ISOENERGY LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three and Nine Months Ended September 30, 2021 and 2020

Dated: November 2, 2021

GENERAL

This management's discussion and analysis ("**MD&A**") is management's interpretation of the results and financial condition of IsoEnergy Ltd. ("**IsoEnergy**" or the "**Company**") for the three and nine months ended September 30, 2021 and includes events up to the date of this MD&A. This discussion should be read in conjunction with the unaudited financial statements for the three and nine months ended September 30, 2021 and 2020 and the notes thereto (together, the "**Interim Financial Statements**") and other corporate filings, including the annual financial statements for the years ended December 31, 2020 and 2019 (the "**Annual Financial Statements**"), all of which are available under the Company's profile on SEDAR at www.sedar.com. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified. This MD&A contains forward-looking information. Please see "Note Regarding Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions used to develop the Company's forward-looking information.

Technical Disclosure

All scientific and technical information in this MD&A has been reviewed and approved by Mr. Andy Carmichael, P.Geo., IsoEnergy's Vice-President, Exploration. Mr. Carmichael is a qualified person for the purposes of National Instrument 43-101 *Standards of Disclosure for Mineral Projects ("***NI 43-101***")*. Mr. Carmichael has verified the sampling, analytical, and test data underlying the information or opinions contained herein by reviewing original data certificates or reviewing the data collection protocols.

For additional information regarding the Company's Radio, Thorburn Lake and Larocque East projects, including its quality assurance and quality control procedures, please see the technical reports entitled "Technical Report for the Radio Project, Northern Saskatchewan" dated effective August 19, 2016,"Technical Report for the Thorburn Lake Project, Northern Saskatchewan" dated effective September 26, 2016, and "Technical Report for the Larocque East Project, Northern Saskatchewan" dated effective May 15, 2019, in each case, on the Company's profile at www.sedar.com.

The historical mineral resource estimate at the Mountain Lake project referred to below, was reported in the technical report entitled "Mountain Lake Property, Nunavut" and dated February 15, 2005. This resource is a historical estimate and a qualified person has not done sufficient work to classify the historical estimate as a current mineral resource estimate. As a result, the historical estimate is not being treated as a current mineral resource. However, the Company believes that the historical estimate is relevant and reliable, as it was prepared by a "qualified person" (as defined in NI 43-101) with significant experience with the project, using methods that were standard in the industry.

The historical estimate was prepared with the polygonal method using only intervals greater than 0.1% U_3O_8 with a vertical thickness of at least 1.0 metre. Polygon sides were determined by drawing lines perpendicular to, and one half the distance to each adjacent drill hole. Estimated uranium was then obtained by multiplying the polygon areas by their thickness, a specific gravity of 2.5, and the grade of the drill hole interval. The mineral resource was classified as inferred.

In order to upgrade or verify the historical estimate as a current mineral resource estimate, the Company anticipates that it will need to incorporate the drilling data collected by Triex Minerals Corp. and Pitchstone Exploration Ltd. between 2006 and 2008. There are no more recent estimates available to the Company.

BACKGROUND

Overview

IsoEnergy was incorporated on February 2, 2016 under the *Business Corporations Act* (British Columbia) as a wholly-owned subsidiary of NexGen Energy Ltd. ("**NexGen**") to acquire certain exploration assets of NexGen. NexGen is a Canadian based uranium exploration company focused on the advancement of its Rook 1 Project in the Athabasca Basin, Saskatchewan. On October 19, 2016, IsoEnergy was listed on the Toronto Stock Exchange Venture ("**TSXV**"). NexGen's common shares are listed and posted for trading on the Toronto Stock Exchange, NYSE American LLC and the Australian Stock Exchange. As of the date hereof, NexGen holds 48.88% of the outstanding IsoEnergy common shares.

The principal business activity of IsoEnergy is the acquisition and exploration of uranium mineral properties, principally in the Athabasca Basin of Saskatchewan. IsoEnergy's uranium mineral properties are summarized in Table 1 below.

Table 1 – Summary of Uranium Mineral Properties

Area	Project	Hectares	Date Acquired	Acquisition Type	Encumbrances
Saskatchewan	Radio	805	2016	Spun-out from NexGen	2% NSR[(1)]
	Thorburn Lake	2,802	2016	Spun-out from NexGen	1% NSR and 10% CI[(2)]
	2Z	354	2016	Spun-out from NexGen	2% NSR*
	Carlson Creek	759	2016/20	Spun-out from NexGen/Staked	1% NSR and 10% CI[(3)]
	Madison	1,347	2016	Spun-out from NexGen	2% NSR*
	North Thorburn	1,708	2016	Purchased	None
	Geiger	13,861	2017/18/20	Purchased	NPI applies to some claims[(3)]
	East Rim	30,594	2017/20/21	Staked	None
	Full Moon	11,107	2017/20	Staked	None
	Whitewater	7,833	2018	Staked	None
	Larocque East	16,780	2018-2021	Purchased/Staked	(4)
	Whitewater East	1,147	2018	Staked	None
	Edge	6,515	2019/20	Staked	None
	Collins Bay Extension	9,337	2019/20	Staked	None
	Cable	44,152	2020	Staked	None
	Evergreen	33,516	2020	Staked	None
	Hawk	5,961	2020	Staked	None
	Eagle	5,887	2020	Staked	None
	Horizon	15,748	2020	Staked	None
	Larocque West	509	2020	Staked	None
	Ranger	15,619	2020	Staked	None
	Spruce	4,836	2020	Staked	None
	Trident	16,169	2020/21	Staked	None
	Sparrow	374	2020	Staked	None
	subtotal	247,720			
Nunavut	Mountain Lake[(5)]	5,625	2016	Staked	None
		253,345			

(1) 2% Net Smelter Royalty ("**NSR**") on minerals other than diamonds, plus a 2% Gross Overriding Royalty on diamond.
(2) 1% NSR plus a 10% Carried Interest ("**CI**"). The CI can be converted to an additional 1% NSR at the Holder's option.
(3) Sliding scale Net Profits Interest ("**NPI**") ranging between 0% and 20% applies to a 7.5% interest in certain claims.
(4) 2% NSR on MC00013747 and MC00013560; can be reduced to 1% for $1,000,000.
(5) Subject to an Option Agreement, see "Discussion of Operations – Corporate Activities in 2021".

Figure 1 shows the location of the Company's properties in Saskatchewan.

Figure 1 – Property Location Map

OVERALL PERFORMANCE

General

In the nine months ended September 30, 2021 the company carried out exploration work on the Geiger, Collins Bay, and Larocque East properties as described below under “Discussion of Operations”. The Company did not carry out a winter exploration program on the Larocque East property in the Athabasca Basin due to novel coronavirus (“**COVID-19**”) concerns. See “Discussion of Operations” for future plans.

As an exploration stage company, IsoEnergy does not have revenues and is expected to generate operating losses. As at September 30, 2021, the Company had cash of $14,931,758 an accumulated deficit of $28,628,459 and working capital of $22,558,927.

