

EXPLORATION UPDATE

ISO Completes 2021 Drilling at Larocque East

OUR TAKE: ISO has delivered initial scintillometer results from the remaining holes of its 2021 drill program at the Hurricane zone of its Larocque East uranium project. ISO successfully built on earlier results from September, expanding the maximum width of the zone on the 4485e section by an additional 31 metres to the south with hole LE21-103 (see Figure 3). Earlier reported (see [Report dated Sept. 22, 2021](#)) drilling on the 4485e section already extended mineralization by 26m with hole LE21-82. With today's results, the 2021 program has expanded the 4485e section by a total of 57m to the south increasing the maximum width on this section by ~84% to 125m, which is highly positive. In addition to extending section 4485e further to the south, ISO drilled infill hole LE21-107, which tested the mid-point between LE21-82 and the prior southern extent (hole LE20-71), with great success, with results showing continuity along the section (see Figure 3). Similarly, along the 4460e section, hole LE21-87A successfully extended mineralization by an additional 17m to the south of hole LE21-78C1 (see Figure 4). Hole LE21-78C1 was a previously reported hole ([Sept. 22, 2021](#)) from this program which itself extended the section by 8m. As a result, 2021 drilling has extended section 4460e by ~41% or 21m, to a maximum width of 86m on section. Some other encouraging results included LE21-101, which was drilled on section 4785e to test the unconformity in an area that has seen limited drilling, and intersected 4.5m of radioactivity, including potentially strong grades with an included interval of 0.5m registering >5,000 cps on the scintillometer. These results are quite positive given that the area to the east is largely untested, and the nearest drill hole to the west is 150m away, highlighting potential for a new zone or continuity. Overall, the 2021 exploration program was successful in significantly increasing the width of the Hurricane zone on key sections, and highlighting resource expansion potential on the property. Hurricane now boasts a **maximum width of 125m (from 94m) and maximum thickness to 12m. The Hurricane Zone mineralized envelope expands to 575m x 125m x 12m** with these results and we look forward to quantitative assays for further interpretation. **We see the Larocque East project as the best new high grade uranium discovery globally that is still pre-resource, and has the potential to deliver high-grade thick intersections that we expect to catalyze the stock over the coming winter drill season ahead of a maiden MRE on Hurricane later in 2022.**

KEY HIGHLIGHTS

- ◆ **4485e Section Extended 31m to South (Figures 2 & 3, Table 1):**
 - Hole LE21-103: intersected 4.0m of radioactivity registering 500 CPS on the scintillometer from 334.5m depth, including 0.5m registering >5,000 CPS from 337.5m depth. Drilled 31m south of LE21-82, extending section width to 125m.
 - Hole LE21-107: intersected 6.5m of radioactivity registering >500 CPS on the scintillometer from 325.5m depth, including 3.5m registering >30,000 CPS from 327.5m depth. In-fills the gap between LE20-71 and LE21-82.
- ◆ **4460e Section Extended 31m to South (Figure 4, Table 1):**
 - Hole LE21-87A: intersected 7.5m of radioactivity registering >500 CPS on the scintillometer from 331.0m depth, including 2.0m registering >20,000 CPS from 336.0m depth. Drilled 17m south of LE21-78C1, extending section width to 86m.
- ◆ **4785e Section Shows Growth Potential (Figures 2 & 6, Table 1):**
 - Hole LE21-101: 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. Nearest hole to the west is 150m, and largely untested to the east, representing significant upside potential.

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\$4.30-\$5.39 EV/lb U₃O₈ 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. We are highly encouraged by the progress the Company has made to date in expanding the Hurricane deposit. The Company is well funded with ~\$14.9M in the bank and anticipates continuing to follow up on the Zone's expansion potential in its upcoming winter drill program, 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/\$1.30
YTD Performance	174%
Dividend Yield	NA
Shares O/S	101.9M
Market Capitalization	\$521.7M
Cash	\$14.9M
Debt	\$22.4M
Enterprise Value	\$529.0M
Daily Volume (3 mos.)	333,780
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 U₃O₈ multiple applied to the upper boundary (75 Mlb U₃O₈) of our target maiden resource range for Hurricane, plus an additional 23.5 Mlb U₃O₈ 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 U₃O₈.

