



**MANAGEMENT INFORMATION CIRCULAR**  
**AND**  
**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**  
**OF**  
**ISOENERGY LTD.**

**TO BE HELD ON JUNE 8, 2017**

## ISOENERGY LTD.

### NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual meeting (the “**Meeting**”) of shareholders of IsoEnergy Ltd. (the “**Corporation**” or “**IsoEnergy**”) will be held on Wednesday, June 8, 2017 at 2:00 p.m. (Vancouver time) at the offices of Farris, Vaughan, Wills & Murphy LLP, located at 2500-700 W Georgia St, Vancouver, BC V7Y 1B3 for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the period ended December 31, 2016 together with the report of the independent auditor thereon;
2. to set the number of directors at six (6) members and to elect the directors of the Corporation for the ensuing year;
3. to re-appoint Ernst & Young LLP as independent auditor of the Corporation for the 2017 fiscal year and to authorize the directors to fix their remuneration;
4. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution ratifying and approving the Corporation’s stock option plan, and amendments thereto, in accordance with the policies of the TSX Venture Exchange; and
5. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular, which is deemed to form part of this Notice of Meeting. Please read the management information circular carefully before you vote on the matters being transacted at the Meeting.

Your vote is important regardless of the number of IsoEnergy shares you own. Registered IsoEnergy shareholders who are unable to attend the Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, to vote by telephone, or over the Internet, in each case in accordance with the enclosed instructions. To be used at the Meeting, the completed proxy form must be deposited at the office of Computershare Investor Services Inc., by fax at (604) 661-9401 or by mail or hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, not later than 2:00 p.m. (Vancouver time) on June 6, 2017 or, if the Meeting is adjourned or postponed, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) prior to the time set for the adjourned or postponed meeting.

Non-registered IsoEnergy shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their broker or intermediary.

**Late proxies may be accepted or rejected by the Chair of the Meeting in his or her discretion.**

**DATED** at Vancouver, British Columbia, this 10<sup>th</sup> day of May, 2017.

**BY ORDER OF THE BOARD**

*“Craig Parry”*

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Craig Parry  
President & Chief Executive Officer

## MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of IsoEnergy Ltd. (the “**Corporation**” or “**IsoEnergy**”) for use at the annual meeting (the “**Meeting**”) of its shareholders to be held on Thursday, June 8, 2017 at the time and place and for the purposes set forth in the accompanying notice of annual meeting of shareholders (the “**Notice of Meeting**”). Unless otherwise stated, this Circular contains information as at May 10, 2017. References in this Circular to the Meeting include any adjournment or postponement thereof and, unless otherwise indicated, in this Circular all references to “\$” are to Canadian dollars.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

It is expected that proxies will be solicited primarily by mail, but proxies may also be solicited personally, by telephone, email or by other means of electronic communication, by directors, officers or employees of the Corporation, to whom no additional compensation will be paid. All costs of solicitation will be borne by IsoEnergy. In addition, the Corporation shall, upon request, reimburse brokerage firms and other custodians for their reasonable expenses in forwarding proxies and related material to beneficial owners of common shares of the Corporation.

### Appointment of Proxyholders

The persons named in the enclosed form of proxy are executive officers of the Corporation. **You have the right to appoint someone other than the persons designated in the enclosed form of proxy, who need not be a shareholder of IsoEnergy, to attend and act on your behalf at the Meeting by printing the name of the person you want in the blank space provided or by completing and delivering another suitable form of proxy.**

### Voting by Proxyholder

On any ballot, the nominees named in the accompanying form of proxy will vote, or withhold from voting or vote against (as applicable), your common shares in accordance with your instructions. In respect of any matter for which a choice is not specified, the persons named in the accompanying form of proxy will vote at their own discretion, except where management recommends that shareholders vote in favour of a matter, in which case the nominees will vote FOR the approval of such matter.

The form of proxy confers discretionary authority upon the nominees named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.

As of the date of this Circular, management of IsoEnergy knows of no such amendment, variation or other matter that may come before the Meeting. However, if any amendment, variation or other matter should properly come before the Meeting, each nominee named in the accompanying form of proxy intends to vote thereon in accordance with the nominee’s best judgment or as stated above.

### Registered Shareholders

Registered IsoEnergy shareholders who are unable to attend the Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, to vote by telephone, or over the Internet, in each case in accordance with the enclosed instructions.

To vote by telephone, IsoEnergy shareholders should call Computershare Investor Services Inc. at 1-866-732-VOTE (8683). IsoEnergy shareholders will need to enter the 15-digit control number provided on the form of proxy to identify themselves as shareholders on the telephone voting system.

To vote over the Internet, IsoEnergy shareholders should go to [www.investorvote.com](http://www.investorvote.com). IsoEnergy shareholders will need to enter the 15-digit control number provided on the form of proxy to identify themselves as shareholders on the voting website.

To be used at the Meeting, the completed form of proxy must be deposited at the office of Computershare Investor Services Inc., by fax at (604) 661-9401 or by mail or hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9, not later than 2:00 p.m. (Vancouver time) on June 6, 2017 or, if the Meeting is adjourned or postponed, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in either the Province of Ontario or the Province of British Columbia) prior to the time set for the adjourned or postponed meeting.

**Late proxies may be accepted or rejected by the Chair of the Meeting in his or her discretion.**

### **Non-Registered Shareholders**

Most shareholders of the Corporation are “non-registered” shareholders (“**Non-Registered Shareholders**”) because the common shares they own are not registered in their name but are registered in the name of an intermediary such as a bank, trust company, securities dealer or broker, trustee or administrator, of a self-administered RRSP, RRIF, or RESP or a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the intermediary is a participant.

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “NOBOs”. Those Non-Registered Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as “OBOs”.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators (“**NI 54-101**”), the Corporation has elected to distribute copies of the Notice of Meeting and this Circular (collectively, the “**Meeting Materials**”) indirectly through intermediaries to the NOBOs and OBOs. The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of Meeting Materials in connection with the Meeting.

Applicable regulatory policy requires intermediaries/brokers to whom Meeting Materials have been sent to seek voting instructions from Non-Registered Shareholders in advance of shareholders’ meetings. Every intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed in order to ensure that the Non-Registered Shareholder’s common shares are voted at the Meeting.

The majority of intermediaries now delegate responsibility for obtaining instructions from Non-Registered Shareholders to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails a scannable voting instruction form (“**VIF**”), instead of the form of proxy. Non-Registered Shareholders are requested to complete and return the VIF to Broadridge. Alternatively, Non-Registered Shareholders can call a toll-free telephone number or access Broadridge’s dedicated voting website [www.proxyvote.com](http://www.proxyvote.com).

The VIF must be returned as directed by Broadridge well in advance of the Meeting in order to have the common shares voted. Non-Registered Shareholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their common shares at the Meeting.

IsoEnergy may utilize the Broadridge QuickVote™ service to assist Non-Registered Shareholders vote their shares.

The Corporation does not intend to pay for intermediaries to forward to OBOs under 54-101 the Meeting Materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and an OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

**Non-Registered Shareholders are not entitled, as such, to vote at the Meeting in person or to deliver a form of proxy. If you are a Non-Registered Shareholder and wish to appoint yourself as proxyholder to vote in person at the Meeting or appoint someone else to attend the Meeting and vote on your behalf, please see the voting instructions you received or contact your intermediary/broker well in advance of the Meeting to determine how you can do so.**

**Non-Registered Shareholders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their common shares voted at the Meeting.**

*These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.*

*By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.*

### **Revocation of Proxies**

Only a registered IsoEnergy shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the IsoEnergy shareholder or such shareholder's legal representative, or, if the IsoEnergy shareholder is a corporation, by its duly authorized signatory, and deposited at the Corporation's registered office: 25<sup>th</sup> Floor, 700 West Georgia Street, Vancouver, British Columbia V7Y 1B3, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting prior to voting and, upon either of such deposits, the proxy is revoked.

**Non-Registered Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective intermediaries to change their vote and if necessary revoke the proxy on their behalf.**

## **VOTING SHARES AND PRINCIPAL SHAREHOLDERS**

### **Record Date**

The board of directors of IsoEnergy (the "**Board**") has fixed May 8, 2017 as the record date, being the date for the determination of the holders of the Corporation's common shares entitled to notice of, and to vote at, the Meeting and any adjournment or postponement thereof.

### **Shares Outstanding and Principal Holders**

As of May 8, 2017, there were a total of 41,060,549 IsoEnergy common shares issued and outstanding. The holders of the common shares are entitled to receive notice of, and to attend, all meetings of IsoEnergy shareholders and to have one vote for each common share held.