Industry and Economic Factors that May Affect the Business

The business of mining for minerals involves a high degree of risk. IsoEnergy is an exploration company and is subject to risks and challenges similar to companies in a comparable stage and industry. These risks include, but are not limited to, the challenges of securing adequate capital, exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary permitting; as well as global economic and uranium price volatility; all of which are uncertain.

The underlying value of the Company’s exploration and evaluation assets is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material write-downs of the carrying value of the Company’s exploration and evaluation assets.

In particular, the Company does not generate revenue. As a result, IsoEnergy continues to be dependent on third party financing to continue exploration activities on the Company’s properties. Accordingly, the Company’s future performance will be most affected by its access to financing, whether debt, equity or other means. Access to such financing, in turn, is affected by general economic conditions, the price of uranium, exploration risks and the other factors described in the section entitled "Risk Factors" included below.

DISCUSSION OF OPERATIONS

Corporate Activities in 2021

In the three and nine months ended September 30, 2021 the Company was focused primarily on exploration activities at the Larocque East, Geiger, and Collins Bay Extension properties in the Eastern Athabasca as discussed below. Additionally, property extensions were acquired at the Trident, East Rim, and Larocque East properties. To date in 2021, a total of 6,680 hectares of mineral tenure in the Eastern Athabasca has been added to the Company’s exploration property portfolio through staking and purchase.

92 Energy Agreement

On April 14, 2021 IsoEnergy closed a transaction based on a Heads of Agreement (the “**Agreement**”) with 92 Energy Pty. Ltd. (“**92 Energy**”) for 92 Energy to acquire a 100% interest in IsoEnergy’s Clover, Gemini, and Tower uranium properties in Saskatchewan, Canada (the “Properties”) in consideration for the issuance of common shares equivalent to 10,755,000 fully paid ordinary share or 16.25% of the issued capital of 92 Energy following the Initial Public Offering (“**IPO**”). The shares were issued at a price of A$0.20 and are in escrow for 12 months following the completion of the IPO. Additional consideration to IsoEnergy includes milestone cash payments of A$100,000 within 60 days of 92 Energy’s IPO (which was received June 14, 2021), and an additional A$100,000 within 6 months of that date (which was received October 8, 2021). IsoEnergy will retain a 2% NSR on the Properties and will be entitled to nominate a member to 92 Energy’s

Board of Directors, provided IsoEnergy maintains a minimum ownership position of 5%. 92 Energy will be required to spend an aggregate of A$1,000,000 on exploration expenditures on the Properties prior to May 1, 2022.

Mountain Lake Option Agreement

On August 10, 2021, IsoEnergy completed an agreement with International Consolidated Uranium ("**ICU**") to grant ICU the option to acquire a 100% interest in the Company's Mountain Lake uranium property in Nunavut, Canada ("**Option Agreement**").

The Mountain Lake property consists of 5,625 hectares and was staked by IsoEnergy in 2016. The property contains an historical inferred mineral resource estimate of 8.2 million pounds U_3O_8 with an average grade of 0.23% U_3O_8 contained in 1.6 million tonnes of mineralization. Uranium mineralization is hosted within sandstone and dips shallowly from the top of the bedrock down to approximately 180 metres below surface.

Under the terms of the Option Agreement, ICU obtains the option to acquire a 100% interest in the Mountain Lake uranium property for consideration comprised of 900,000 ICU common shares and $20,000 cash. The shares were received August 10, 2021 and are subject to a four month hold period. The option is exercisable at ICU's election on or before the second anniversary of receipt of TSXV approval (August 3, 2023) for additional consideration of $1,000,000, payable in cash or shares of ICU. If ICU elects to acquire the Mountain Lake property, IsoEnergy will be entitled to receive the following contingency payments in cash or shares of ICU, at the discretion of ICU:

- If the uranium spot price reaches USD$50, IsoEnergy will receive an additional $410,000
- If the uranium spot price reaches USD$75, IsoEnergy will receive an additional $615,000
- If the uranium spot price reaches USD$100, IsoEnergy will receive an additional $820,000

The spot price contingent payments will expire 10 years following the date the option is exercised.

Stock option and warrants

In the nine months ended September 30, 2021 the Company issued 6,584,398 common shares on the exercise of stock options and warrants for proceeds of $4,953,265.

Corporate Activities in 2020

In the year ended December 31, 2020 the Company was focused primarily on exploration activities at the Hurricane Zone on the Larocque East property in the Eastern Athabasca as discussed below. Additionally, several property extensions and 13 new properties were staked in the Eastern Athabasca. The new exploration properties are Cable, Clover, Eagle, Evergreen, Gemini, Hawk, Horizon, Larocque West, Ranger, Sparrow, Spruce, Tower and Trident. During the year, 216,038 hectares of mineral tenure in the Eastern Athabasca was added to the Company's exploration property portfolio through staking.

Financings

Private Placement

On August 10, 2020, the Company completed a non-brokered private placement for gross proceeds of $4 million (the "**Private Placement**"). Pursuant to the terms of the Private Placement, the Company issued 5,882,352 common shares at a price of $0.68 per share (the "**Private Placement Price**"), of which NexGen subscribed for 4,411,764 common shares.

Convertible debt

On August 18, 2020, IsoEnergy entered into an agreement with Queen's Road Capital Investment Ltd. (the "**Debentureholder**") for a US$6 million private placement of unsecured convertible debentures (the "**Debentures**"). The Debentures will be convertible at the holder's option at a conversion price of $0.88 (the "**Conversion Price**") into a maximum of 9,206,311 common shares (the "**Maximum Conversion Shares**") of the Company.

On conversion of any portion of the principal amount of the Debentures, if the number of common shares to be issued on such conversion, taking into account all common shares issued in respect of all prior conversions would result in the common shares to be issued exceeding the Maximum Conversion Shares, on such conversion the Debentureholder shall be entitled to receive a payment (the "**Exchange Rate Fee**") equal to the number of common shares that are not issued as a result of exceeding the Maximum Conversion Shares, multiplied by the 20-day volume-weighted average trading price ("**VWAP**"). IsoEnergy can elect to pay the Exchange Rate Fee in cash or, subject to the TSXV approval, in common shares of the Company.

Terms of the Debentures

The Debentures carry an 8.5% coupon (the "**Interest**") over a 5-year term and are convertible at the holder's option into common shares of the Company at a conversion price of $0.88, which Conversion Price is equal to a 30% premium to the Private Placement Price.

The Company will be entitled, on or after the third anniversary of the date of issuance of the Debentures, at any time the 20-day VWAP of the Company's shares listed on the TSXV exceeds 130% of the Conversion Price, to redeem the Debentures at par plus accrued and unpaid Interest.

The Interest is payable semi-annually with 6% payable in cash and 2.5% payable in common shares of the Company, subject to TSXV approval, at a price equal to the 20-day VWAP of the Company's common shares on the TSXV on the twenty days prior to the date such Interest is due.

The Interest can be reduced to 7.5% per annum on the public dissemination by the Company of an economically positive preliminary economic assessment study, at which point the cash component of the Interest will be reduced to 5% per annum.