Table 1 – Summer 2021 Drilling Program Results

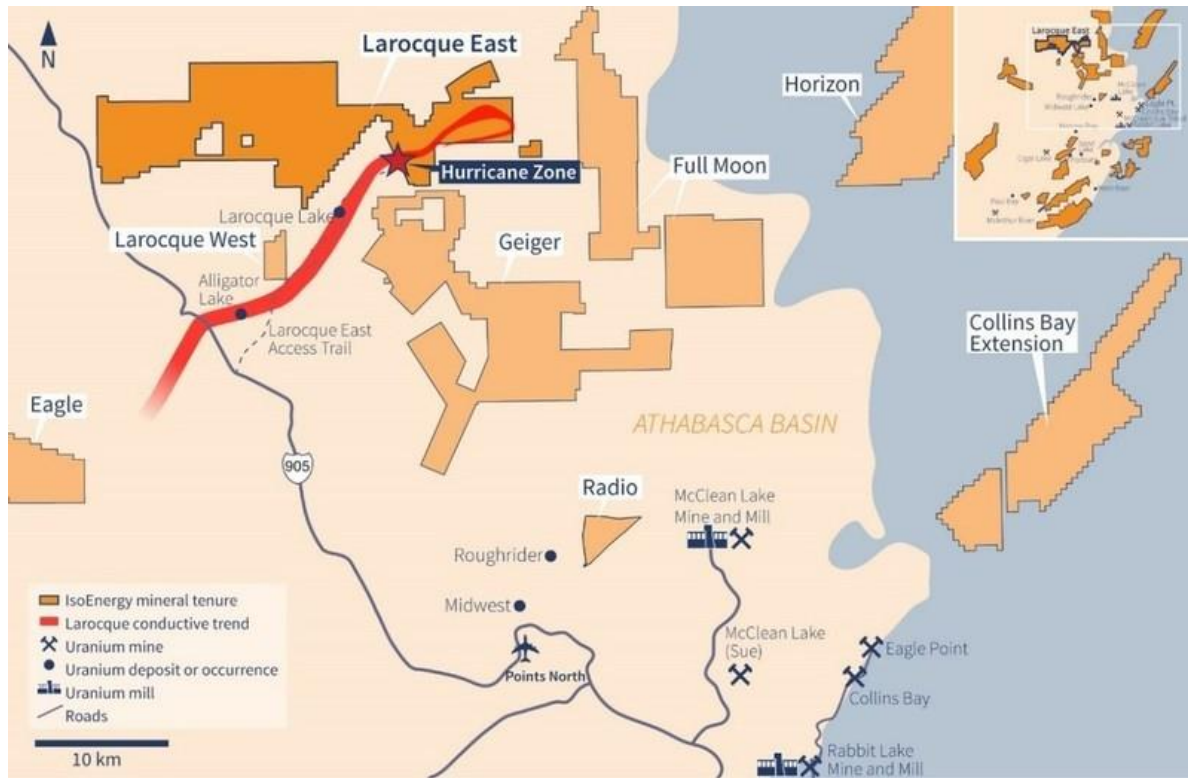
Hole-ID	From (m)	To (m)	Length (m)	Radioactivity ^{1,2} (CPS)	Chemical Assays		Orientation (Azimuth/Dip)	Hole Length (m)	Location
					U ₃ O ₈ (%)	Ni (%)			
LE21-78 ^{3,4}	Abandoned before target							128.0	Section 4460E
LE21-78C1 ⁴	248.5	260.5	12.0	>500	Pending		000/- 90	323.0	Section 4460E
incl.	253.0	254.0	1.0	>5,000	Pending				
and incl.	254.5	255.0	0.5	>5,000	Pending				
and incl.	257.5	259.5	2.0	>30,000	Pending				
and incl.	260.0	260.5	0.5	>5,000	Pending				
and	266.0	266.5	0.5	>5,000	Pending				
and	269.0	269.5	0.5	>500	Pending				
LE21-80 ⁴	325.0	325.5	0.5	>500	Pending		000/- 90	431.0	Section 4435E
and	326.0	329.5	3.5	>500	Pending				
incl.	326.0	328.0	2.0	>5,000	Pending				
incl.	326.5	327.0	0.5	>30,000	Pending				
LE21-82 ⁴	326.5	327.0	0.5	>500	Pending		000/- 90	368.0	Section 4485E
and	328.5	333.0	4.5	>500	Pending				
incl.	331.0	332.0	1.0	>5,000	Pending				
LE21-84 ⁴	326.5	329.5	3.0	>500	Pending		000/- 90	380.0	Section 4435E
incl.	328.0	328.5	0.5	>5,000	Pending				
LE21-85	321.5	322.5	1.0	>500	Pending		000/- 90	335.0	Section 4460E
and	327.0	327.5	0.5	>500	Pending				
LE21-87	Abandoned before target						180/- 80	71.0	Section 4460E
LE21-87A	331.0	338.5	7.5	>500	Pending		180/- 80	470.0	Section 4460E
