

## 2024 WINTER EXPLORATION UPDATE

# ISO Announces Winter 2024 Athabasca Basin Exploration Program

**OUR TAKE:** This morning, ISO announced a \$4.0M winter exploration program that includes a plan to drill 8,250 metres in 12 holes split between the Larocque East and Hawk projects, both in the eastern Athabasca Basin (figure 1). Drilling will commence this month, initially at the Hawk project with 2 diamond drill rigs, followed by Larocque East. Target areas A and B at Larocque East are substantially under-drilled targets located east of the Hurricane deposit within the same conductive corridor, with geophysical data drawing analogues to the Hurricane deposit. These targets offer excellent potential for the discovery of further deposits at the project and drilling could further unlock ~9km of additional conductive corridor extending to the east of the ultra-high-grade Hurricane deposit. At Hawk, ISO is leveraging a growing geophysics database and prior drill data to refine drill targets within a large interpreted 2km x 600m potential sandstone alteration halo on the property. ISO's summer drill program on its highly prospective eastern Athabasca Basin project portfolio has great potential to deliver exploration success and news flow throughout the summer, which could help catalyze the stock in a very robust uranium fundamental market.

### KEY HIGHLIGHTS

- ◆ **Larocque East (3,150m, 6 holes, Figure 2, 3):** Drilling at Larocque East is designed around results of a 2023 ANT geophysical survey (Ambient Noise Tomography) which identified significant low velocity responses in 2 target areas (referred to as A, ~2km east of Hurricane, and B, ~480m east of Hurricane). The low velocity ANT signature is interpreted to represent alteration within the rocks and reflects a similar signature (Fig. 3) to that found at the Hurricane deposit to the west of the target areas (**Hurricane deposit: 48.6Mlbs grading 34.5% U<sub>3</sub>O<sub>8</sub> Indicated, plus 2.7Mlbs grading 2.2% U<sub>3</sub>O<sub>8</sub> Inferred**). The target areas are reportedly substantially under-drilled and offer good discovery potential within a conductive corridor that extends ~9 km to the east of the Hurricane deposit. Target area A is defined by a 600m x 200m undrilled ANT anomaly identified ~2km east of the Hurricane deposit. Target area B, located ~480m east of Hurricane, saw limited prior drilling in 2019-20, where intersections returned "anomalous pathfinder" geochemistry along with "strong" illite alteration within the basal sandstone, also suggesting favorable conditions proximal to uranium deposition.
- ◆ **Hawk (5,100m, 6 holes, Figure 4):** Drilling at Hawk will be guided by prior geophysics and drilling, including targets identified through ANT and EM (electromagnetic) surveys, testing a 2km long, 600m wide anomaly associated with "elevated radioactivity, sandstone alteration and brittle deformation" within the sandstone and basement rocks. Data from prior drilling, which encountered sandstone alteration and structure, will be combined with the geophysics data to further refine drill targets. As part of the winter program, ISO will also conduct a 27.5 line-km ground-based EM survey aiming to identify additional drill targets along the northeastern extension of the known ANT and conductivity anomaly.
- ◆ **Cashed-up and Ready to Go:** As part of the ISO/CUR merger, ISO completed an upsized \$36.6M (gross) private placement of subscription receipts at \$4.50 per receipt (at announcement, the placement was targeting "up to" \$21M). Upon completion of the ISO/CUR merger, each receipt was exchanged for one common share of ISO. With the financing completed, ISO has >\$50M in working capital to aggressively work its portfolio in 2024.