Upon completion of a change of control (which includes in the case of the holders' right to redeem the Debentures, a change in the Chief Executive Officer of the Company), the holders of the Debentures or the Company may require the Company to purchase or the holders to redeem, as the case may be, any outstanding Debentures in cash at: (i) on or prior to August 18, 2023, 130% of the principal amount; and (ii) at any time thereafter, 115% of the principal amount, in each case plus accrued but unpaid interest, if any. In addition, upon the public announcement of a change of control that is supported by the Board, the Company may require the holders of the Debentures to convert the Debentures into common shares at the Conversion Price provided the consideration payable upon the change of control exceeds the Conversion Price and is payable in cash.

A "change of control" of the Company is defined as consisting of: (i) the acquisition, directly or indirectly, by a person or group of persons acting jointly or in concert of voting control or direction over 50% or more of the outstanding common shares, (ii) the amalgamation, consolidation or merger of the Company with or into another entity as a result of which the holders of common shares immediately prior to such transaction, directly or indirectly, hold less than 50% of voting control or direction over the entity carrying on the business of the Company following such transaction, (iii) the sale, assignment, transfer or other disposition of all or substantially all of the property or assets of the Company to another entity in which the holders of common shares immediately prior to such transaction, directly or indirectly, hold less than 50% of voting control or direction following such transaction, (iv) the removal by resolution of the shareholders of the Company, of a majority of the then incumbent directors of the Company, which removal has not been recommended in the Company's management information circular, or the failure to elect to the Company's board of directors a majority of the directors proposed for election by management in the Company's management information circular; or (v) the acquisition by any transaction, directly or indirectly, by a person or group of persons acting jointly or in concert of voting control or direction over more of the common shares than are then held by NexGen.

Flow-through shares

On December 22, 2020, the Company issued 2,702,703 flow-through shares (the "**2020 FT Shares**") at a price of $1.48 per 2020 FT Share for aggregate gross proceeds of $4,000,000.

Exploration and Evaluation Spending

During the nine months ended September 30, 2021 the Company incurred $4,531,826 of exploration spending primarily on Larocque East and Geiger as set out below. The Company elected not to carry out a winter drilling program due to concerns over COVID 19. See "Outlook" below for future drilling plans.

	Geiger	Larocque East	Other	Total
Drilling	$ 924,027	$ 1,221,657	$ -	$ 2,145,684
Geological and geophysical	128,765	302,072	136,569	567,406
Labour and wages	82,811	353,228	37,361	473,400
Geochemistry and assays	34,505	56,959	144	91,608
Camp costs	74,723	331,935	-	406,658
Travel and other	32,114	62,665	36,774	131,553
Cash expenditures	1,276,945	2,328,516	210,848	3,816,309
Share-based compensation	122,995	524,629	55,490	703,114
Depreciation	4,831	7572	-	12,403
Total expenditures	$ 1,404,771	$ 2,860,717	$ 266,338	$ 4,531,826

Geiger

Spring 2021 – Historical Drill Core Review

A program of historical drill core relogging and resampling was completed in mid-June to verify historical drilling logs and procure modern, multielement geochemical data to assist in the prioritization of areas within the project for follow-up drilling in the second half of 2021.

Summer 2021 – Diamond Drilling

A program of core drilling was carried out at the Geiger project in July and August 2021. Twelve drill holes totaling 4,428 metres were completed to follow up on anomalous results intersected by historical drill holes including anomalous geochemistry, strong sandstone alteration hosting elevated radioactivity, and graphitic basement rocks with significant structures. The depth to the unconformity in the target area is shallow, ranging between 140 metres and 220 metres.

The most noteworthy result of the summer 2021 diamond drilling is the discovery of a zone of significant sandstone alteration associated with the 3B electromagnetic conductor. The 3B conductor was identified by IsoEnergy in July during a reinterpretation of historical airborne geophysical survey data. While testing the 3A conductor to the north, drill hole GG21-21 intersected significant sandstone alteration and structure interpreted to be related to the 3B conductor to the south. GG21-27 targeted the 3B conductor and followed-up the sandstone alteration and structure intersected by GG21-21. GG21-27 intersected an interval of graphitic basement hosting structures 155 metres below the unconformity which correlates to the center of the interval of strongest alteration and structure in GG21-21 Importantly, the 3B conductor associated with this sandstone alteration and graphitic basement has been tested only indirectly by the two 2021 drill holes and is completely untested along its remaining 4.5 kilometres of strike length. A portion of the geochemical results have been received with the remaining geochemical results expected by mid-November.

Larocque East

Spring 2021 – Geophysics

A program of DC-Resistivity ground geophysical surveying was completed at Larocque East from June 16th to July 13th. Originally intended for the late winter to early spring breakup period, the survey was postponed due to COVID-19 concerns. The 54 line-kilometre survey comprises 19 survey lines spaced 200 metres apart covering the eastern half of the Larocque Lake conductor system on the Larocque East project. A similar DC-Resistivity survey completed at Larocque East in 2019 successfully tracked the Larocque Lake conductor system from the Hurricane zone eastward to the western end of the 2021 survey area and mapped numerous zones of relatively lower sandstone resistivity which may be indicative of enhanced sandstone alteration. Interpretation of the 2021 survey results is in progress and it is expected this work will guide exploration drilling in 2022.

Summer 2021 – Drilling

In early September IsoEnergy began a program of core drilling at the Larocque East project planned to comprise 30 drill holes totaling 12,000 metres. Twelve drill holes are planned to expand the footprint of the Hurricane zone and will include drilling at both the western and the eastern sides of the zone. Four infill drill holes are planned between existing drill fences to provide information on the continuity of the higher-grade portions of the zone. Fourteen exploration drill holes are planned in two target areas. The main target area is a three-kilometre-long section of the Larocque Lake trend where DC-resistivity signatures similar to that of Hurricane are present and historical drilling has intersected alteration, structures, graphitic basement, and anomalous geochemistry. The second target area includes trends of decreased resistivity in the sandstone and basement and is located southeast of and subparallel to the Hurricane zone stratigraphy

Initial drilling results at the Hurricane zone include intersections of significant radioactivity in several drill holes outside the previously defined mineralized footprint (i.e. LE21-78C1, LE21-82, LE21-84, LE21-87A, LE21-91, and LE21-93). While exploration drill holes intersected zones of significant alteration and structure in the sandstone and basement leading to the development of follow-up targets for further testing, no significant radioactivity had been intersected as of the date of this report.

Drilling is expected to be completed in early November. A small proportion of assay results have been received with the remaining assays expected by mid-December.