incl.	331.5	332.0	0.5	>5,000	Pending				
and incl.	333.5	338.0	4.5	>5,000	Pending				
incl.	334.0	335.0	1.0	>20,000	Pending				
and incl.	336.0	338.0	2.0	>20,000	Pending				
LE21-89	No significant mineralization						180/- 75	431.0	Section 4885E
LE21-91	336.0	341.0	5.0	>500	Pending		180/- 80	425.0	Section 4510E
incl.	337.5	338.0	0.5	>5,000	Pending				
and incl.	338.5	339.0	0.5	>5,000	Pending				
LE21-93	316.0	316.5	0.5	>500	Pending		000/- 90	362.0	Section 4410E
LE21-95	Abandoned before target						180/- 75	56.0	Section 4885E
LE21-95A	No significant mineralization						180/- 75	449.0	Section 4885E
LE21-97	Abandoned before target						180/- 80	55.6	Section 4435E
LE21-97A	No significant mineralization						180/- 80	350.0	Section 4435E
LE21-100	No significant mineralization						180/- 80	371.0	Section 4635E
LE21-101	324.5	329.0	4.5	>500	Pending		180/- 80	374.0	Section 4785E
incl.	327.5	328.0	0.5	>5,000	Pending				
LE21-103	330.0	330.5	0.5	>500	Pending		180/- 80	368.0	Section 4485E
and	331.0	331.5	0.5	>500	Pending				
and	334.5	338.5	4.0	>500	Pending				
incl.	337.5	338.0	0.5	>5,000	Pending				
LE21-105	339.5	340.0	0.5	>500	Pending		180/- 80	380.0	Section 4535E
LE21-107	325.5	332.0	6.5	>500	Pending		000/- 90	344.0	Section 4485E
incl.	326.0	326.5	0.5	>10,000	Pending				
and incl.	327.5	331.0	3.5	>30,000	Pending				