To the knowledge of the directors and executive officers of the Corporation, as of the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, 10% or more of the Corporation's outstanding common shares other than as follows:

<b>Name</b>	<b>No. of Voting Securities</b>	<b>Percentage of Common Shares</b>
NexGen Energy Ltd. (" <b>NexGen</b> ")	29,450,02	71.72%

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The Corporation is unaware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, or is a proposed nominee for election as a director (or an associate or affiliate of such director, executive officer or director nominee) in any matter to be acted upon at the Meeting, other than the election of directors.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Corporation is unaware of any material interest, direct or indirect, of any informed person or any proposed nominee for election as a director of the Corporation (or an associate or affiliate of such informed person or director nominee) in any transaction since the beginning of the Corporation's last financial year or any proposed transaction, which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## BUSINESS TO BE TRANSACTED AT THE MEETING

### Financial Statements

The audited consolidated financial statements of the Corporation for the financial period ended December 31, 2016 and the report of the independent auditors thereon will be presented at the Meeting. These consolidated financial statements and the related management's discussion and analysis were sent to all shareholders who have requested a copy. The Corporation's consolidated financial statements and related management's discussion and analysis for the period ended December 31, 2016 are also available under the Corporation's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Corporation's website ([www.isoenergy.ca](http://www.isoenergy.ca)).

### Setting the Number of Directors

The Board currently consists of six (6) directors and it is proposed to set the number of directors at six (6) for the ensuing year.

**Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR fixing the number of directors at six (6).**

### Election of Directors

The directors of the Corporation are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Corporation to serve until their successors are elected or appointed. All six (6) nominees are currently directors of the Corporation.

**Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR the election of the six (6) director nominees listed in this Circular.** Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table provides information on the six (6) director nominees, including: (i) their province or state and country of residence; (ii) the date when they were appointed a director; (iii) whether they are considered to be independent; (iv) their membership on committees of the Board; (v) their principal occupation, business or employment presently and over the preceding five years; and (vi) the number of common shares and stock options of the Corporation and its subsidiaries beneficially owned, controlled, or directed, directly or indirectly.

<p>Craig Parry British Columbia, Canada</p> <p>Director since: April 1, 2016</p> <p>Not Independent <sup>(1)</sup></p>	<p>Mr. Parry is currently the President and Chief Executive Officer of IsoEnergy, a 70%-owned subsidiary of NexGen. Mr. Parry was a founding member of the Tigers Realm Group and was appointed to the Board of Tigers Realm Minerals Pty Ltd., Tigers Realm Metals and NexGen in 2011. Mr. Parry was appointed Chief Executive Officer of Tigers Realm Coal Limited in 2012 and acted in that capacity until 2015.</p> <p>Mr. Parry is a geologist and has been responsible for the business development activities of the Tigers Realm Group since inception in 2008. Prior to joining the Tigers Realm Group, Mr. Parry was the Business Development Manager for G-Resources Limited, responsible for mergers and acquisitions, and Principal Geologist - New Business at Oxiana Limited, responsible for strategy and business development initiatives in bulk and energy commodities. Mr. Parry also previously led exploration programs for iron ore, copper, diamonds, coal and bauxite at Rio Tinto in Australia, Asia and South America and was the principal geologist for the Kintyre Uranium project pre-feasibility study. Mr. Parry holds an Honours Degree in Geology and is a Member of the Australian Institute of Mining and Metallurgy.</p>	
	<b>Board Committees</b>	
	None	
	<b>Principal Occupation</b>	
	President and Chief Executive Officer of IsoEnergy Ltd.	
	<b>Options and Common Shares (as at May 8, 2017)</b>	
	<b>Options</b>	<b>Common Shares</b>
	1,250,000	25,000

(1) Mr. Parry is not independent on the basis that he is an executive officer of the Corporation.

<p>Leigh Curyer British Columbia, Canada</p> <p>Director since: February 2, 2016</p> <p>Not Independent <sup>(1)</sup></p>	<p>Mr. Curyer is President and Chief Executive Officer of NexGen. Mr. Curyer has over 19 years' experience in the resources and corporate sector. Mr. Curyer was previously the Chief Financial Officer and head of corporate development of Southern Cross Exploration N.L. (now Uranium One Inc.). In addition, from 2008 to 2011, Mr. Curyer was Head of Corporate Development for Accord Nuclear Resource Management assessing uranium projects worldwide for First Reserve Company, a global energy-focused private equity and infrastructure investment firm.</p> <p>Mr. Curyer's uranium project assessment experience has been focused on assets located in Canada, Australia, USA, Africa, Central Asia and Europe, incorporating operating mines, advanced development projects and exploration prospects. Mr. Curyer is a member of the Institute of Chartered Accountants Australia.</p>	
	<b>Board Committees</b>	
	Chairman of the Board;	
	<b>Principal Occupation</b>	
	President and Chief Executive Officer of NexGen Energy Ltd.	
	<b>Options and Common Shares (as at May 8, 2017)</b>	
	<b>Options</b>	<b>Common Shares</b>
	450,000	25,000

(1) Mr. Curyer is not independent on the basis that he is an executive officer of an affiliate of the Corporation.

Christopher McFadden Victoria, Australia  Director since: April 1, 2016  Independent	<p>Mr. McFadden is a lawyer with 22 years' experience in exploration and mining and currently serves as the President and Chief Executive Officer of NxGold Ltd. Previously, Mr. McFadden was the Manager, Business Development at Newcrest Mining Limited and, before that, the Head of Commercial, Strategy and Corporate Development for Tigers Realm Coal Limited, which is listed on the Australian Stock Exchange. Additionally, Mr. McFadden was General Manager, Business Development of Tigers Realm Minerals Pty Ltd. Prior to commencing with the Tigers Realm Group in 2010, Mr. McFadden was a Commercial General Manager with Rio Tinto's exploration division with responsibility for gaining entry into new projects through negotiation with government or joint venture partners, or through acquisition.</p> <p>Mr. McFadden has extensive international experience in managing large and complex transactions and has a broad knowledge of all aspects of project evaluation and negotiation in challenging and varied environments. Mr. McFadden holds a combined law/commerce degree from Melbourne University and an MBA from Monash University.</p>	
	<b>Board Committees</b>	
	Audit Committee;	
	<b>Principal Occupation</b>	
	President and Chief Executive Officer of NxGold Ltd.	
	<b>Options and Common Shares (as at May 8, 2017)</b>	
	<b>Options</b>	<b>Common Shares</b>
	300,000	25,000

Richard Patricio Ontario, Canada  Director since: April 1, 2016  Independent	<p>Mr. Patricio is the President and Chief Executive Officer of Mega Uranium Ltd., having previously been its Executive Vice President from 2005 to 2015.</p> <p>Until April 2016, Mr. Patricio was also the Chief Executive Officer of Pinetree Capital Ltd. ("Pinetree"). He joined Pinetree in November 2005 as Vice President, Corporate and Legal Affairs. Mr. Patricio was previously general counsel for Teknion Corp., a senior TSX-listed manufacturing company. Prior to that, Mr. Patricio practiced law at Osler LLP in Toronto where he focused on mergers and acquisitions, securities law and general corporate transactions.</p>	
	<b>Board Committees</b>	
	Compensation and Governance Committee (Chair); Audit Committee	
	<b>Principal Occupation</b>	
	President and Chief Executive Officer of Mega Uranium Ltd.	
	<b>Options and Common Shares (as at April 27, 2017)</b>	
	<b>Options</b>	<b>Common Shares</b>
	300,000	150,000 <sup>(1)</sup>

(1) Held through Totus Inc., a company controlled by Mr. Patricio.



<p>Trevor Thiele South Australia, Australia</p> <p>Director since: April 1, 2016</p> <p>Independent</p>	<p>Mr. Thiele has over 30 years' experience in senior finance roles in medium to large Australian listed companies. Mr. Thiele has also been Chief Financial Officer for companies involved in the agribusiness sector (Elders and ABB Grain Ltd., Rural Services Division) and the biotechnology sector (Bionomics Limited). In these roles he combined his technical, accounting and financial skills with commercial expertise thereby substantially contributing to the growth of each of these businesses. During this time, Mr. Thiele was actively involved in initial public offerings, capital raisings, corporate restructurings, mergers and acquisitions, refinancing and joint ventures.</p> <p>Mr. Thiele is currently a non-executive director of a number of non-listed Australian entities, and acts as Chairman of two of these entities.</p> <p>Mr. Thiele holds a Bachelor of Arts in Accountancy from the University of South Australia and is a member of Chartered Accountants of Australia and New Zealand.</p>
<b>Board Committees</b>	
Audit Committee (Chair); Compensation and Governance Committee	
<b>Principal Occupation</b>	
Corporate Director	
<b>Options and Common Shares (as at May 8, 2017)</b>	
<b>Options</b>	<b>Common Shares</b>
300,000	Nil

<p>Garrett Ainsworth British Columbia, Canada</p> <p>Director since: April 1, 2016</p> <p>Not Independent<sup>(1)</sup></p>	<p>Mr. Ainsworth is a professional geologist and the Vice-President Exploration and Development for NexGen. Mr. Ainsworth has a Diploma of Technology in Mining and Bachelor of Technology in Environmental Engineering with honours from BCIT, as well as a Bachelor of Science in Geology with honours from Birkbeck, University of London.</p> <p>Mr. Ainsworth was instrumental in the successful progress of the Patterson Lake South (PLS) project, where he was the Project Manager for the Alpha-Fission Joint Venture from 2007 to 2013. During his tenure as Project Manager of PLS, Mr. Ainsworth oversaw the staking of new claims, the discovery of the boulder field, the initial high-grade uranium drill hole discovery (R00E zone), and the discovery of the high grade, near surface, uranium zones R390E and R780E during the winter 2013 drill program.</p> <p>Mr. Ainsworth was the Vice-President Exploration of Alpha Minerals Inc. from 2012 to 2013 and the Vice-President Exploration of Alpha Exploration Inc. from 2013 to 2014.</p> <p>In 2013, Mr. Ainsworth was the AMEBC recipient of the Colin Spence Award (For Excellence in Global Mineral Exploration) in recognition of his efforts which led to the discovery of the high-grade uranium mineralized system at the Patterson Lake South project in the Athabasca Basin, Saskatchewan.</p>
<b>Board Committees</b>	
None	
<b>Principal Occupation</b>	
Vice President, Exploration and Development of NexGen	
<b>Options and Common Shares (as at May 8, 2017)</b>	
<b>Options</b>	<b>Common Shares</b>
300,000	20,000

(1) Mr. Ainsworth is not independent on the basis that he is an executive officer of an affiliate of the Corporation.