### RECOMMENDED ACTION

*We recommend owning ISO for exposure to a large, diversified portfolio of uranium projects, backed by a strong technical team...*

- ◆ **ISO's expansive portfolio includes more than 300 Mlb U<sub>3</sub>O<sub>8</sub> in compliant and historic uranium resources across a range of development stages and jurisdictions.** With the acquisition of Consolidated Uranium late last year, ISO has created a vehicle with more than 310 Mlb U<sub>3</sub>O<sub>8</sub> in uranium resources across multiple jurisdictions and development stages from 'near production-ready' in the U.S. to advanced and early-stage exploration in Canada and Australia. **Our \$7.00 per share price target** is based on an average US\$2.71 EV/lb U<sub>3</sub>O<sub>8</sub> multiple applied to ISO's portfolio of all-categories historic and compliant resources (~312Mlb U<sub>3</sub>O<sub>8</sub>), plus an additional ~34 Mlb U<sub>3</sub>O<sub>8</sub> credit for resource potential across ISO's portfolio. Undeveloped Athabasca Basin peers trade between US\$5.14 - US\$11.86/lb U<sub>3</sub>O<sub>8</sub>. U.S. peers trade at an average of US\$1.42/lb U<sub>3</sub>O<sub>8</sub>. ISO is currently trading at 0.62x Haywood NAV (0.64x consensus NAV), and trading at an EV/lb multiple of US\$1.87/lb U<sub>3</sub>O<sub>8</sub> based on its ~312Mlb historic and compliant resource inventory.

#### KEY STATISTICS AND METRICS

52-Week High/Low	\$4.97/\$2.34
YTD Performance	17.9%
Dividend Yield	NA
Shares O/S	172.9M
Market Capitalization	\$752.1M
Cash	\$52.5M
Debt	\$13.4M
Enterprise Value	\$712.0M
Daily Volume (3 mos.)	163,542
Currency	C\$ unless noted

#### HAYWOOD ESTIMATES (CAD)

	2022A	2023E	2024E
Revenue (\$M)	0	0	0
Net Income (\$M)	(7.4)	(11.0)	(10.7)

#### VALUATION

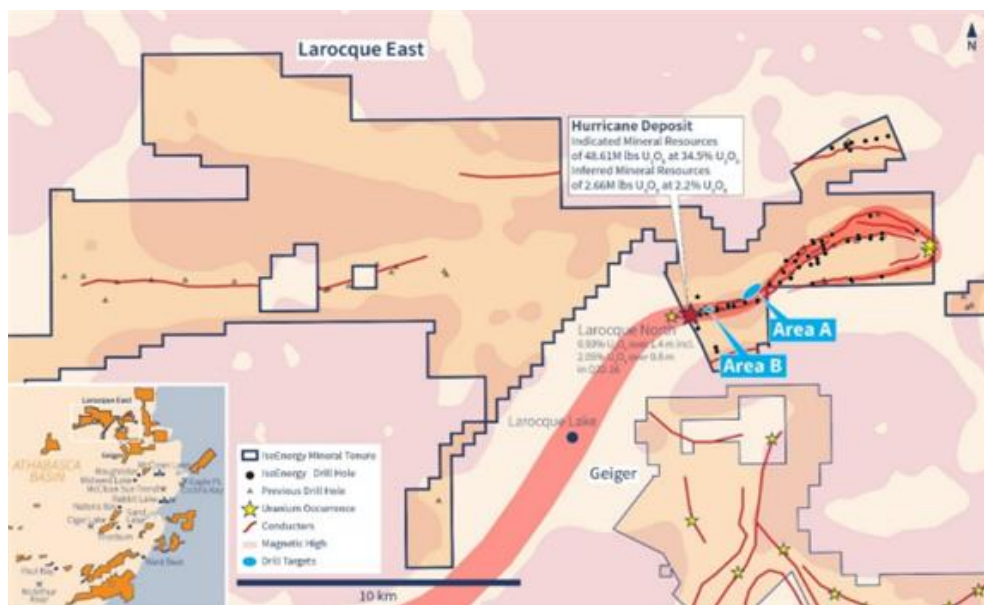
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Figure 1 – IsoEnergy Athabasca Basin Projects Overview