Spring 2021 – Land Acquisition

In June 2021 IsoEnergy expanded the Larocque East project by purchasing two mineral claims totaling 902 hectares from Eagle Plains Resources Ltd. (EPL). Mineral claim MC00013560 is located 540 metres southeast of the southeastern corner of Larocque East and covers a section of the Anvil Lake trend, a north-northwest trending package of basement rocks which includes graphitic pelitic gneisses. Mineral claim MC00013747 is located within the far western portion of Larocque East and covers a 7.5-kilometre-long section of the Bell Lake trend, an east-west oriented package of basement rocks which includes graphitic pelitic gneisses. Both trends host weak uranium mineralization intersected by historical drill holes. IsoEnergy paid EPL $25,000 in cash in exchange for a 100% interest in the two mineral claims. Compensation also includes a 2% Net Smelter Returns ("NSR") royalty on the two claims payable to EPL, of which 1% may be bought back by IsoEnergy for $1.0 million.

Winter 2021 – Drilling

Drilling at Larocque East planned for the winter of 2021 was not completed due to concerns about COVID-19. The planned 10,000 metre, 24 drill hole program was designed to expand the footprint of the Hurricane zone, to further test the high-grade core of the Hurricane zone, and to explore the Larocque East project well to the east of the Hurricane zone.

Collins Bay Extension

Fall 2021 - Geophysics

An airborne Versatile Time-Domain Electromagnetic (VTEM-Plus) and spectrometer survey was begun at the Collins Bay Extension project in late September. The 567 line-kilometre survey will cover the southwestern portion of the Collins Bay Extension and is intended to map extensions of the Tent-Seal and Collins Bay conductive trends associated with mineralization at the Eagle Point, Rabbit Lake, and Collins Bay deposits. The survey was completed in late September and early October.

Other Properties – Soil Geochemistry Surveys

Soil geochemistry surveys were completed at three uranium properties in the Eastern Athabasca. A total of 1,085 samples were collected from the 2Z (466), Larocque West (407) and Sparrow (212) properties. Assays for the soil samples are pending.

Other Properties – Land Acquisition

During the nine months ended September 30, 2021, property extensions were acquired by land staking at East Rim (5,483 hectares) and Trident (295 hectares).

During the year ended December 31, 2020, IsoEnergy completed a winter (January to March) drill program and a summer (August to October) drill program at the Hurricane Zone on the Larocque East property, drilling 19,900 metres in 48 drill holes and incurred the following exploration and evaluation expenditures:

	Larocque East	Other properties	Total
Drilling	$ 2,787,007	$ 13,357	$ 2,800,364
Geological and geophysical	-	30,500	30,500
Labour and wages	1,114,729	25,886	1,140,615
Geochemistry and assays	317,508	-	317,508
Environmental	133,949	3,134	137,083
Engineering	224,620	-	224,620
Camp costs	594,539	-	594,539
Travel and other	128,625	4,136	132,761
Cash expenditures	5,300,977	77,013	5,377,990
Share-based compensation	234,956	-	234,956
Depreciation	9,599	-	9,599
Total expenditures	$ 5,545,532	$ 77,013	$ 5,622,545

A description of exploration activities during the year ended December 31, 2020 by property is set forth below.

Summer 2020 – Drilling

A 20-hole drill program was started in August and after being expanded to 24 drill holes due to strong results, was completed by October 23, 2020. The objective was to extend mineralization to the south on the western, strongly mineralized portion of the zone, plus evaluate the eastern side of the zone for additional uranium mineralization. Results of the program are encouraging, with several strong intersections on the western side that significantly extend the mineralized footprint to the south. Examples include drill holes LE20-57 (10.0 metres @ 11.7% U_3O_8), LE20-62 (4.5 metres @ 6.2% U_3O_8), LE20-64 (5.0 metres @ 48.8% U_3O_8), LE20-68 (11.0 metres @ 6.9% U_3O_8), LE20-72 (6.0 metres @ 6.2% U_3O_8), and LE20-76 (7.5 metres @ 38.8% U_3O_8). At the end of the summer drilling program the zone now measures at least 575 metres long, up to 75 metres across, and up to 11 metres thick. Several sections on the western end of the Hurricane zone remain open for expansion.

During the summer 2020 exploration drilling program the Company also collected downhole geotechnical and hydrogeological engineering data. This information will improve the understanding of the mineralized zone properties and support potential future extraction studies. In addition, environmental data collection was initiated on specific areas of the ecosystem (i.e. aquatic, atmospheric) where multi-year and multi-season data would be required to support potential future environmental studies.

Winter 2020 – Drilling

An originally planned 20-hole drilling program at the Larocque East property was expanded to 24 drill holes due to encouraging results at the Hurricane Zone. Utilizing two drills, the Company evaluated the potential to expand mineralization along-strike to the western property boundary with one rig and also evaluated the potential for additional mineralization well to the east of the current Hurricane zone footprint. Drilling toward the western property boundary was particularly successful, with thick and high-grade uranium mineralization intersected in several drill holes. Examples include drill holes LE20-34 (8.5 metres @ 33.9% U_3O_8), LE20-32A (8.5 metres @ 19.6% U_3O_8), LE20-40 (4.0 metres @ 20.5% U_3O_8), LE20-51 (7.5 metres @ 14.5% U_3O_8), LE20-52 (7.5 metres @ 22.7% U_3O_8) and LE20-53 (10.5 metres @ 11.7% U_3O_8). The zone now measures at least 575 metres long, 40 metres across, and up to 11 metres thick. Most sections, including all of those on the higher-grade western end of the Hurricane zone footprint, are open for expansion.

Previous work

The Company completed a total of 29 drill holes in two drilling campaigns at the Hurricane Zone in 2019 - one in the winter (January to March) and one in the summer (June to August). This work followed up on the single hole (the discovery hole) drilled in the summer of 2018. Both of the 2019 programs were successful in expanding the Hurricane zone. By the end of the summer, the zone had grown to 500 metres long, 40 metres wide and up to 10 metres thick.

Outlook

The Company intends to actively explore all of its projects as and when resources permit. The nature and extent of further exploration on any of the Company's properties however will depend on the results of completed and ongoing exploration activities, an assessment of its recently acquired properties and the Company's financial resources.

As of the date hereof, the Company's exploration priorities are the Larocque East, Geiger, Thorburn Lake, Radio, and Collins Bay Extension properties.

A program of core drilling at the Larocque East property is currently planned for the winter 2022 drilling season. The program will focus on continued exploration at the Hurricane Zone and along extensions to the east within the footprint of the 2019 and 2021 geophysical surveys. As drilling plans will be strongly influenced by the results of the ongoing summer 2021 drilling at Larocque East, the scope and timing of the winter 2022 drilling program has yet to be determined.

Several other exploration activities are planned in the future but are not currently scheduled. Future work on the Thorburn Lake property will include follow-up drilling in the area of TBN17-23 and 27, drill evaluations of other geophysical anomalies generated in 2016 and geophysical anomalies generated by the survey recently completed in 2017. At Radio, additional drilling is required to continue to evaluate high priority geophysical targets on the property.

SELECTED FINANCIAL INFORMATION

Management is responsible for the Interim Financial Statements referred to in this MD&A. The Audit Committee of the Company's Board of Directors has been delegated the responsibility to review the Interim Financial Statements and MD&A and make recommendations to the Company's Board. It is the Board which has final approval of the Interim Financial Statements and MD&A.

The Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and the International Financial Reporting Interpretations Committee ("**IFRIC**"). Based on the nature of the Company's activities, both presentation and functional currency is Canadian dollars.

The Company's Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting and should be read in conjunction with IsoEnergy's Annual Financial Statements, which have been prepared using IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on its ability to obtain financing and achieve future profitable operations.

Results of Operations

During the nine months ended September 30, 2021, the Company capitalized $4,558,065 of exploration and evaluation costs to exploration and evaluation assets. The costs of these activities are capitalized to exploration and evaluation assets and are described in the Discussion of Operations section above.

The following financial data is derived from the Interim Financial Statements and should be read in conjunction with IsoEnergy's Interim Financial Statements.

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
General and administrative costs				
Share-based compensation	**$ 333,369**	$ 182,275	**$ 1,348,814**	$ 381,531
Administrative salaries, contract and director fees	**295,536**	228,869	**1,755,938**	554,124
Investor relations	**57,180**	138,679	**210,988**	519,218
Office and administrative	**38,229**	12,282	**99,108**	87,057
Professional fees	**80,269**	68,061	**159,619**	190,572
Travel	**1,918**	-	**1,918**	40,446
Public company costs	**25,114**	33,607	**105,077**	94,661
Depreciation expense	**-**	15,528	**29,398**	46,584
Total general and administrative costs	**(831,615)**	(679,301)	**(3,710,860)**	(1,914,193)
Interest income	**14,859**	11,582	**54,114**	37,666
Interest on lease liability	**-**	(2,621)	**(5,230)**	(7,852)
Interest on convertible debentures	**(160,650)**	(80,038)	**(478,865)**	(80,038)
Fair value gain (loss) on convertible debentures	**(3,629,475)**	1,119,377	**(8,336,758)**	1,119,377
Gain on sale of assets and option agreement	**1,374,213**	-	**3,610,702**	-
Foreign exchange gain (loss)	**49,247**	37,195	**(11,083)**	37,195
Rental and other income	**11,100**	9,087	**29,274**	25,750
Income (loss) from operations	**(3,172,321)**	415,281	**(8,848,706)**	(782,095)
Deferred income tax recovery (expense)	**(1,018,591)**	(63,947)	**(1,213,493)**	(273,509)
Net income (loss)	**$ (4,190,912)**	$ 351,334	**$ (10,062,199)**	$ (1,055,604)

During the three and nine months ended September 30, 2021, the Company recorded a loss of $4,190,912, and $10,062,199, respectively, compared to income of $351,334 and a loss of $1,055,604 in the three and nine months ended September 30, 2020, respectively. The increased loss was predominantly the result of the fair value loss on the Debentures that were issued in August 2020.

General and administrative costs

Share-based compensation charged to the statement of loss and comprehensive loss was $333,369 and $1,348,814 in the three and nine months ended September 30, 2021, respectively compared to $182,275 and $381,531 in the three and nine months ended September 30, 2020, respectively. The share-based compensation expense is a non-cash charge calculated using the graded vesting method of the Black-Scholes values. Stock options granted to directors, consultants and employees vest over two years with the corresponding share-based compensation expense being recognized over this period. Variances in share-based compensation expense are expected from period to period depending on many factors, including whether options are granted in a period and whether options have fully vested or have been cancelled in a period. In the nine months ended September 30, 2021 there were 1,850,000 options granted, respectively compared to 2,510,000 options granted in the nine months ended September 30, 2020. The charge to earnings was higher in the three and nine months ended September 30, 2021 due to higher exercise price on the options issued and accelerated vesting of certain options in the nine months ended September 30, 2021.

Administrative salaries, contracts and directors' fees at $295,536 and $1,755,938 for the three and nine months ended September 30, 2021, respectively were higher than the three and nine months ended September 30, 2020 which were $228,869 and $554,124, respectively. The increase is due primarily to costs relating to the resignation of the former Chief Executive Officer, a change in allocation of salaries from exploration and evaluation to general and administrative costs to reflect the Company's activities and an increase in the number of employees. On February 15, 2021, the former Chief Executive Officer resigned and was paid $897,254 in accordance with the terms of his employment contract. Salaries were higher in the third quarter of 2021 compared to the third quarter of 2020 due to an increase the BC Employer Health Tax resulting from the inclusion of stock option gains in renumeration.

Investor relations expenses were $57,180 and $210,988 for the three and nine months ended September 30, 2021, respectively, compared to $138,679 and $519,218 in the three and nine months ended September 30, 2020, respectively and related primarily to costs incurred in communicating with existing and potential shareholders and marketing. The costs were lower in the three and nine months ended September 30, 2021 due to fewer conferences and investor initiatives.

Office and administrative expenses were $38,229 and $99,108 for the three and nine months ended September 30, 2021 compared to $12,282 and $87,057 in the three and nine months ended September 30, 2020, respectively and consisted of office operating costs and other general administrative costs. Other general administrative expenses included communication, professional membership dues, donations, bank charges and staff training. The Vancouver office lease was assigned to a third party on July 1, 2021. Costs were higher in 2021 due to costs associated with the set up of the new head office in Saskatchewan.

Professional fees were $80,269 and $159,619 for the three and nine months ended September 30, 2021, respectively, compared to $68,061 and $190,572 for the three and nine months ended September 30, 2020, respectively. Professional fees consisted of legal fees related to the Company's business development activities, as well as accounting and tax fees related to regulatory filings. Professional fees were lower in the nine months ended September 30, 2021 as a consultant was hired permanently in late 2020 and included in salaries (until they resigned in May, 2021) and the absence of professional fees related to the issue of the Debentures in August 2020. In the three months ended September 30, 2021 the impact of the above items were offset by increased costs related to fees incurred to source new employees in the new Saskatchewan head office.

Travel expenses were $1,918 for the three and nine months ended September 30, 2021, compared to $nil and $40,446 in the three and nine months ended September 30, 2020, respectively. Travel expenses relate to business development and general corporate activities and amounts vary depending on projects and activities being undertaken. Travel has been significantly reduced due to the COVID-19 pandemic.

Public company costs were $25,114 and $105,077 for the three and nine months ended September 30, 2021, respectively, compared to $33,607 and $94,661 in the three and nine months ended September 30, 2020, respectively and consisted primarily of costs associated with the Company's continuous disclosure obligations, listing fees, transfer agent costs, press releases and other shareholder communications. Costs were higher in the nine months ended September 30, 2021 due to increased listing fees due to a higher market capitalization of the Company's shares.

Depreciation expense was $nil and $29,398 in the three and nine months ended September 30, 2021, respectively compared to $15,528 and $46,584 in the three and nine months ended September 30, 2020, respectively and relates primarily to the right-of-use asset, being an office lease. The Vancouver office lease was assigned to a third-party effective July 1, 2021 and therefore the right-of-use asset was derecognized.

Other items

The Company recorded interest income of $14,859 and $54,114 in the three and nine months ended September 30, 2021, respectively compared to $11,582 and $37,666 in the three and nine months ended September 30, 2020, respectively, which represents interest earned on cash balances. The amounts were higher in the three and nine months ended September 30, 2021 due to an increase in cash from financing activities which was partially offset by lower interest rates.