### *Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

To the knowledge of management, no proposed director:

- (a) is, as of the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that,
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer; or
- (b) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director or an executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

In addition, to the knowledge of management, no proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Appointment of Auditors**

At the Meeting, shareholders will be asked to re-appoint Ernst & Young LLP, 700 W Georgia St, Vancouver, BC V7Y 1C7 Canada, as independent auditor of the Corporation for the ensuing year at such remuneration to be fixed by the Board.

**Unless otherwise indicated, the persons designated as proxy holders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR the re-appointment of Ernst & Young LLP as the Corporation's independent auditor to hold office for the ensuing year with remuneration to be fixed by the Board.**

### **Approval of Option Plan and Option Plan Amendments**

By resolutions dated August 21, 2016 and October 13, 2016, the Corporation's Board of Directors approved an incentive stock option plan (the "**Option Plan**"). The purpose of the Option Plan is to promote the profitability and growth of the Corporation by facilitating the efforts of IsoEnergy to attract and retain key individuals.

The Option Plan is a "rolling" stock option plan which sets the number of common shares of the Corporation that may be reserved for issuance thereunder at any time at 10% of the issued and outstanding common shares of the Corporation calculated as at the time of the proposed option grant, less any shares reserved for issuance under any other security-based compensation plan of the Corporation.

As a result, the policies of the TSX Venture Exchange (the “**TSXV**”) require shareholder approval of the Option Plan at each annual meeting of shareholders of the Corporation. Therefore, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution approving the Option Plan, inclusive of the following proposed amendments to the Option Plan (herein referred to as the “**Option Plan Amendments**”):

(1) That Section 5.5(d) of the Option Plan, which currently reads as follows:

If a Participant ceases to be an Eligible Person other than in the circumstances set out in subsection (a), (b) or (c) above, each Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is 90 days after such terminating event, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to such later date following the Participant ceasing to be an Eligible Person as the Board may in its discretion determine is reasonable.

be deleted in its entirety and replaced with a new Section 5.5(d) as follows:

If a Participant ceases to be an Eligible Person other than in the circumstances set out in subsection (a), (b) or (c) above, each Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is 90 days after such terminating event, always provided that the Board may, in its reasonable discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a later date, *provided that such extension shall not under any circumstances exceed 12 months* following the Participant ceasing to be an Eligible Person.

(2) That Section 6.2 of the Option Plan, which currently reads as follows:

Notwithstanding Section 6.1, with the approval of the Board (which may be withheld entirely in the sole and unfettered discretion of the Board), a Participant may elect to exercise an Option, in whole or in part, without payment of the aggregate Exercise Price due on such exercise (any such exercise, a “Cashless Exercise”) by providing written notice of such election to the Corporation (a “Cashless Exercise Notice”). Upon actual receipt by the Corporation of a Cashless Exercise Notice from a Participant, the Corporation shall calculate and issue to such Participant that number of Common Shares as is determined by application of the following formula, after deduction of any Withholding Obligations:

$$X = [Y(A-B)]/A$$

Where:

X = the number of Common Shares to be issued to the Participant upon such Cashless Exercise

Y = the number of Common Shares underlying the Option being exercised

A = the Market Price as of the date of receipt by the Corporation of such Cashless Exercise Notice, if greater than the Exercise Price

B = the Exercise Price of the Option being exercised

Upon a Cashless Exercise by a Participant pursuant to this Section 6.2, the number of Common Shares underlying the Option being exercised shall be deemed to have been issued and counted against the maximum number of authorized but unissued Common Shares available for issue under this Plan.

be deleted in its entirety.

The following are the material terms of the Option Plan, inclusive of the proposed Option Plan Amendments:

- (a) The Option Plan is administered by the Board. The Compensation and Governance Committee is responsible for recommending for approval to the Board the number of common shares subject to each option, within the guidelines established by the TSXV.
- (b) In accordance with the policies of the TSXV, the Corporation may grant options to the following persons: (i) directors, officers and employees of the Corporation; (ii) consultants to the Corporation; and (iii) a company that is wholly-owned by a person listed in (i) or (ii).
- (c) The options enable the holders to purchase common shares of the Corporation at a price fixed in accordance with the policies of the TSXV. Subject to a minimum exercise price of \$0.05 per common share, the exercise price per common share for an option shall be not less than the "Discounted Market Price" as calculated pursuant to the TSXV policies, or such other minimum price as may be required by the TSXV.
- (d) The number of common shares reserved for issuance under the Option Plan and any other security based compensation arrangement in any 12 month period to any one person may not exceed 5% of the issued and outstanding common shares at the date of the grant, unless the Corporation has received disinterested shareholder approval.
- (e) The number of common shares reserved for issuance under the Option Plan and any other security based compensation arrangement in any 12 month period to any one consultant may not exceed 2% of the issued and outstanding common shares at the date of the grant.
- (f) The number of common shares reserved for issuance under the Option Plan and any other security based compensation arrangement in any 12 month period, in aggregate, to all persons conducting investor relations activities may not exceed 2% of the issued and outstanding common shares at the date of the grant.
- (g) The aggregate number of common shares reserved for issuance to insiders under the Option Plan and any other security based compensation arrangement may not exceed 10% of the outstanding common shares at the time of the grant, unless the Corporation has received disinterested shareholder approval.
- (h) The aggregate number of options granted to insiders in any 12 month period under the Option Plan and any other security based compensation arrangement may not exceed 10% of the outstanding common shares at the time of the grant, unless the Corporation has received disinterested shareholder approval.
- (i) Every option granted under the Option Plan shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant.
- (j) Subject to the Option Plan and otherwise in compliance with the policies of the TSXV, the Board shall determine the manner in which an option shall vest and become exercisable. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than one-quarter (1/4) of such options vesting in any three-month period.
- (k) Options issued pursuant to the Option Plan may not be assigned or transferred.
- (l) If a director, officer, employee or consultant (each, a "**Participant**") is terminated for cause, then each option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date and the date which is 30 days after the date of termination.

- (m) If a Participant dies prior to otherwise ceasing to be an eligible person, each option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date and the date which is 12 months after the date of the Participant's death.
- (n) If a Participant ceases to be an eligible person other than in the circumstances set out above, each option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date and the date which is 90 days after such terminating event, provided that the Board may, in its reasonable discretion, allow for each option held by such Participant to terminate and cease to be exercisable on a later date, provided such extension shall not under any circumstances exceed 12 months following the Participant ceasing to be an eligible person.
- (o) If any portion of an option is not vested at the time a Participant ceases, for any reason whatsoever, to be an eligible person, such unvested portion of the option may not be thereafter exercised by the Participant or its legal representative, as the case may be, provided that the Board may, in its discretion, thereafter permit the Participant or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the option.
- (p) The Option Plan provides that if a change of control of the Corporation occurs (including a consolidation, merger, amalgamation, arrangement, sale of all or substantially all of the assets of the Corporation, or acquisition which results in the holders of the Corporation's common shares holding less than 50% of the outstanding shares of the successor corporation), all of the options issued pursuant to the Option Plan will become vested and may be exercised in whole or in part by the Participant, subject to the approval of the TSXV, if necessary.
- (q) An option will be automatically extended if the expiry date falls within a period during which the Corporation prohibits holders from exercising options ("**Blackout Period**") provided that the Blackout Period is formally imposed by the Corporation, the Blackout Period expires on the general disclosure of the undisclosed material information and neither the option holder nor the Corporation is subject to a cease trade (or similar) order.

As of the date hereof, there are options outstanding to purchase an aggregate of 4,025,000 common shares, representing approximately 9.8% of the current issued and outstanding common shares of the Corporation.