Source: IsoEnergy

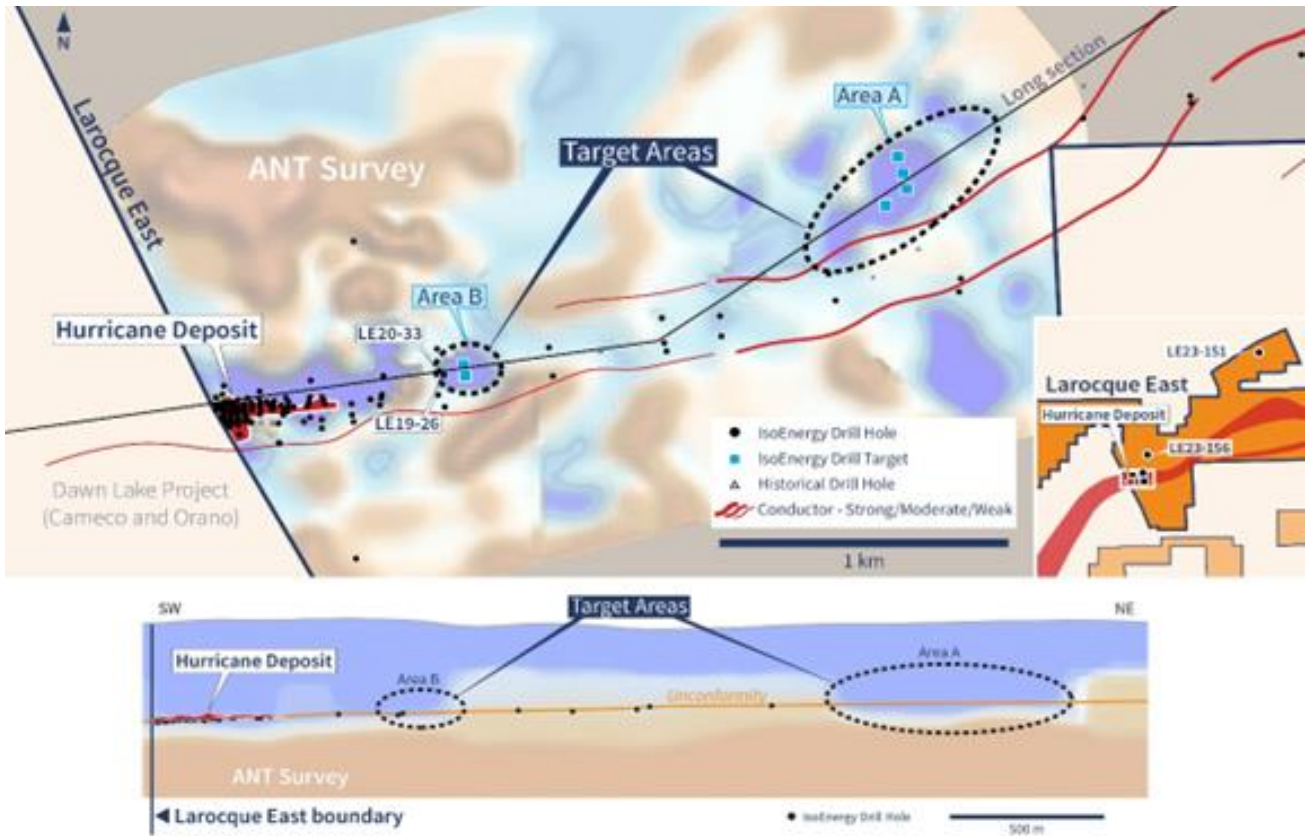
Figure 2 – Larocque East Project – Exploration Target Area Relative Position to Hurricane and Prospective Conductor Corridor (shaded red)