Interest expense on lease liability was $nil and $5,230 for the three and nine months ended September 30, 2021, respectively and $2,621 and $7,852 in the three and nine months ended September 30, 2020, respectively and relates to the lease liability. The Vancouver office lease was assigned to a third party effective July 1, 2021 and therefore the lease liability was derecognized.

Interest expense on Debentures was $160,650 and $478,865 in the three and nine months ended September 30, 2021, respectively compared to $80,038 in both the three and nine months ended September 30, 2020, and relates to the interest owing on the Debentures which were issued on August 18, 2020. The Debentures bear interest of 8.5% per annum and is payable on June 30 and December 31.

The fair value of the Debentures on September 30, 2021 was $22,366,473 compared to $14,033,992 at December 31, 2020. This resulted in a fair value Income (loss) on Debentures as follows:

	For the three months ended September 30		**For the nine months ended September 30**	
	2021	**2020**	**2021**	**2020**
Change in fair value loss on Debentures included in income (loss)	**$ (3,629,475)**	$ 1,119,377	**$ (8,336,758)**	$ 1,119,377
Change in fair value of Debentures attributable to the change in the credit risk included in other comprehensive income (loss)	**66,949**	-	**4,277**	-
	$ (3,562,526)	$ 1,119,377	**$ (8,332,481)**	$ 1,119,377

The Debentures are classified as measured at fair value through profit and loss. In accordance with IFRS 9 – Financial Instruments, the part of a fair value change due to an entity's own credit risk is presented in other comprehensive (income) loss. The value of the Debentures changed in the period due primarily to the increase in the underlying share price of the Company from $1.87 to $3.55 and other market inputs as set out below. As of September 30, 2021, the time to maturity of the Debentures was 3.9 years. The following assumptions were used to estimate the fair value of the Debentures:

	September 30, 2021	June 30, 2021	December 31, 2020	September 30, 2020	August 18, 2020
Expected stock price volatility	50%	50%	46%	48%	48%
Expected life	3.9 years	4.1 years	4.6 years	4.9 years	5 years
Risk free interest rate	1.40%	1.32%	0.79%	0.75%	0.76%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Credit spread	22.14%	20.72%	21.70%	22.80%	22.80%
Underlying share price of the Company	$3.55	$2.90	$1.87	$0.97	$1.24
Conversion price	$0.88	$0.88	$0.88	$0.88	$0.88
Exchange rate (C$:US$)	1.2680	1.2398	1.2725	1.3319	1.3168

The Company recognized a gain on sale of assets of $2,236,489 related to the sale of Clover, Gemini and Tower uranium properties to 92 Energy in the three months ended June 30, 2021 as discussed in the Corporate Activities 2021 section above. The gain is calculated as follows:

Shares of 92 Energy received	$	2,067,111
Cash (received)		192,200
Proceeds		2,259,311
Properties disposed of		(22,822)
Gain on sale of assets	$	2,236,489

The Company also recognized a gain of $1,374,213 on the completion of the Option Agreement related to Mountain Lake as follows:

Shares received	$	1,476,000
Cash		20,000
Proceeds		1,496,000
Carrying value of Mountain Lake		(121,787)
Gain on sale of option	$	1,374,213

There was foreign exchange gain $49,247 in the three months ended September 30, 2021 and loss of $11,083 in the nine months ended September 30, 2021, compared to a foreign exchange gain of $37,195 in both the three and nine months ended September 30, 2020, and relates to exchange movements on United States dollars held by the Company. The Company received US dollars on the issue of the Debentures on August 18, 2020. The majority was converted to Canadian dollars but enough was held in US dollars to cover future interest as well as other US dollar payments. The foreign exchange gain in the three months ended September 30, 2021 was due to the stronger Canadian dollar in the quarter which reversed the trend from the first half of the year..

IsoEnergy recognized rental income of $nil and $18,174 in the three and nine months ended September 30, 2021, respectively compared to $9,087 and $25,750 in the three and nine months ended September 30, 2020, respectively. The Company leases a portion of its office space to another company. The Vancouver office was assigned effective July 1, 2021 and therefore the right-of-use asset and the lease liability was derecognized resulting in a gain of $11,100.

The Company raises some of its funds through the issuance of flow-through shares. Based on Canadian tax law, the Company is required to spend this amount on eligible exploration expenditures by December 31 of the year after the shares are issued. The premium received for each flow-through share, which is the price received for the flow-through share in excess of the market price of an ordinary share, is recorded as a flow-through share premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of flow-through premium is then recorded as a deferred tax benefit. As of September 30, 2021, the Company has a spending obligation of approximately $210,000 related to the 2020 FT Shares, which must be spent prior to December 31, 2022. There was no flow-through premium on the 2020 FT Shares issued in 2020 as they were issued at a price that was below market value on the date of issue.

The Company records a deferred tax recovery or expense which is comprised of a recovery on losses recognized in the period and the release of flow-through share premium liability which is offset by the renunciation of flow-through share expenditures to shareholders. In the three and nine months ended September 30, 2021, this resulted in an expense of $1,018,591 and $1,213,493, respectively compared to an expense of $63,947 and $273,509 in the three and nine months ended September 30, 2020. The difference is due to tax on the gain on disposal of assets, partially offset by higher administrative costs, interest expense in the nine months ended September 30, 2021. In the three and nine months ended September 30, 2021, the Company incurred $3,097,765 and $3,787,547, respectively (three and nine months ended September 30, 2020 – $1,056,798 and $3,412,807, respectively) of eligible exploration expenditures in respect of its flow-through share commitments. A deferred income tax expense is recognized due to the taxable temporary difference arising from capitalized exploration and evaluation assets with no tax basis as a result of the renunciation of the tax attributes to the investors in the flow-through shares.

The tax recovery (expense) is comprised of the following:

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
Deferred income taxes related to operations	**$ (217,294)**	$ 150,935	**$ (225,955)**	$ 420,428
Flow-through renunciation	**(801,297)**	(285,335)	**(987,538)**	(921,459)
Release of flow-through share premium liability	**-**	70,453	**-**	227,522
Deferred income tax recovery (expense)	**$ (1,018,591)**	$ (63,947)	**$ (1,213,493)**	$ (273,509)

Financial Position

The following financial data is derived from the Interim and Annual Financial Statements and should be read in conjunction with IsoEnergy's Annual Financial Statements.

	September 30, 2021	**December 31, 2020**	**December 31, 2019**
Exploration and evaluation assets	**$ 58,146,152**	$ 53,731,796	$ 47,966,888
Total assets	**$ 83,388,758**	$ 68,223,460	$ 55,004,153
Total current liabilities	**$ 2,613,424**	$ 305,395	$ 649,602
Total non-current liabilities	**$ 25,149,846**	$ 14,830,474	$ 867,552
Working capital (1)	**$ 22,558,927**	$ 13,994,556	$ 6,373,779
Cash dividends declared per share	**Nil**	Nil	Nil

(1) Working capital is defined as current assets less accounts payable and accrued liabilities and the current portion of the lease liability.