### **Approval Required**

"BE IT RESOLVED THAT, subject to any required stock exchange approvals, the Option Plan and the Option Plan Amendments, be and are hereby ratified and approved."

The resolution may be passed by a simple majority of the shares voted by shareholders of the Corporation who vote on the matter in person or by proxy.

The Board is of the view that the Option Plan and the Option Plan Amendments, provide the Corporation with the flexibility necessary to attract and maintain the services of senior executives and other employees by offering competitive compensation relative to other companies in the industry. Accordingly, the Board recommends that shareholders vote in favour of the resolution approving the Option Plan and the Option Plan Amendments.

**Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR the approval of the Option Plan and Option Plan Amendments.**

Shareholders may obtain a copy of the Option Plan by contacting the Corporation.

## EXECUTIVE COMPENSATION

### Director and Named Executive Officer Compensation

For the financial year ended December 31, 2016, the Corporation had three named executive officers: Craig Parry, Steve Blower and Janine Richardson (collectively, the “**Named Executive Officers**”). The following table sets forth the compensation paid to each of the Named Executive Officers and directors for the Corporation’s most recently completed financial year, 2016.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Craig Parry, Chief Executive Officer, President & Director <sup>(1)</sup>	2016	225,000	56,250	Nil	Nil	Nil	281,250
Janine Richardson, Chief Financial Officer <sup>(2)</sup>	2016	40,589	20,000	Nil	Nil	Nil	60,589
Steve Blower, Vice President, Exploration <sup>(3)</sup>	2016	105,000 <sup>(6)</sup>	5,000	Nil	Nil	Nil	110,000
Leigh Curyer, Director <sup>(4)</sup>	2016	20,000	Nil	10,000 <sup>(7)</sup>	Nil	Nil	30,000
Chris McFadden, Director <sup>(5)</sup>	2016	20,000	Nil	Nil	Nil	Nil	20,000
Trevor Thiele, Director <sup>(5)</sup>	2016	20,000	Nil	5,000 <sup>(7)</sup>	Nil	Nil	25,000
Richard Patricio, Director <sup>(5)</sup>	2016	20,000	Nil	1,250 <sup>(7)</sup>	Nil	Nil	21,250
Garrett Ainsworth, Director <sup>(5)</sup>	2016	20,000	Nil	Nil	Nil	Nil	20,000

**Notes:**

- (1) Mr. Parry commenced employment as President and CEO as of April 1, 2016. Mr. Parry did not receive any remuneration in his role as a director of the Corporation.
- (2) Ms. Richardson commenced as Chief Financial Officer on August 15, 2016. She is paid \$150 per hour and works approximately 40 hours per month.
- (3) Mr. Blower commenced as Vice President, Exploration on July 1, 2016.
- (4) Mr. Curyer commenced as a Director February 2, 2016.
- (5) Commenced as a Director April 1, 2016.
- (6) Includes \$34,000 (excluding GST) for consulting fees paid to Mr. Blower by NexGen pursuant to a consulting agreement with Mr. Blower and for services rendered to IsoEnergy (and in respect of which IsoEnergy reimbursed NexGen).
- (7) No amounts have been paid to the directors in respect of the period between incorporation and August 15, 2016. Director fees have been set at \$40,000 per annum and an additional \$20,000 for acting as Chairman of the IsoEnergy Board, an additional \$10,000 for acting as Chairman of the Audit Committee and an additional \$5,000 for acting as Chairman of the Compensation and Governance Committee. These amounts have been paid quarterly since August 15, 2016.

### Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each Named Executive Officer and director by the Corporation for the financial year ended December 31, 2016 for services provided or to be provided, directly or indirectly, to the Corporation or any subsidiary.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Craig Parry, Chief Executive Officer, President & Director	Stock options	1,000,000 <sup>(1)</sup>	25-Oct-16	\$1.00	\$0.95	\$0.90	25-Oct-21
Janine Richardson, Chief Financial Officer	Stock options	100,000	25-Oct-16	\$1.00	\$0.95	\$0.90	25-Oct-21
Steve Blower, Vice President, Exploration	Stock options	300,000	25-Oct-16	\$1.00	\$0.95	\$0.90	25-Oct-21
Leigh Curyer, Director	Stock options	450,000	25-Oct-16	\$1.00	\$0.95	\$0.90	25-Oct-21
Chris McFadden, Director	Stock options	300,000	25-Oct-16	\$1.00	\$0.95	\$0.90	25-Oct-21
Trevor Thiele, Director	Stock options	300,000	25-Oct-16	\$1.00	\$0.95	\$0.90	25-Oct-21
Richard Patricio, Director	Stock options	300,000	25-Oct-16	\$1.00	\$0.95	\$0.90	25-Oct-21
Garrett Ainsworth, Director	Stock options	300,000	25-Oct-16	\$1.00	\$0.95	\$0.90	25-Oct-21

(1) Mr. Parry was subsequently granted an additional 250,000 stock options.

The following table sets forth each exercise by a director or Named Executive Officer of compensation securities during the most recently completed financial year.

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Craig Parry, Chief Executive Officer, President & Director	Stock options	Nil	\$1.00	N/A	N/A	N/A	N/A
Janine Richardson, Chief Financial Officer	Stock options	Nil	\$1.00	N/A	N/A	N/A	N/A
Steve Blower, Vice President, Exploration	Stock options	Nil	\$1.00	N/A	N/A	N/A	N/A
Leigh Curyer, Chairman & Director	Stock options	Nil	\$1.00	N/A	N/A	N/A	N/A
Chris McFadden, Director	Stock options	Nil	\$1.00	N/A	N/A	N/A	N/A
Trevor Thiele, Director	Stock options	Nil	\$1.00	N/A	N/A	N/A	N/A
Richard Patricio, Director	Stock options	Nil	\$1.00	N/A	N/A	N/A	N/A
Garrett Ainsworth, Director	Stock options	Nil	\$1.00	N/A	N/A	N/A	N/A

## Stock Option Plans

For a description of the material terms of the Company's Option Plan please see "Approval of Option Plan and Option Plan Amendments" above.

## Employment and Consulting Agreements

Each of Messrs. Parry and Blower is party to an employment agreement with IsoEnergy (each, an "Executive Employment Agreement").

The Executive Employment Agreements establish base compensation comprised of base salary and eligibility for performance-based cash incentives. Each of Messrs. Parry and Blower also eligible to participate in IsoEnergy's Option Plan, at the discretion of the IsoEnergy Board. The Executive Employment Agreements are effective until such time as they are terminated in accordance with their terms.

The Executive Employment Agreements also provide for termination payments in the event that: (i) the Named Executive Officer's employment is terminated without cause (including constructive dismissal); or (ii) within 12 months of a "change of control", the Named Executive Officer is terminated without cause or resigns.

In each case, the terminated Named Executive Officer is entitled to a termination payment equal to the product obtained by multiplying: (i) the sum of (a) his annual base salary; and (b) his highest bonus (including both special and annual performance bonuses) paid or payable in the preceding three years, in each case, calculated on a monthly basis, by (ii) a period of between 12 and 36 months, with longer periods being applicable only in the case of a change of control (the "Severance Period"). The Named Executive Officer is also entitled to the continuation of benefits during the Severance Period, or in the event IsoEnergy is unable to continue such benefits, payment in lieu equal to the cost of such benefits to IsoEnergy.

In addition, the terminated Named Executive Officer is entitled to a payment equal to the sum of: (i) all earned but unpaid salary, earned but unpaid bonus, outstanding but untaken vacation pay, and outstanding expenses; and (ii) the terminated Named Executive Officer's highest bonus over the preceding three years, prorated to the date of termination (the "Final Wages").

All outstanding options held by the terminated Named Executive Officer will also vest immediately and continue to be exercisable until the earlier of the expiry of their term or such period imposed by an applicable regulatory body.

Ms. Richardson was engaged as a contractor, providing services as IsoEnergy's Interim Chief Financial Officer pursuant to a consulting agreement. The consulting agreement is subject to termination by IsoEnergy upon 5 days notice upon a breach of the agreement (and failure to cure within that period) or by either IsoEnergy or Ms. Richardson, for any reason, upon 30 days written notice to the other.

The estimated incremental payments (excluding the Final Wages) payable by the Corporation to each Named Executive Officer upon termination without cause or related to a change of control, assuming the triggering event occurred on December 31, 2016, are as follows.

Name	Triggering Event	Estimated Incremental Payment (\$)
Craig Parry <sup>(1)</sup> President & Chief Executive Officer	Termination Without Cause Change of Control	534,375 1,068,750
Janine Richardson <sup>(2)</sup> Chief Financial Officer	Termination Without Cause Change of Control	N/A N/A
Steve Blower <sup>(3)</sup> Vice President, Exploration	Termination Without Cause Change of Control	230,000 460,000

**Notes:**

- (1) Mr. Parry holds 1,000,000 stock options, holding no value as of December 31, 2016.
- (2) Ms. Richardson holds 100,000 stock options, holding no value as of December 31, 2016
- (3) Mr. Blower holds 300,000 stock options holding no value as of December 31, 2016.