- Notes:
1. Radioactivity is total gamma from drill core measured with an RS-125 hand-held spectrometer.
 2. Measurements of total gamma cps on drill core are an indication of uranium content, but may not correlate with uranium chemical assays.
 3. LE21-78C1 is a wedged off-cut from LE21-78 at 70 metres
 4. Radioactivity previously disclosed

Source: IsoEnergy

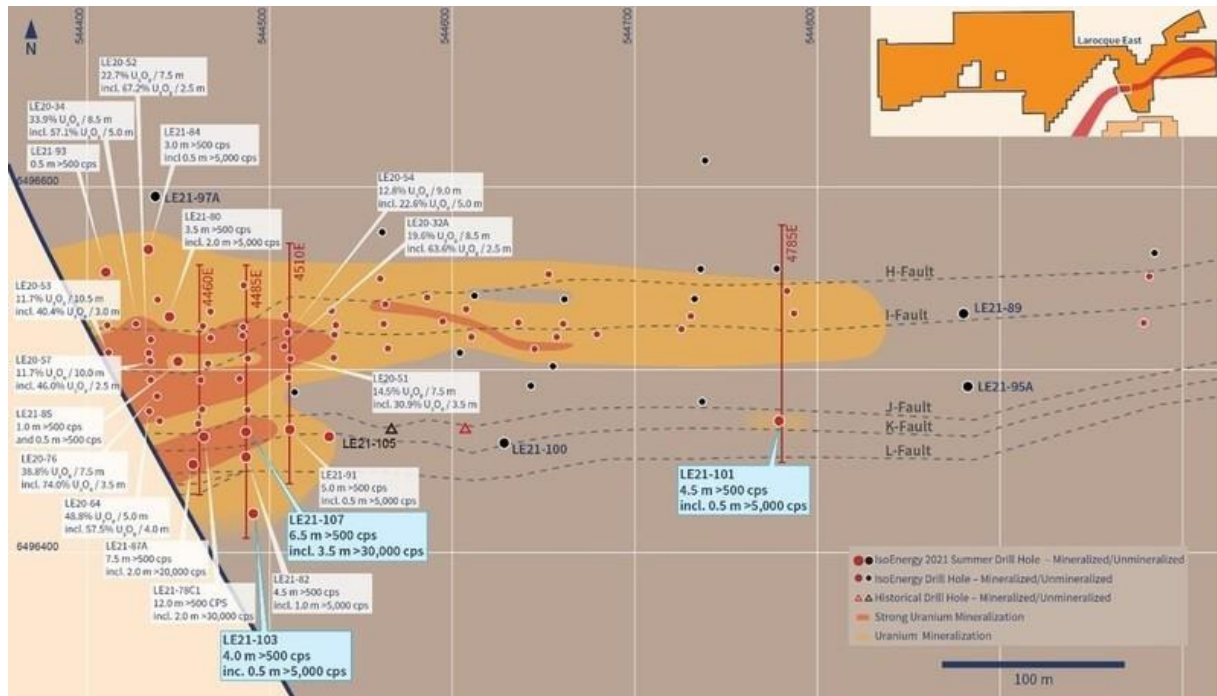


Figure 1 – Larocque East Property Map



Source: IsoEnergy

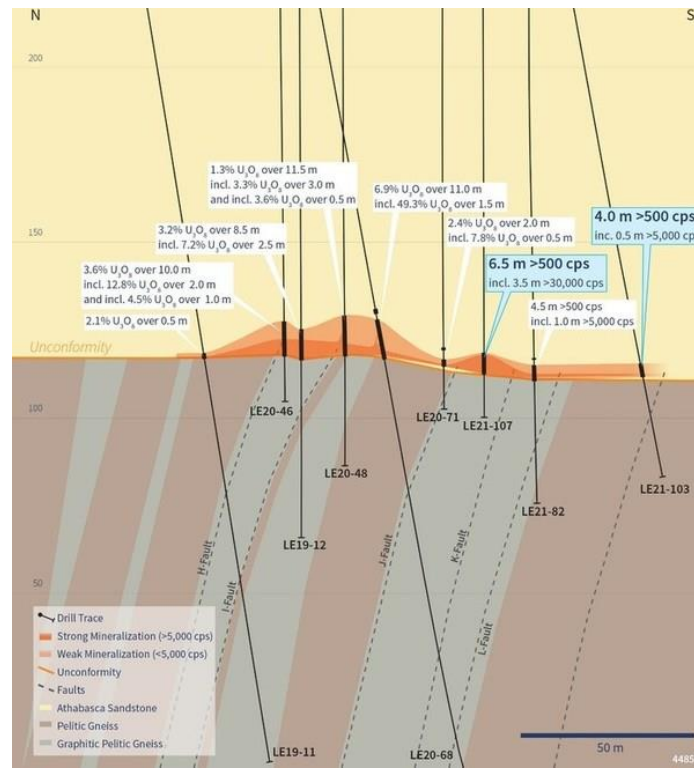
Figure 2 – Hurricane Zone Drill Hole Location Map



