maiden resource estimate for Hurricane that we expect to see later this year. As a reminder, **we see the maiden resource estimate on the Hurricane deposit as a big 2022 catalyst and the major contributor to our \$7.00 target and Buy rating. We're looking for 55 to 75 Mlb U<sub>3</sub>O<sub>8</sub> as a target maiden resource range for the Hurricane deposit, and we use the upper bound of that range and a US\$6.25/lb insitu credit multiple, plus credits and other adjustments in deriving our corporate NAV.**

## KEY HIGHLIGHTS

### ◆ Diamond Drilling at Larocque East:

- ISO will drill 11,900 meters at the Larocque east project this winter including 2,400 meters at the Hurricane deposit and another 9,500 meters along the Larocque Lake conductive trend to test new targets which extend for up to 8 kilometers to the east of the Hurricane Zone. See Figures 2 and 3.

### ◆ Ground Geophysical Surveys:

- The company will also complete geophysical FLTEM (Fixed Loop Transient Electro Magnetic) surveys on three other secondary but perspective projects (Geiger, Ranger and Hawk). See Figures 4-6.

## RECOMMENDED ACTION

***We recommend owning ISO for exposure to a new, high-grade uranium discovery ahead of the maiden resource estimate...***

- ◆ **Making a High-Grade Uranium Discovery as Fundamental Stars Align.** ISO is trading at ~US\$3.08-\$3.86 EV/lb U<sub>3</sub>O<sub>8</sub> based on Haywood's conceptual initial resource target range of 55-75 Mlb plus credits. We continue to see ISO as the most exciting new discovery in the uranium sector that is still pre-resource. The winter exploration program should deliver some strong intersections with the delineation drilling at Hurricane that should be stock catalyzing while other drilling of targets to the East along the Larocque Lake conductive trend has strong additional 'new discovery' potential. The Company has ~\$14M in the bank and is well funded for its 2022 programs ahead of a maiden resource on the project later in 2022. The prospect of a coincident positive movement of uranium price and ISO's growing discovery set-up to drive the shares higher in a vastly improving demand/supply backdrop for uranium.

### KEY STATISTICS AND METRICS

52-Week High/Low	\$6.61/\$1.87
YTD Performance	-6%
Dividend Yield	NA
Shares O/S	105.9M
Market Capitalization	\$371.7M
Cash	\$14.0M
Debt	\$22.4M
Enterprise Value	\$380.0M
Daily Volume (3 mos.)	198,540
Currency	C\$ unless noted

### HAYWOOD ESTIMATES (CAD)

	2019A	2020A	2021E
Revenue (\$M)	0	0	0
Net Income (\$M)	(2.2)	(9.5)	(11.2)

### VALUATION

**Our \$7.00 per share price target** is based on a US\$6.25 EV/lb U<sub>3</sub>O<sub>8</sub> multiple applied to the upper boundary (75 Mlb U<sub>3</sub>O<sub>8</sub>) of our target maiden resource range for Hurricane, plus an additional 23.5 Mlb U<sub>3</sub>O<sub>8</sub> credit for resource potential across ISO's portfolio of other assets.

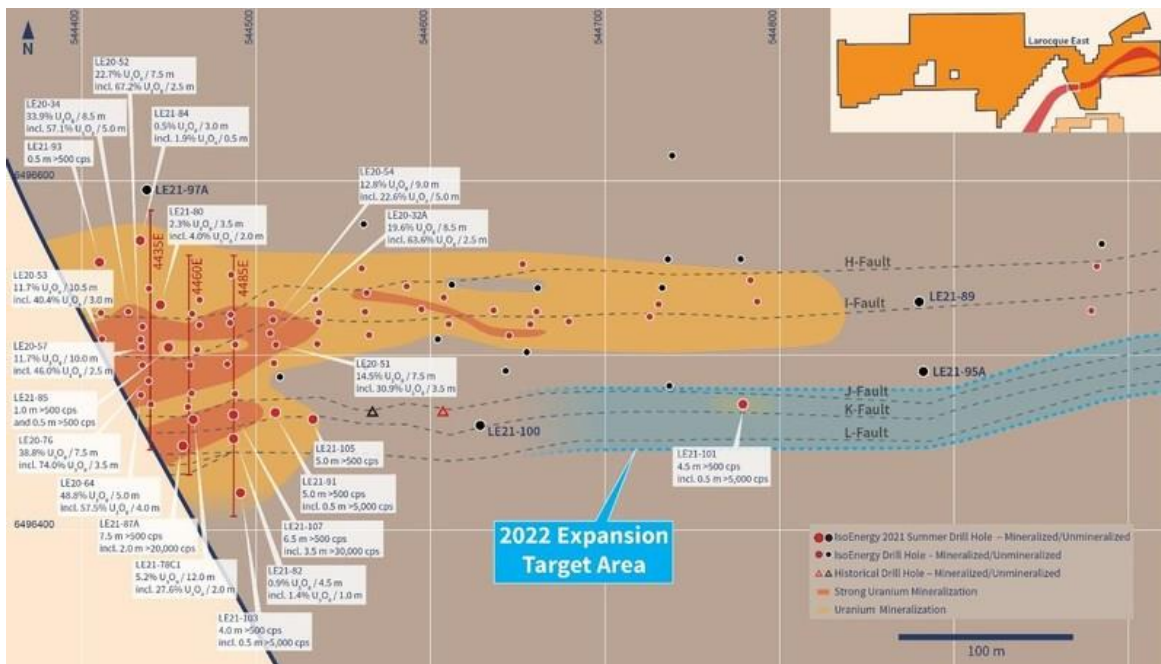
Undeveloped Athabasca Basin resource peers trade in a range of US\$1.40 - US\$8.70/lb U<sub>3</sub>O<sub>8</sub>.