There are no significant conditions or obligations that apply to the receipt of the foregoing incremental payments.

### **Oversight and Description of NEO Compensation**

IsoEnergy was incorporated in February 2016 and commenced operations April 1, 2016. Accordingly, Mr. Parry's compensation for the 2016 fiscal year was effectively determined by the board of directors of NexGen. Mr. Blower's compensation and Ms. Richardson's compensation was determined by Mr. Parry after consultation with members of the IsoEnergy Board.

The IsoEnergy Board established the Compensation and Governance Committee on August 11, 2016. The IsoEnergy Board is responsible for overseeing IsoEnergy's compensation program. The IsoEnergy Board has however delegated certain oversight responsibilities in this regard to the Compensation and Governance Committee but retains final authority over IsoEnergy's compensation program and process.

Compensation of the Corporation's current executive officers consists of a base salary, annual incentive compensation in the form of a discretionary performance bonus and/or special bonus and a longer term incentive in the form of stock options, all of which is intended to be competitive in the aggregate while delivering an appropriate balance between annual compensation (base salary and cash bonuses) and long-term compensation (stock options).

Base salaries are based on a number of factors and designed to best position the Corporation to compete for, and retain, executives critical to the Corporation's long-term success. Performance bonuses and special bonuses (in the form of cash bonuses) are directly tied to corporate and individual performance. Long-term incentive awards consist of stock options and are designed to align the interests of executive officers with the longer term interests of shareholders.

The Chairman of the Compensation and Governance Committee meets with the Chief Executive Officer periodically to discuss corporate goals and performance and to discuss the performance of executive officers individually. The Compensation and Governance Committee works with the Chief Executive Officer to set compensation, including proposed salary adjustments, performance and/or special bonuses and stock option awards for executive officers.

The Compensation and Governance Committee then makes recommendations relating to the compensation of executive officers to the Board. Based on these recommendations, the Board makes decisions concerning the nature and scope of the compensation to be paid to the Corporation's executive officers. The Compensation and Governance Committee bases its recommendations to the Board on its compensation philosophy and the Compensation and Governance Committee's assessment of corporate and individual performance, recruiting and retention needs.

In establishing base salaries, the Compensation and Governance Committee will consider factors such as experience, individual performance, length of service, contribution towards the achievement of corporate objectives and positive exploration and development results, stock price, and compensation compared to other employment opportunities for executives. In determining base salary, the Compensation and Governance Committee will also review available market data for other comparable Canadian uranium exploration companies. Given the stage of IsoEnergy's development a peer group has not yet been identified. Salaries are reviewed annually by the Board based on recommendations of the Compensation and Governance Committee.

Bonuses are either based on performance over the year (a "**Performance Bonus**") and/or based on the achievement of a particular and extraordinary corporate transaction or other milestone (a "**Special Bonus**").

A maximum Performance Bonus is determined for each executive officer as a percentage of salary. The maximum performance bonus is 75% of base salary for the Chief Executive Officer and 50% for the Vice President Exploration and Chief Financial Officer. Key performance indicators for those individuals are determined by the Compensation and Governance Committee annually for the ensuing year and

recommended to the Board for approval, on an individual basis.

However, due to the stage of IsoEnergy's development and limited corporate history, pre-determined, measurable corporate and/or individual performance objectives were not set for 2016.

Key performance indicators for 2017 include (to various extents) share appreciation, completion of a financing, management of operations within budget, and the Corporation's health and safety record. Individual performance objectives relate to the particular executive's role and expected contribution to the Corporation and its objectives.

Special Bonuses are awarded on an ad hoc basis during the year based on the completion of material corporate transactions and/or other milestones. Special Bonuses are not based on pre-determined objectives and are intended to award extraordinary effort and achievement without financial incentive. Special Bonuses are determined by the Compensation and Governance Committee based on discussions, to the extent appropriate, with the Chief Executive Officer. To date, no Special Bonuses have been awarded.

Stock options are granted on a discretionary basis, based on the IsoEnergy Board and the Compensation and Governance Committee's assessments of responsibilities and achievements, recognizing that at the earlier stage of development, stock option awards can help preserve cash resources. Generally, the number of options granted to any executive officer are a function of the level of authority and responsibility of the executive officer, the contribution of the executive officer to the business and affairs of IsoEnergy, the number of options IsoEnergy has already granted to the executive officer, and such other factors as the Compensation Committee may consider relevant.

## **AUDIT COMMITTEE AND CORPORATE GOVERNANCE**

### **Audit Committee**

#### *Charter, Composition and Relevant Experience and Education*

The Audit Committee has the responsibility of, among other things: recommending IsoEnergy's independent auditor to the IsoEnergy Board, determining the extent of involvement of the independent auditor in reviewing unaudited quarter financial results, evaluating the qualifications, performance and independence of the independent auditor; reviewing and recommending approval of the board of directors of IsoEnergy's 's annual and quarter financial results and management's discussion and analysis and overseeing the establishment of "whistle-blower" and related procedures. A copy of the Audit Committee Charter is attached to this Circular as Schedule "A".

The Audit Committee is currently comprised of Messrs. Thiele (Chair), McFadden and Patricio. All of the members of the Audit Committee are independent and financially literate, in each case, as defined under National Instrument 52-110 – *Audit Committees* ("NI 52-110"). A general description of the education and experience of each Audit Committee member which is relevant to the performance of his responsibilities as an Audit Committee member is contained in their respective biographies set out above under "*Directors and Executive Officers*".

#### *Audit Committee Oversight*

At no time since incorporation have any recommendations by the Audit Committee respecting the appointment and/or compensation of IsoEnergy's external auditors not been adopted by the IsoEnergy Board.

### *Reliance on Certain Exemptions*

At no time since the incorporation of IsoEnergy has IsoEnergy relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110. IsoEnergy is relying on the exemption in Section 6.1 of NI 52-110 (*Venture Issuers*).

### *Pre-Approval Policies and Procedures*

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to IsoEnergy by the external auditor.

### *External Auditor Service Fees (By Category)*

The aggregate fees billed by the Corporation's external auditor, in each of the last two financial years are as follows:

<u>Financial Year Ending</u>	<u>Audit Fees<sup>(1)</sup></u>	<u>Audit Related Fees<sup>(2)</sup></u>	<u>Tax Fees<sup>(3)</sup></u>	<u>All Other Fees<sup>(4)</sup></u>
2016	\$40,687	\$8,400	\$Nil	\$21,525
2015	N/A	N/A	N/A	N/A

#### **Notes:**

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements which are not included under the heading "Audit Fees".
- (3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for products and services other than as set forth under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees". These fees relate to the Corporation's Form 2B and consents delivered in connection with the Corporation's application to list on the TSXV.

### **Corporate Governance**

The following is a discussion of each of IsoEnergy's corporate governance practices for which disclosure is required by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the "**Disclosure Instrument**"). Unless otherwise indicated, the Board believes that its corporate governance practices are consistent with those recommended by National Policy 58-201 – *Corporate Governance Guidelines*. A copy of the charter of the IsoEnergy Board is attached to this Circular as Schedule "B".

#### *Independence*

For the purposes of the Disclosure Instrument, a director is independent if he or she has no direct or indirect material relationship with IsoEnergy. A "material relationship" is one which could, in the view of the IsoEnergy Board, reasonably be expected to interfere with his or her ability to exercise independent judgment. Certain specified relationships will, in all circumstances, be considered, for the purposes of the Disclosure Instrument, to be material relationships.

As of the date hereof, the IsoEnergy Board consists of six (6) individuals, three (3) of whom are independent. The current independent directors are: Christopher McFadden, Richard Patricio and Trevor Thiele. None of Messrs of Parry, Curyer or Ainsworth is independent on the basis they are either an executive officer of IsoEnergy, in the case of Mr. Parry, or of NexGen, an affiliate of IsoEnergy, in the case of Messrs. Curyer and Ainsworth.

## *Directorships*

Set forth below is a list of the reporting issuers or reporting issuer equivalent(s) of which any of the directors of IsoEnergy are also directors:

<b>Name of Director</b>	<b>Reporting Issuer(s) or Equivalent(s)</b>
Leigh Curyer	NexGen Energy Ltd. <sup>(1)</sup> NxGold Ltd.
Christopher McFadden	NexGen Energy Ltd. <sup>(1)</sup> NxGold Ltd.
Craig Parry	NexGen Energy Ltd. <sup>(1)</sup> Skeena Resources Limited
Garrett Ainsworth	NxGold Ltd.
Richard Patricio	NexGen Energy Ltd. <sup>(1)</sup> Latin American Minerals Inc. NxGold Ltd. Toro Energy Limited <sup>(2)</sup>
Trevor Thiele	NexGen Energy Ltd. <sup>(1)</sup> NxGold Ltd.