In the nine months ended September 30, 2021 the Company capitalized $4,558,965 of exploration and evaluation costs, which includes acquisition costs of $27,139. During the year ended December 31, 2020, the Company capitalized $5,764,908 of exploration and evaluation costs, which includes acquisition costs of $142,363 compared to $4,493,646 in the year ended December 31, 2019, which includes $4,493,923 of exploration costs, $14,077 of acquisition costs and $14,354 of impairment charges. See "Discussion of Operations" above.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's Interim and Annual financial statements prepared in accordance with IFRS for the annual and IFRS applicable to interim financial reporting including IAS 34 for the interim periods. The information below should be read in conjunction with the Company's Interim and Annual financial statements for each of the past seven quarters.

Consistent with the preparation and presentation of the Annual Financial Statements, these unaudited quarterly results are presented in Canadian dollars.

	Sept. 30, 2021	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019
Revenue	**Nil**	**Nil**	**Nil**	Nil	Nil	Nil	Nil	Nil
Net Income (loss)	($4,190,912)	($1,771,545)	($4,099,742)	($8,487,768)	$351,334	($472,175)	($934,763)	($539,873)
Net income (loss) per share:								
Basic	($0.04)	($0.02)	(0.04)	($0.03)	Nil	($0.01)	($0.01)	($0.01)
Diluted	($0.04)	($0.02)	($0.04)	($0.03)	($0.01)	($0.01)	($0.01)	($0.01)

IsoEnergy does not derive any revenue from its operations. Its primary focus is the acquisition, exploration and evaluation of mineral properties. As a result, the loss per period has fluctuated depending on the Company's activity level and periodic variances in certain items. Quarterly periods are therefore not comparable. In the third quarter of 2020, the Company issued the Debentures which are accounted for as measured at fair value through profit and loss which has resulted in losses from the revaluation of the Debentures in the last five quarters.

LIQUIDITY AND CAPITAL RESOURCES

IsoEnergy has no revenue-producing operations, earns only minimal interest income on cash, and is expected to have recurring operating losses. As at September 30, 2021, the Company had an accumulated deficit of $28,628,459.

As at the date of this MD&A, the Company has approximately $14.4 million in cash, $9.3 million in marketable securities and $21.5 million in working capital.

On August 18, 2020, the Company issued the Debentures raising gross proceeds of US$6 million. The funds raised positioned the Company to continue its planned exploration and development activities at the Larocque East Project and planned pre-development activities, while maintaining current corporate capacity, which includes wages, consulting fees, professional fees, costs associated with the Company's head office and fees and expenditures required to maintain all of its tenements.

The ability of the Company to continue as a going concern is dependent on its ability to obtain financing and achieve future profitable operations.

Management will determine whether to accept any offer to finance weighing such things as the financing terms, the results of exploration, the Company's share price at the time and current market conditions, among others. Circumstances that could impair the Company's ability to raise additional funds include general economic conditions, the price of uranium and the other factors set forth under "Risk Factors" below and above under "Industry and Economic Factors that May Affect the Business". A failure to obtain financing as and when required could require the Company to further reduce its exploration and corporate activity levels.

In June 2020, the Government of Saskatchewan announced amendments to *The Mineral Tenure Registry Regulations* that grant relief to the mining sector in response to impacts from the COVID-19 pandemic, which includes waiving expenditure requirements for the current term and subsequent 12 months for mineral claims and leases that were active on March 18, 2020, State of Emergency declaration date. The Company's properties are in good standing with the applicable governmental authority until between June 2022 and June, 2043 and the Company does not have any contractually imposed expenditure requirements.

The Company has not paid any dividends and management does not expect that this will change in the near future.

Working capital is held almost entirely in cash and marketable securities, significantly reducing any liquidity risk of financial instruments held by IsoEnergy.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at September 30, 2021 or as at the date hereof.

TRANSACTIONS WITH RELATED PARTIES

Except as noted below, the only transactions between the Company and related parties are transactions between the Company and its key management personnel. Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel is summarized as follows:

Nine months ended September 30, 2021	Short term compensation	Share-based compensation	Total
Expensed in the statement of loss and comprehensive loss	$ 455,829	$ 1,224,822	$ 1,680,651
Capitalized to exploration and evaluation assets	149,385	206,134	355,519
	$ 605,214	$ 1,430,956	$ 2,036,170

Nine months ended September 30, 2020	Short term compensation	Share-based compensation	Total
Expensed in the statement of loss and comprehensive loss	$ 458,892	$ 321,180	$ 780,072
Capitalized to exploration and evaluation assets	308,653	68,326	376,979
	$ 767,545	$ 389,506	$1,157,051

As of September 30, 2021, $nil (December 31, 2020 – $47,000) was included in accounts payable and accrued liabilities owing to directors and officers for compensation.

On August 10, 2020, NexGen acquired 4,411,764 common shares of the Company. NexGen also holds 3,685,929 warrants with an exercise price of $0.60 that expire on December 6, 2021. In April 2021, NexGen acquired 1,536,760 common shares on the exercise of 1,536,760 warrants with an exercise price of $0.60 that were set to expire on April 19, 2021.

Up until June 30, 2020, the Company charged office lease and administrative expenditures to ICU, a company with common directors at that time. During the six months ended June 30, 2020, office lease and administrative expenditures charged to ICU amounted to $26,533.

On February 15, 2021, the former Chief Executive Officer resigned and was paid $897,254 in accordance with the terms of his employment contract. This is excluded from the table above for the nine months ended September 30, 2021.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 4 to the annual financial statements for the year ended December 31, 2020 and have been consistently followed in preparation of these condensed interim financial statements, except as noted below.

IFRS 9 – Financial Instruments establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("**FVOCI**") and fair value through profit or loss ("**FVPL**"). The Company determines the classification of the financial assets at initial recognition. The basis of classification depends on the Company's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. A financial asset that is a debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated at FVPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Investments in equity instruments are required to be measured by default at FVPL. However, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVOCI. The Company has elected to designate the investment in 92 Energy shares and ICU as FVOCI.

OUTSTANDING SHARE DATA

The authorized capital of IsoEnergy consists of an unlimited number of common shares. As of November 2, 2021, there were 101,868,932 common shares outstanding, 5,495,000 stock options outstanding and 3,998,429 warrants, each stock option and warrant entitling the holder to purchase one common share of IsoEnergy at the prices set forth below. In addition, there is the Debenture of US$6 million which is convertible to IsoEnergy shares at $0.88 per share.