Figure 1 –Property Map



Source: IsoEnergy

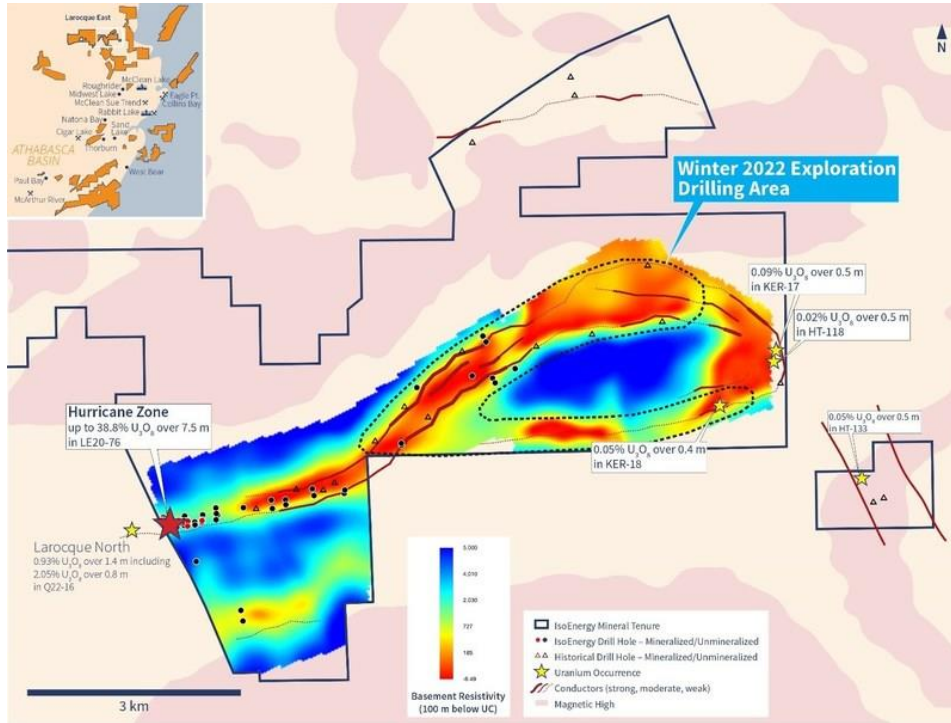
Figure 2 – Hurricane Drilling Target Areas