**Notes:**

- (1) NexGen holds approximately 71.72% of the outstanding common shares of IsoEnergy. Accordingly, NexGen is an affiliate of IsoEnergy.
- (2) Mr. Patricio's directorship at Toro Energy Limited is a result of his management role at Mega Uranium Ltd. Latin American Minerals Inc. and NxGold are Mr. Patricio's only directorships which are distinct from his principal occupation.

## *Orientation and Continuing Education*

As of the date hereof, all of the directors of IsoEnergy are also directors or executive officers of NexGen, an affiliate of IsoEnergy. As a result, orientation of members of the IsoEnergy has not been required to date. Given the current size of IsoEnergy, its corporate history and its stage of development, and as each new director will have a different skill set and professional background, future specific orientation and training activities will be tailored to the particular needs and experience of each director and consist primarily of meetings with members of the executive management team.

The IsoEnergy Board will provide continuing education for directors on an ad hoc basis in respect of issues that are necessary for them to meet their obligations as directors. All of the directors are actively involved in their respective areas of expertise and have full access to management. Directors are periodically provided with the opportunity to visit IsoEnergy's properties to become familiar with IsoEnergy's operations. Presentations by management and IsoEnergy's advisors will also be organized, as needed, to provide ongoing director education.

## *Ethical Business Conduct*

As part of its responsibility for the stewardship of IsoEnergy, the IsoEnergy Board seeks to foster a culture of ethical conduct by requiring IsoEnergy to carry out its business in accordance with high business and moral standards and applicable legal and financial requirements. The IsoEnergy Board has formalized this in its Code of Business Ethics.

## *Nomination of Directors*

IsoEnergy has not yet had to consider appointing new members to the IsoEnergy Board. However, IsoEnergy's Compensation and Governance Committee is responsible for assisting the IsoEnergy Board in respect of the nomination of directors and identifying new candidates for appointment to the IsoEnergy Board.

## Compensation

The Compensation and Governance Committee will establish criteria for IsoEnergy Board membership and composition, and make recommendations to the IsoEnergy Board thereon. The Compensation and Governance Committee will also make recommendations for the assignment of IsoEnergy Board members to IsoEnergy Board committees and oversee a process for director succession. In that regard, the Compensation and Governance Committee is also responsible for assessing the competencies and skills of existing directors and those required for nominees to the IsoEnergy Board, with a view to ensuring that the IsoEnergy Board is consistently comprised of directors with the necessary skills and experience to facilitate effective decision-making. The Compensation and Governance Committee may retain external consultants or advisors to conduct searches for appropriate potential director candidates if necessary.

For details regarding IsoEnergy's approach to the compensation of executive officers, including the Chief Executive Officer and the role of the Compensation and Governance Committee, see "Executive Compensation" above.

## Other Committees

IsoEnergy does not have any standing committees other than the Audit Committee and Compensation and Governance Committee.

## Assessments

IsoEnergy has not yet completed a financial year and as a result, an assessment of the performance of the IsoEnergy Board, its committees and individual directors has not been necessary. The Compensation and Governance Committee however will establish a formal process for assessing the effectiveness of the IsoEnergy Board as a whole, its committees and individual directors.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the Corporation's most recently completed financial year, being December 31, 2016, with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans <sup>(2)</sup>
Equity compensation plans approved by securityholders <sup>(1)</sup>	3,775,000	\$1.00	331,055
Equity compensation plans not approved by securityholders	Nil	n/a	n/a
<b>Total</b>	<b>3,775,000</b>		<b>331,055</b>

**Notes:**

- (1) Numbers in this row refer to stock options to purchase securities of the Corporation pursuant to the Option Plan.
- (2) The maximum number of shares reserved for issuance under the Option Plan at any time is currently 10% of the Corporation's issued and outstanding shares at that time, less any common shares reserved for issuance under other security-based compensation arrangements.

As of the date hereof, there are 4,025,000 options outstanding. If all such options were exercised for common shares, the common shares which would be issued upon such exercise would total approximately 9.8% of the issued and outstanding common shares at the date hereof on a non-diluted basis.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation, or any of its subsidiaries. No person who is or who was at any time during the most recently completed financial year a director or executive officer of the Corporation, any proposed nominee for election as a director of the Corporation, or any associate of any such director, executive officer, or proposed nominee is or was at any time since the beginning of the most recently completed financial year indebted to the Corporation or any of its subsidiaries. Neither the Corporation nor any of its subsidiaries has provided a guarantee, support agreement, letter of credit or other similar arrangement for any indebtedness of any of these individuals to any other entity.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.isoenergy.ca](http://www.isoenergy.ca).

Financial information relating to the Corporation is provided in the Corporation's audited consolidated financial statements (the "**Financial Statements**") and the management's discussion and analysis (the "**MD&A**") for the financial year ended December 31, 2016. Shareholders may download the Financial Statements and the MD&A from SEDAR ([www.sedar.com](http://www.sedar.com)) or contact the Corporation directly to request copies of the Financial Statements and the MD&A by: (i) mail to #970 – 1055 West Hastings Street, Vancouver, British Columbia V6E 2E9 or (ii) e-mail to [wshort@isoenergy.ca](mailto:wshort@isoenergy.ca)

Our Board has approved the contents of this Circular and authorized us to send it to you.

## BY ORDER OF THE BOARD

*"Craig Parry"*

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Craig Parry  
President & Chief Executive Officer  
Vancouver, British Columbia  
May 8, 2017

## Schedule A

### Audit Committee Charter



ISOENERGY LTD.  
(the "Company")

### AUDIT COMMITTEE CHARTER

#### PURPOSE

The primary function of the Audit Committee of the Company is to assist the Board of Directors (the "**Board**") fulfill its oversight responsibilities relating to accounting and financial reporting process and internal controls.

#### COMPOSITION, PROCEDURES AND ORGANIZATION

- (a) The Board shall appoint the members and the Chair of the Committee each year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (b) The Committee shall consist of at least three members of the Board provided that: (i) if at the relevant time the Company is a "venture issuer" a majority of whom shall not be officers, employees, or control persons of the Company or any of its associates or affiliates, as defined under the rules of the TSX Venture Exchange; and (ii) otherwise, each of whom shall be "independent" as determined in accordance with and required by applicable securities laws, rules, regulations and guidelines ("**applicable securities laws**").
- (c) All Committee members shall be "financially literate" within the meaning and to the extent required by applicable securities laws.
- (d) If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.
- (e) The Committee may choose any person, who need not be a member to act as secretary at any meeting of the Committee.
- (f) The Committee shall meet at least four times annually on such dates and at such locations as may be determined by the Chair of the Committee or any two Directors.
- (g) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. The Committee may also act by unanimous written consent of its members.
- (h) If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains in office.

- (i) Notice of the time and place of every meeting of the Committee shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully convened.
- (j) The Chair of the Committee shall set the agenda for meetings of the Committee. At the invitation of the Chair, one or more officers or employees of the Company may, and if required by the Committee shall, attend a meeting of the Committee. The external auditors shall receive notice of and have the right to attend all meetings of the Committee.
- (k) The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board when the Committee deems appropriate.
- (l) The Committee, when it considers it necessary or advisable, may retain, at the Company's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve the fees and other terms for the engagement of such persons.
- (m) In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Company, to the Company's legal counsel and to such other information respecting the Company as it considers necessary or advisable in order to perform its duties and responsibilities.
- (n) The Committee shall periodically review this Charter, and submit any recommended changes thereto for approval by the Board.

## **ROLES AND RESPONSIBILITIES**

The Committee has the following overall duties and responsibilities:

- (a) assist the Board in the discharge of its responsibilities relating to the quality and integrity of the Company's accounting principles, reporting practices and internal controls;
- (b) assist the Board in the discharge of its responsibilities relating to the Company's disclosure obligations under applicable securities laws, including approval of the Company's annual and quarterly consolidated financial statements together with management's discussion and analysis thereon;
- (c) establish and maintain a direct line of communication with the Company's external auditors and periodically assess their performance;
- (d) ensure that management has designed, implemented and is maintaining an effective system of internal controls; and
- (e) report regularly to the Board on the fulfillment of its duties and responsibilities.