Stock options outstanding at November 2, 2021 together and exercise price thereof are set forth below:

Number of options	Exercise price per option	Number of options exercisable	Exercise price per option	Vesting	Weighted average remaining contractual life (years)
240,000	$0.57	240,000	$0.57		0.9
510,000	$0.36	510,000	$0.36		1.7
1,020,000	$0.42	1,020,000	$0.42		1.8
1,300,000	$0.39	945,833	$0.39	(i)	2.7
525,000	$1.19	416,667	$1.19	(i)	3.2
250,000	$2.44	83,333	$2.44	(i)	4.3
1,600,000	$2.81	533,333	$2.81	(i)	4.6
5,495,000	$1.28	3,749,166	$0.89		3.1

(i) Vest 1/3 on grant and 1/3 one third each year thereafter

Warrants outstanding at November 2, 2021 together with the exercise price thereof are set forth below:

Number of warrants	Exercise price per share	Expiry Date
3,998,429	$ 0.60	December 6, 2021

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of assets. The Board does not impose quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

In the management of capital, the Company considers all types of equity and is dependent on third party financing, whether through debt, equity, or other means. The properties in which the Company currently has an interest are in the exploration stage. As such the Company, has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it determines that there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, marketable securities, accounts payable and accrued liabilities and convertible debentures.

The fair values of the Company's financial instruments approximate their carrying value, due to their short-term maturities or liquidity. The Company's cash and amounts receivable are initially recorded at fair value and subsequently at amortized cost with accrued interest recorded in accounts receivable.

Fair Value Measurement

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 – inputs for the asset or liability that are not based on observable market data.

The fair values of the Company's cash and cash equivalents amounts receivable and accounts payable and accrued liabilities approximate their carrying value, due to their short-term maturities or liquidity.

The Debentures are re-measured at fair value at each reporting date with any change in fair value recognized in profit or loss, except the change in fair value that is attributable to change in credit risk is presented in other comprehensive income (loss). The Debentures are classified as Level 2.

The marketable securities are re-measured at fair value at each reporting date with any change in fair value recognized in other comprehensive income. The marketable securities are Level 1.

Financial instrument risk exposure

As at September 30, 2021, the Company's financial instrument risk exposure and impact thereof on the Company's financial instruments is summarized below:

(a) **Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at September 30, 2021, the Company has cash on deposit with a large Canadian bank. Credit risk is concentrated as a significant amount of the Company's cash and cash equivalents is held at one financial institution. Management believes the risk of loss to be remote. The Company's amounts receivable consists of input tax credits receivable from the Government of Canada and interest accrued on cash equivalents. Accordingly, the Company does not believe it is subject to significant credit risk.

(b) **Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital to meet short-term obligations. As at September 30, 2021, the Company had a working capital balance of $22,558,927 including cash of $14,931,758.

(c) **Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(i) **Interest Rate Risk**

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value of the Company's cash and cash equivalent balances as of September 30, 2021. The Debentures, in an aggregate principal amount of US$6 million, carry a fixed interest rate of 8.5% and hence, are not subject to interest rate fluctuations.

(ii) **Foreign Currency Risk**

The functional currency of the Company is the Canadian dollar. The Company is affected by currency transaction risk and currency translation risk. Consequently, fluctuations of the Canadian dollar in relation to other currencies impact the fair value of financial assets, liabilities and operating results. Financial assets and liabilities subject to currency translation risk primarily include US dollar denominated cash and US dollar accounts payable and accrued liabilities and Debentures. The Company maintains Canadian and US dollar bank accounts in Canada.

The Company is exposed to foreign exchange risk on its US dollar denominated Debentures. At maturity the US$6 million principal amount of the Debentures is due in full, and prior to then at a premium upon the occurrence of certain events, including a change of control. The Company holds sufficient US dollars to make all cash interest payments due under the

Debentures until maturity but not to pay the principal amount. Accordingly, the Company is subject to risks associated with fluctuations in the Canadian/US dollar exchange rate that may make the Debentures more costly to repay.

(iii) **Price Risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact of movements in individual equity prices or general movements in the level of the stock market on the Company's financial performance. Commodity price risk is defined as the potential adverse impact of commodity price movements and volatilities on financial performance and economic value. Future declines in commodity prices may impact the valuation of long-lived assets. The Company closely monitors the commodity prices of uranium, individual equity movements, and the stock market. The Company holds marketable securities which are subject to equity price risk.

RISK FACTORS

The operations of the Company are speculative due to the high-risk nature of its business which is the exploration of mineral properties. For a comprehensive list of the risks and uncertainties facing the Company, please see "Risk Factors" in the Company's MD&A for the year ended December 31, 2020 and the "Industry and Economic Factors that May Affect the Business" included above the Overall Performance section of this MD&A. These are not the only risks and uncertainties that IsoEnergy faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

COVID-19

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from COVID-19. The Company continues to operate our business at this time. While the impact of COVID-19 is expected to be temporary and the impact on the Company in 2021 was minimal, the current circumstances are dynamic and the impacts of COVID-19 on our business operations cannot be reasonably estimated at this time and we anticipate this could have an adverse impact on our business, results of operations, financial position, and cash flows in 2021.

SEGMENT INFORMATION

The Company operates in one reportable segment, being the acquisition, exploration, and development of uranium properties. All of the Company's non-current assets are located in Canada.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning IsoEnergy 's general and administrative expenses and exploration and evaluation expenses and assets is set forth above under "*Results of Operations*" and in the Company's statement of loss and comprehensive loss contained in its Interim Financial Statements for the three and nine months ended September 30, 2021 and 2020, which is available on IsoEnergy 's website or on its profile at www.sedar.com.

NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking statements" (also referred to as "forward-looking information") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that IsoEnergy expects or anticipates will or may occur in the future, including, without limitation, statements about the future exploration activities; sources, and proposed uses, of funds; capital and operating cost estimates, including general and administrative expenses; expectations regarding the ability to raise capital for future activities; and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements.

Forward-looking information and statements are based on the then current expectations, beliefs, assumptions, estimates and forecasts about IsoEnergy 's business and the industry and markets in which it operates. Forward-looking information and statements are made based upon certain assumptions and other important factors that could cause the actual results, performances, or achievements of IsoEnergy to be materially different from future results, performances or achievements expressed or implied by such information or statements. Such information and statements are based on numerous assumptions including, among others, that the results of planned exploration activities are as anticipated, the price of uranium, the anticipated cost of planned exploration activities, that general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that third party contractors, equipment, supplies and governmental and other approvals required to conduct IsoEnergy 's planned exploration activities will be available on reasonable terms and in a timely manner.

Forward-looking information and statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of IsoEnergy to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks related to the negative operating cash flow and dependence on third party financing; the uncertainty of additional financing; the limited operating history of IsoEnergy ; the lack of known mineral resources or reserves; the influence of a large shareholder; alternate sources of energy and uranium prices; aboriginal title and consultation issues; risks related to exploration activities generally; reliance upon key management and other personnel; title to properties; uninsurable risks; conflicts of interest; permits and licences; environmental and other regulatory requirements; political regulatory risks; competition; and the volatility of share prices, all as more particularly described in the "Risk Factors" above.

Although IsoEnergy has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

APPROVAL

The Audit Committee and the Board of IsoEnergy have approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information, on the Company's profile SEDAR website at www.sedar.com or by contacting the corporate office, located at Suite 200 – 475 2nd Avenue S, Saskatoon, SK S7K 1P4.