Source: IsoEnergy

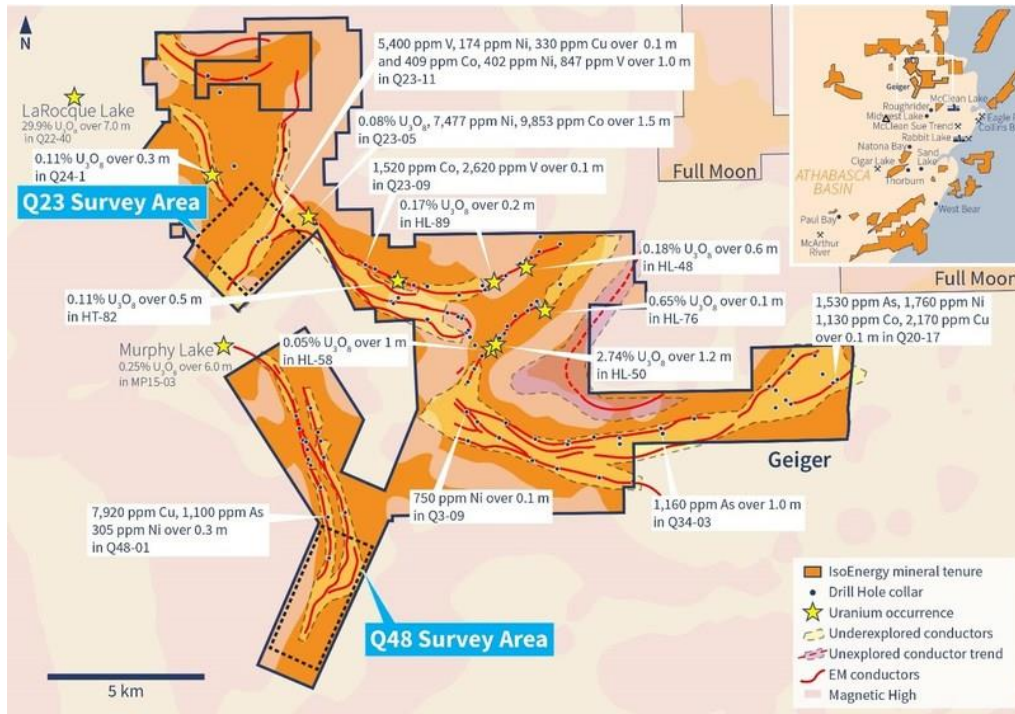


Figure 3 – Larocque East Exploration Drilling Target Areas



Source: IsoEnergy

Figure 4 – Geiger Planned Survey Areas

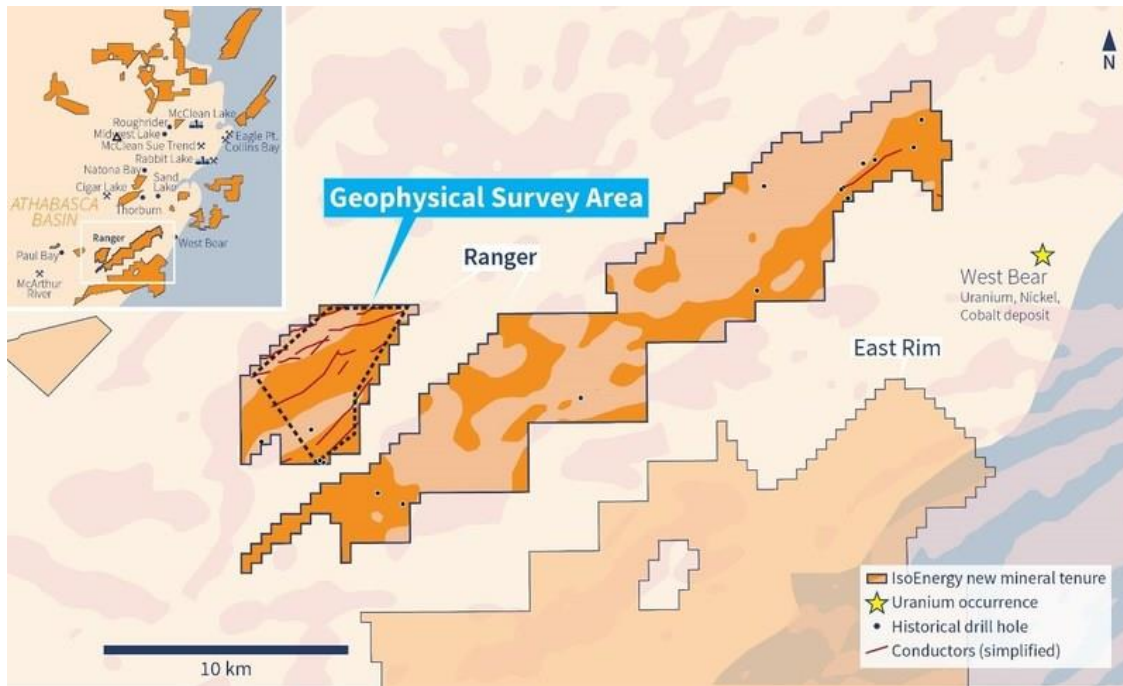


Source: IsoEnergy



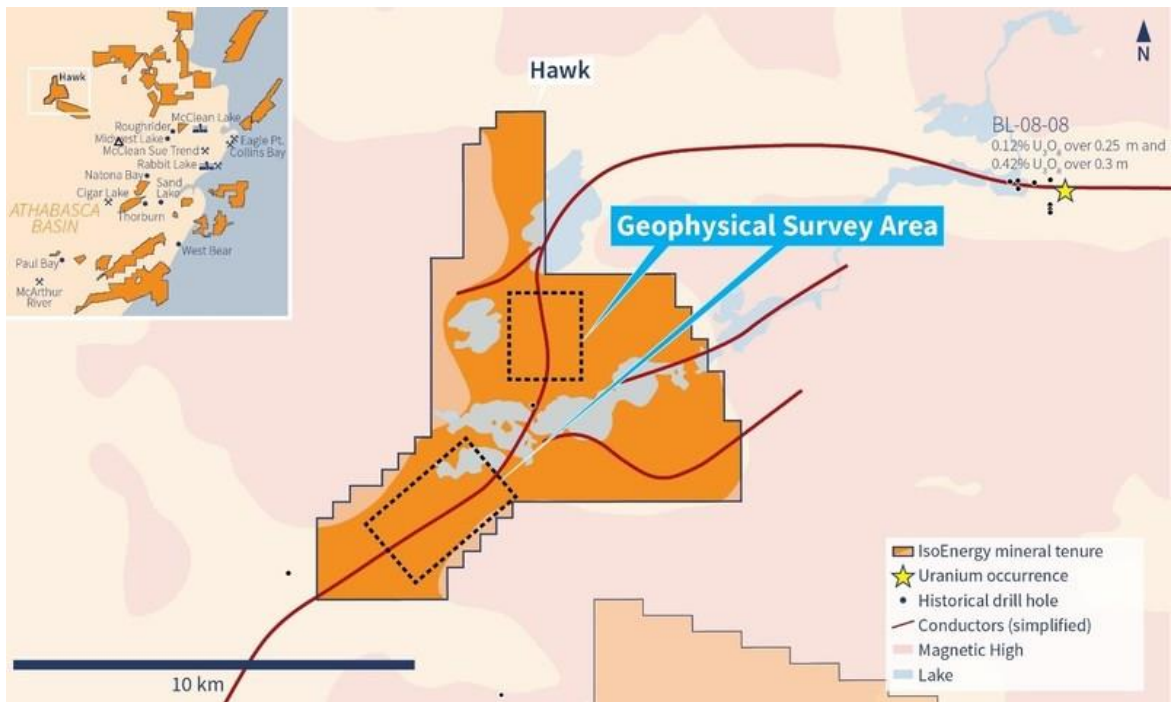


Figure 5 – Ranger Planned Survey Areas



Source: IsoEnergy

Figure 6 – Hawk Planned Survey Areas



Source: IsoEnergy



## Important Information and Legal Disclosures

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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

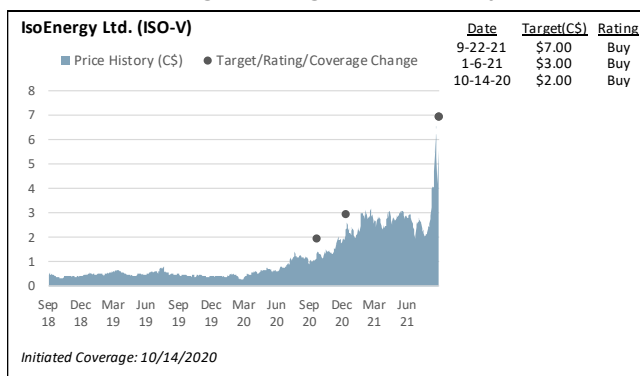
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- ◆ Haywood Securities, Inc. or one of its subsidiaries has received compensation for investment banking services from IsoEnergy Ltd. (ISO-V) in the past 24 months.

### Distribution of Ratings (as of January 19, 2022)

	%	#	IB Clients (TTM)
<b>Buy</b>	82.5%	80	90.6%
<b>Hold</b>	6.2%	6	6.3%
<b>Sell</b>	0.0%	0	0.0%
<b>Tender</b>	1.0%	1	0.0%
<b>UR (Buy)</b>	0.0%	0	0.0%
<b>UR (Hold)</b>	0.0%	0	0.0%
<b>UR (Sell)</b>	0.0%	0	0.0%
<b>Dropped (TTM)</b>	10.3%	10	3.1%

### Price Chart, Rating and Target Price History (as of January 19, 2022)



B: Buy; H: Hold; S: Sell; T: Tender; UR: Under Review  
Source: Capital IQ and Haywood Securities

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