Source: IsoEnergy

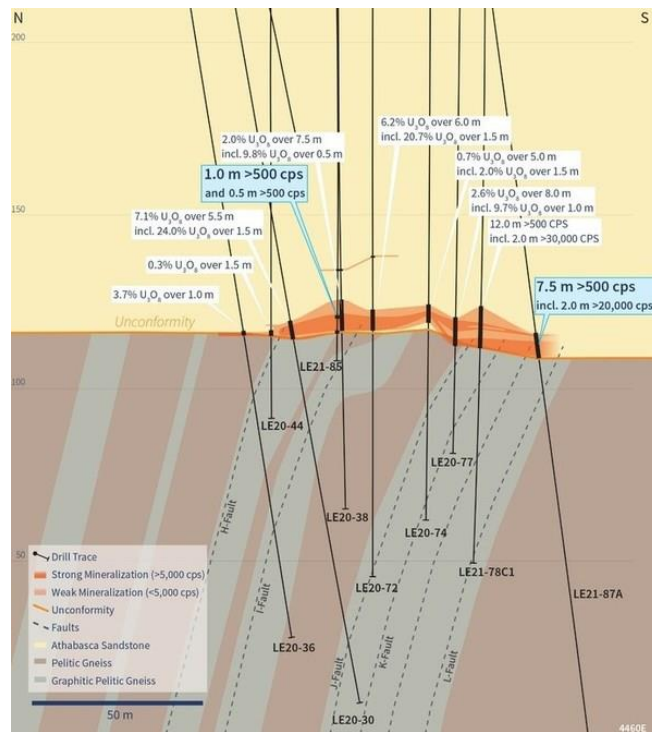


Figure 3 – Section 4485E



Source: IsoEnergy

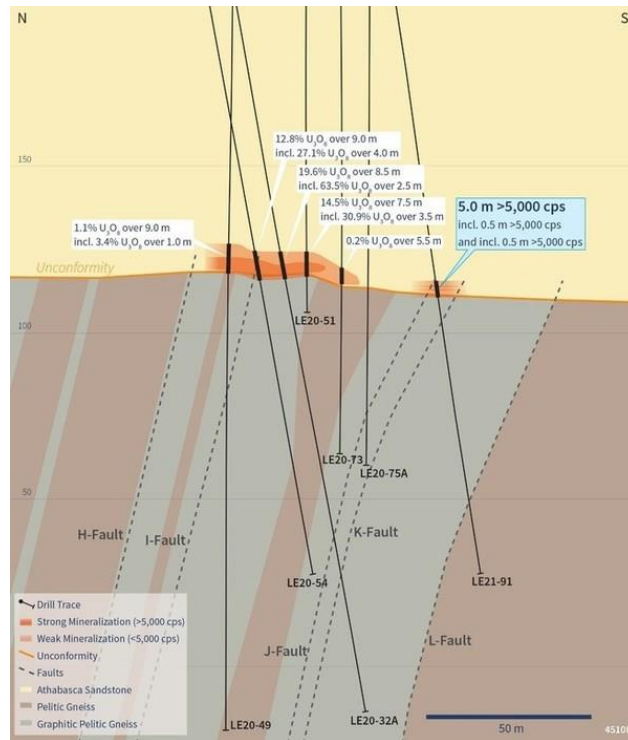
Figure 4 – Section 4460E



Source: IsoEnergy

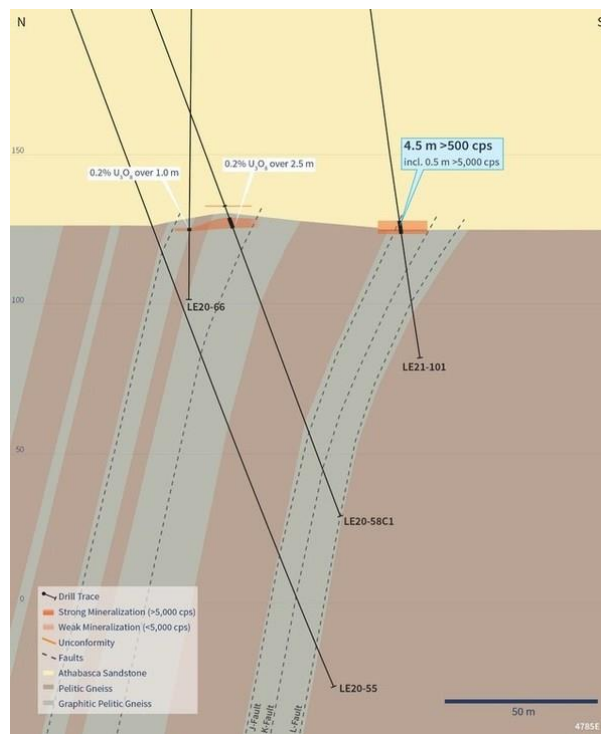


Figure 5 – Section 4510E



Source: IsoEnergy

Figure 6 – Section 4785E



Source: IsoEnergy



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Important Disclosures

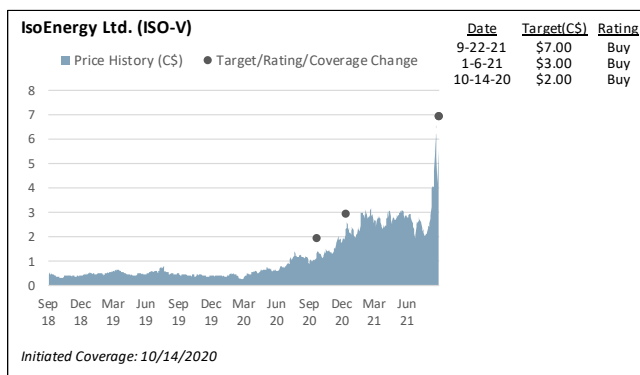
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Distribution of Ratings (as of November 16, 2021)

	%	#	IB Clients (TTM)
Buy	82.7%	81	88.9%
Hold	5.1%	5	5.6%
Sell	0.0%	0	0.0%
Tender	2.0%	2	2.8%
UR (Buy)	0.0%	0	0.0%
UR (Hold)	0.0%	0	0.0%
UR (Sell)	0.0%	0	0.0%
Dropped (TTM)	10.2%	10	2.8%

Price Chart, Rating and Target Price History (as of November 16, 2021)



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

Source: Capital IQ and Haywood Securities

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