## **PUBLIC FILINGS, POLICIES AND PROCEDURES**

The Committee has the following duties and responsibilities in respect of public filings, policies and procedures:

- (a) reviewing and, if appropriate, recommending that the Board approve:



- (i) all annual audited financial statements together with the report of the external auditors thereon and management's discussion and analysis thereon;
  - (ii) all unaudited financial statements and management's discussion and analysis thereon;
  - (iii) all annual and interim profit and loss press releases;
  - (iv) each annual information form (if applicable);
  - (v) all prospectuses; and
  - (vi) all financial information in other public documents, requiring approval by the Board;
- in all cases, prior to their public disclosure or being filed with the appropriate regulatory authority;
- (b) ensuring adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;
  - (c) discussing the impact of any significant issues regarding accounting principles, practices and judgements of management with management and the external auditors, as and when appropriate;
  - (d) reviewing with management and, if appropriate, the external auditor:
    - (i) significant variances in actual financial results from budgeted or projected results;
    - (ii) any actual or proposed regulatory changes or other changes in accounting, or financial reporting practices or policies;
    - (iii) any significant or unusual events or transactions and, where applicable, alternative methods used to account for significant or unusual transactions;
    - (iv) any actual or potential breaches of debt covenants;
    - (v) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments;
    - (vi) the presentation and impact of significant risks and uncertainties;
    - (vii) the accuracy, completeness and clarity of disclosure of the Company's financial statements;
    - (viii) any tax assessments, changes in tax legislation or any other tax matters that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the financial statements;
    - (ix) any litigation, claim or other contingency that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the Company's financial statements;
    - (x) whether all material information is presented in the management's discussion and analysis;
    - (xi) material communications between the external auditor and management, such as any management letter or schedule of unadjusted differences;

- (xii) with the external auditor only, any fraud, illegal acts, deficiencies in internal control or other similar issues; and
  - (xiii) general accounting trends and issues of auditing policy, standards and practices which affect or may affect the Company; and
- (e) review with management and the external auditors any correspondence with securities regulators or other regulatory or government agencies which raise material issues regarding the Company's financial reporting or accounting policies.

## **FINANCIAL MANAGEMENT**

The Committee has the following duties and responsibilities with respect to financial management:

- (a) reviewing and if appropriate, recommend for Board approval, all annual capital and operating budgets (and amendments thereto); and
- (b) at regularly scheduled meetings of the Committee: (i) reviewing the Company's financial position as disclosed in the income statement, balance sheet and statement of cash flows; (ii) review the Company's forecast against the approved budget; and (iii) reviewing the Company's cash position, liquidity and capital requirements.

## **INTERNAL CONTROLS, RISK MANAGEMENT AND COMPLIANCE**

The Committee has the following duties and responsibilities with respect to internal controls, risk management and compliance:

- (a) reviewing the adequacy, appropriateness and effectiveness of the Company's policies and business practices which impact on the integrity, financial and otherwise, of the Company, including those relating to insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- (b) reviewing compliance with the Company's Code of Business Ethics;
- (c) reviewing any issues between management and the external auditors that could affect the Company's financial reporting or internal controls;
- (d) periodically reviewing the Company's compliance with recommendations made by the external auditors;
- (e) reviewing annually, the adequacy and quality of the Company's financial and accounting resources;
- (f) reviewing annually with the external auditor, any significant matters regarding the Company's internal controls and procedures over financial reporting, including any significant deficiencies or material weaknesses in their design or operation;
- (g) receiving and reviewing reports from management assessing the Company's risk management and assess and identify major risk exposure and mitigation strategies against the guidelines and policies that management implemented to govern the monitoring, controlling and reporting of such risks;
- (h) establishing procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters; and

- (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and
- (i) reviewing and approving all related party transactions.

## **EXTERNAL AUDITORS**

The Committee has the following duties and responsibilities as they relate to the external auditor:

- (a) consider and make recommendations to the Board, for approval by the Company's shareholders, the appointment, re-appointment and removal of the Company's external auditor;
- (b) oversee the selection process for a new auditor and, upon resignation of the external auditor, investigate the circumstances surrounding such resignation and determine whether further action is required;
- (c) oversee the relationship between management and the external auditor; review and negotiate and recommend to the Board, for approval, the terms of engagement of the external auditor, including remuneration and scope of services;
- (d) oversee the work of any external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) assess annually, the independence and objectivity of the external auditor, considering relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of, and fees for, any non-audit services;
- (f) meet with the external auditors on a regular basis in the absence of management in order to review accounting practices, internal controls, any difficulties encountered by the external auditors in performing the audit and any other matters it deems appropriate; and
- (g) pre-approve all non-audit services to be provided to the Company by its external auditors (and remuneration therefor). The Committee may satisfy the pre-approval requirement in this subsection (g) if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the fees paid by the Company (and its subsidiaries) to its external auditors during the fiscal year in which the services are provided;
  - (ii) the Company (or its subsidiary) did not recognize the services as non-audit services at the time of engagement; and
  - (iii) the services are promptly brought to the attention of the Committee and are approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members the authority to pre-approve non-audit services provided that the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the full Committee at its first scheduled meeting following such pre-approval.

## **COMMITTEE CHAIR**

Where a vacancy occurs at any time in the position of the Committee Chair, it shall be filled by the Board. The Board may remove and replace the Committee Chair at any time.

The Chair of the Committee shall lead and oversee the Committee to ensure it fulfills its mandate as set out in its terms of reference. In particular, the Chair shall:

- (a) ensure the Committee functions independently of management, including organizing in- camera sessions and other meetings without management;
- (b) provide advice and counsel to the President and Chief Executive Officer and other senior members of management in respect of matters within the scope of the Committee's mandate;
- (c) preside as chair of each meeting of the Committee; and
- (d) communicate with all members of the Committee to co-ordinate their participation, ensure their accountability and otherwise generally provide for the effectiveness of the Committee.

Last reviewed and approved by the Board on August 21, 2016.

## Schedule B

### Charter of the Board of Directors



## CHARTER OF THE BOARD OF DIRECTORS

### PURPOSE

The Board of Directors (the “**Board**”) is responsible for the stewardship of IsoEnergy Ltd. (the “**Company**”) and to oversee management of the business and affairs of the Company. The Board’s fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Company meets its obligations on an ongoing basis and that the Company operates in an ethical and safe manner. In performing its functions, the Board should also consider the legitimate interests its other stakeholders such as employees, customers and communities may have in the Company. In overseeing the management of the business, the Board, through the Chief Executive Officer (the “**CEO**”), shall set the standards of conduct for the enterprise.

### PROCEDURE AND ORGANIZATION

The Board operates by delegating certain of its responsibilities and duties to management or committees of the Board. The Board retains responsibility for managing its own affairs including selecting its Chair and constituting committees of the full Board.

### DUTIES AND RESPONSIBILITIES

The Board’s principal duties and responsibilities are set out below.

#### 1. Legal Requirements

The Board has the responsibility to ensure that the Company complies with applicable law including that documents and records have been properly prepared, approved and maintained. The Board also has the statutory responsibility to:

- (a) supervise the management of the business and affairs of the Company;
- (b) act honestly and in good faith with a view to the best interests of the Company;
- (c) exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and
- (d) act in accordance with its obligations contained in the *Business Corporations Act* (British Columbia) and the regulations thereto, the Company’s constating documents, the applicable securities laws, and other applicable legislation and regulations.

## **2. Independence**

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management.

## **3. Strategy Determination**

The Board has the responsibility to:

- (a) at least annually, participate with management, in the development of, and ultimately approve, the Company's strategic plan, taking into account, among other things, the opportunities and risks of the Company's business;
- (b) approve annual capital and operating budgets that support the Company's ability to meet its strategic objectives;
- (c) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Company;
- (d) approve financial and operating objectives used in determining compensation if they are different from the strategic, capital or operating plans referred to above;
- (e) approve material divestitures and acquisitions;
- (f) monitor the Company's progress towards its strategic objectives, and revise and alter its direction through management in light of changing circumstances;
- (g) conduct periodic reviews of human, technological and capital resources required to implement the Company's strategy and the regulatory, cultural or governmental constraints on the business; and
- (h) review, at every regularly scheduled Board meeting if feasible, recent developments that may affect the Company's strategy, and advise management on emerging trends and issues.

## **4. Financial and Corporate Issues**

The Board has the responsibility:

- (a) to take reasonable steps to ensure the integrity and effectiveness of the Company's internal control and management information systems, including the evaluation and assessment of information provided by management and others (e.g., external auditors) about the integrity and effectiveness of the Company's internal control and management information systems;
- (b) to review operating and financial performance relative to budgets and objectives;
- (c) to approve the annual financial statements and notes thereto, management's discussion & analysis of financial condition and results of operations contained in the annual report, the annual information form (if applicable) and the management information circular; and
- (d) upon recommendation by the Audit Committee and subject to confirmation by the shareholders of the Company at each annual meeting, to appoint the external auditors for the Company and upon recommendation by the Audit Committee, to approve the auditor's fees for audit services.

## **5. Managing Risk**

The Board has the responsibility to safeguard the assets and business of the Company, identify and understand the principal risks of the Company's business, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company.

## **6. Compensation and Human Resources**

The Board has the responsibility:

- (a) to appoint the CEO (and develop a position description for the CEO) and with the advice of the compensation and governance committee of the Board (the "**Compensation Committee**") to develop objectives that the CEO is responsible for achieving and to monitor and assess CEO's performance against those objectives;
- (b) provide advice and counsel to the CEO in the execution of the duties of the CEO;
- (c) to the extent possible, to satisfy itself as to the integrity of the CEO and other senior officers and satisfy itself that the CEO and other senior officers are creating a culture of integrity throughout the Company;
- (d) to approve certain decisions relating to senior management, including the:
  - (i) appointment and discharge of all senior officers;
  - (ii) compensation and benefits for all senior officers; and
  - (iii) acceptance by the CEO of any outside directorships on public companies or any significant public service commitments;
- (e) to ensure that adequate provision has been made to train and develop management and for the orderly succession of the CEO and the other senior officers; and
- (f) to consider, and if considered appropriate, approve, incentive-compensation plans and equity-based plans of the Company.