Source: IsoEnergy

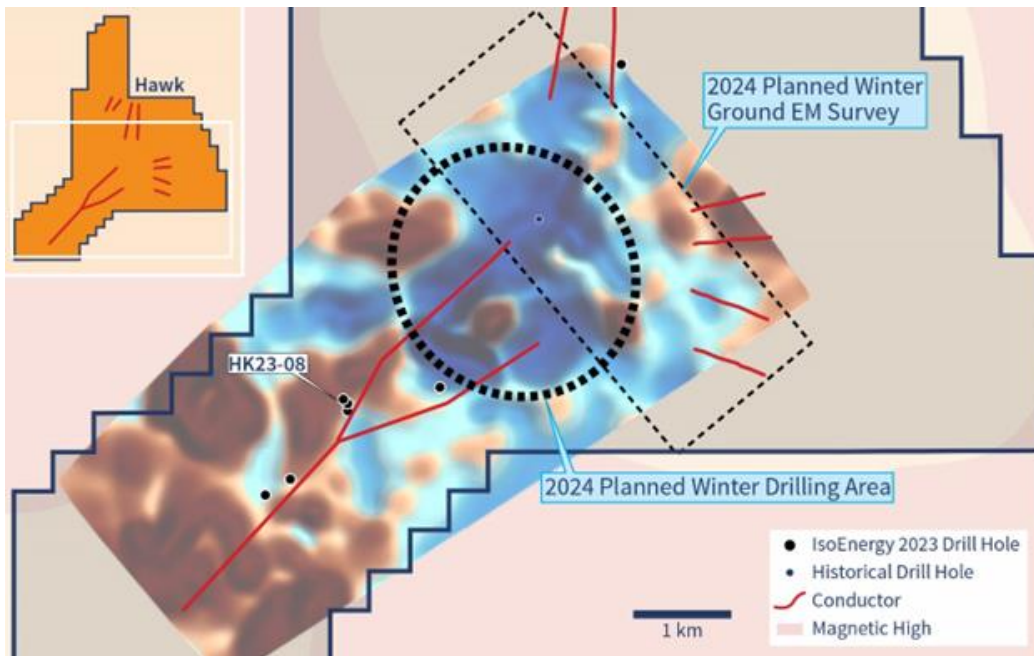


Figure 3 – Larocque East – Plan View (upper) and Long Section (lower) – Showing Shaded Results of ANT Survey and Exploration Target Areas



Source: IsoEnergy

Figure 4 – Hawk- Proposed Winter Drill Target Area & Planned Electromagnetic Survey Area



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

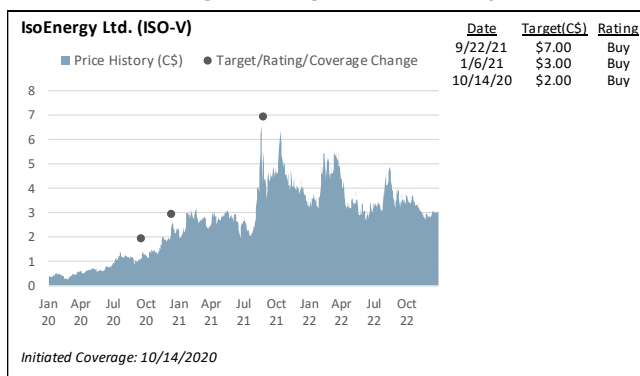
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- ◆ Haywood Securities Inc. or one of its subsidiaries has managed or co-managed or participated as selling group in a public offering of securities for IsoEnergy Ltd. (ISO-V) in the last 12 months.

### Distribution of Ratings (as of January 15, 2024)

	%	#	IB Clients (TTM)
<b>Buy</b>	74.2%	69	83.3%
<b>Hold</b>	4.3%	4	11.1%
<b>Sell</b>	1.1%	1	0.0%
<b>Tender</b>	2.2%	2	5.6%
<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>	18.3%	17	0.0%

### Price Chart, Rating and Target Price History (as of January 15, 2024)



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

**Link to Research Policy:** <http://haywood.com/what-we-offer/research/research-policy>