## **7. Environment, Health and Safety**

The Board has the responsibility:

- (a) to review and monitor the policies and activities of the Company relating to environment, health and safety matters to ensure compliance with applicable laws, legislation and policies
- (b) to review environmental, health and safety compliance issues incidents to determine that the Company is taking all necessary action in respect of those matters and that the Company has been duly diligent in carrying out its responsibilities and activities in that regard; and
- (c) to review and consider potential liabilities and obligations in respect of environmental, health and safety matters and their potential financial impact on the Company.

## **8. Policies, Procedures and Compliance**

The Board has the responsibility:

- (a) to ensure that the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- (b) to approve and monitor compliance with significant policies and procedures by which the Company is operated;
- (c) to ensure the Company sets high environmental standards in its operations and is in compliance with environmental laws and legislation;
- (d) to ensure the Company has in place appropriate programs and policies for the health and safety of its employees in the workplace; and
- (e) to review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and the environment).

## **9. Governance**

The Board has the responsibility:

- (a) to appoint Board committees, including an Audit Committee, and delegate to those committees any powers of the Board permitted to be delegated pursuant to the *Business Corporations Act* (British Columbia) and the Company's constating documents;
- (b) develop, to the extent considered appropriate, position descriptions for the chairman of the Board, the chairman of each committee and individual directors;
- (c) to review the size and composition of the Board and approve nominations for candidates for election to the Board, with a view to ensuring that the Board is comprised of directors with the necessary skills and experience to facilitate effective decision-making;
- (d) to develop the Company's approach to corporate governance; and
- (e) to review annually its charter and the performance of the Board as a whole, Board committees, the Chair of the Board, the Chair of the committees and individual directors to ensure that the Board and the committees are operating effectively.

## **10. Reporting and Communication**

The Board has the responsibility:

- (a) to adopt a communication or disclosure policy for the Company and ensure that the Company has in place effective communication processes to enable it to communicate effectively with shareholders and other stakeholders and with financial, regulatory and other institutions and agencies;
- (b) to ensure that material information is accurately reported to shareholders, other security holders and regulators on a timely and regular basis in accordance with all applicable securities laws;
- (c) to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles and all applicable securities laws;
- (d) to ensure the timely reporting of any developments that could have a significant and material impact on the value of the Company; and



- (e) to report annually to shareholders on its stewardship of the affairs of the Company for the preceding year.

## **11. Outside Consultants or Advisors**

At the Company's expense, the Board may retain, when it considers it necessary or desirable, outside consultants or advisors to advise the Board independently on any matter. The Board shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to review a consultant's or advisor's fees and other retention terms.

Directors are permitted to engage outside legal or other advisor at the expense of the Company where for example he or she is placed in a conflict position through activities of the Company, but any such engagement is subject to the prior approval of the Compensation Committee.

## **12. Meetings**

The Board shall meet at least quarterly and shall have additional meetings as required or appropriate to consider other matters. In addition, the Board shall meet, as it considers appropriate to consider strategic planning of the Company. Attendance at each meeting shall be recorded. The Board should also meet separately from management as considered appropriate to ensure that the Board functions independently of management. The independent directors should meet with no members of management present as considered appropriate.

## **THE CHAIR**

The Chair is accountable to the Board and shall have the duties of a member of the Board as set out in applicable corporate law and in the Company's constituting documents and as otherwise determined by the Board. The Chair is responsible for the management, development and effective performance of the Board and leads the Board to ensure that it fulfills its duties as required by law and as set out in the Board Charter.

The Chair shall be appointed annually by the Board and shall have such skills and abilities appropriate to the appointment of Chair as shall be determined necessary and desirable by the Board.

Where a vacancy occurs at any time in the position of Chair, it shall be filled by the Board. The Board may remove and replace the Chair at any time.

### **1. Duties of the Chair**

The Chair is responsible to:

- (a) organize the Board to function independently of management;
- (b) promote ethical and responsible decision making, appropriate oversight of management and best practices in corporate governance;
- (c) ensure that the Board works as a cohesive team and provides the leadership essential for this purpose;
- (d) ensure that the responsibilities of the Board are well understood by both the Board and management, and that the boundaries between Board and management responsibilities are clearly understood and respected;
- (e) manage the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities;

- (f) act as a liaison between the Board and senior management to ensure that relationships between the Board and senior management is professional and constructive;
- (g) provide advice, counsel and mentorship to other members of the Board, the CEO and other senior members of management;
- (h) lead the Board in establishing, reviewing and monitoring the strategy, goals, objectives and policies of the Company;
- (i) communicate all major developments and issues to the Board in a timely manner, initiate opportune discussion of such matters and ensure provision to the Board of sufficient information to permit the Board to fulfill its oversight responsibilities;
- (j) communicate with all members of the Board to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Board and its committees;
- (k) adopt procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
- (l) ensure that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;
- (m) determine, in consultation with the Board and management, the time and places of the meetings of the Board and of the annual meeting of shareholders;
- (n) co-ordinate with management and the company secretary to ensure that matters to be considered by the Board are properly presented and given the appropriate opportunity for discussion;
- (o) ensure the Board has the opportunity to meet without members of management present on a regular basis;
- (p) assist in the preparation of the agenda of the Board meetings;
- (q) preside as chair of each meeting of the Board and as chair of each meeting of the shareholders of the Company; and
- (r) carry out other duties as requested by the Board as a whole, depending on need and circumstance.

## **RESPONSIBILITIES OF INDIVIDUAL DIRECTORS**

### **1. Corporate Stewardship**

Each Director has the responsibility to:

- (a) represent the best interests of the Company and its shareholders, assist in the maximization of shareholder value and work towards the long-term success of the Company;
- (b) advance the interests of the Company and the effectiveness of the Board by bringing his or her knowledge and experience to bear on the strategic and operational issues facing the Company;
- (c) provide constructive counsel to and oversight of management;
- (d) respect the confidentiality of information and matters pertaining to the Company;

- (e) maintain his or her independence, generally and as defined under applicable securities laws, and objectivity;
- (f) be available as a resource to the Board; and
- (g) fulfill the legal requirements and obligations of a director and shall develop a comprehensive understanding of the statutory and fiduciary roles of a director.

## **2. Responsibilities of Integrity and Loyalty**

Each Director has the responsibility to:

- (a) comply with the Company's Code of Business Ethics;
- (b) disclose to the Secretary, prior to the beginning of his or her service on the Board, and thereafter as they arise, all actual and potential conflicts of interest; and
- (c) disclose to the Chair of the Board, in advance of any Board vote or discussion, if the Board or a committee of the Board is deliberating on a matter that may affect the Director's interests or relationships outside the Company and abstain from discussion and/or voting on such matter as determined to be appropriate.

## **3. Responsibilities of Diligence**

Each Director has the responsibility to:

- (a) prepare for each Board and committee meeting by reading the reports, minutes and background materials provided for the meeting;
- (b) attend in person the annual meeting of the shareholders of the Company and attend all meetings of the Board and all meetings of committees of the Board of which the Director is a member, in person or by telephone, video conference, or other communication facilities that permit all persons participating in the meeting to communicate with each other; and
- (c) as necessary and appropriate, communicate with the Chair and with the CEO between meetings, including to provide advance notice of the Director's intention to introduce significant and previously unknown information at a Board meeting.

## **4. Responsibilities of Effective Communication**

Each Director has the responsibility to:

- (a) participate fully and frankly in the deliberations and discussions of the Board;
- (b) encourage free and open discussion of the Company's affairs by the Board;
- (c) establish an effective, independent and respected presence and a collegial relationship with other Directors;
- (d) focus inquiries on issues related to strategy, policy, and results;
- (e) respect the CEO's role as the chief spokesperson for the Company and participate in external communications only at the request of, with the approval of, and in coordination with, the Chair and the CEO;

- (f) communicate with the Chair and other Directors between meetings when appropriate;
- (g) maintain an inquisitive attitude and strive to raise questions in an appropriate manner and at proper times; and
- (h) think, speak and act in a reasoned, independent manner.

#### **5. Responsibilities of Committee Work**

Each Director has the responsibility to:

- (a) participate on committees and become knowledgeable about the purpose and goals of each committee; and
- (b) understand the process of committee work and the role of management and staff supporting the committee.

#### **6. Responsibilities of Knowledge Acquisition**

Each Director has the responsibility to:

- (a) become generally knowledgeable about the Company's business and its industry;
- (b) participate in Director orientation and education programs developed by the Company from time to time;
- (c) maintain an understanding of the regulatory, legislative, business, social and political environments within which the Company operates;
- (d) become acquainted with the senior officers and key management personnel; and
- (e) gain and update his or her knowledge about the Company's facilities and visit these facilities when appropriate.

Last reviewed and approved by the Board on August 21, 2016