



ISOENERGY LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2022 and 2021

Dated: February 16, 2022

GENERAL

This management's discussion and analysis ("**MD&A**") is management's interpretation of the results and financial condition of IsoEnergy Ltd. ("**IsoEnergy**" or the "**Company**") for the years ended December 31, 2022 and includes events up to the date of this MD&A. This discussion should be read in conjunction with the annual financial statements for the years ended December 31, 2022 and 2021 and the notes thereto (together the "**Annual Financial Statements**"), and other corporate filings, which are available under the Company's profile on SEDAR at www.sedar.com. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified. This MD&A contains forward-looking information. Please see "Note Regarding Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions used to develop the Company's forward-looking information.

Technical Disclosure

All scientific and technical information in this MD&A has been reviewed and approved by Mr. David Thomas, P.Geo., IsoEnergy's Technical Advisor. Mr. Thomas is a qualified person for the purposes of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

All chemical analyses were completed for the Company by SRC Geoanalytical Laboratories in Saskatoon, Saskatchewan.

For additional information regarding the Company's Larocque East, Radio and Thorburn Lake projects, including its quality assurance and quality control procedures, please see the technical reports entitled "Technical Report on the Larocque East Project, Northern Saskatchewan, Canada" filed on August 11, 2022, "Technical Report for the Radio Project, Northern Saskatchewan" dated effective August 19, 2016 and "Technical Report for the Thorburn Lake Project, Northern Saskatchewan" dated effective September 26, 2016, in each case, on the Company's profile at www.sedar.com.

The historical mineral resource estimate at the Mountain Lake project referred to below, was reported in the technical report entitled "Mountain Lake Property, Nunavut" and dated February 15, 2005. This resource is a historical estimate and a qualified person has not done sufficient work to classify the historical estimate as a current mineral resource estimate. As a result, the historical estimate is not being treated as a current mineral resource. However, the Company believes that the historical estimate is relevant and reliable, as it was prepared by a "qualified person" (as defined in NI 43-101) with significant experience with the project, using methods that were standard in the industry. The historical estimate was prepared with the polygonal method using only intervals greater than 0.1% U₃O₈ with a vertical thickness of at least 1.0 metre. Polygon sides were determined by drawing lines perpendicular to, and one half the distance to each adjacent drill hole. Estimated uranium was then obtained by multiplying the polygon areas by their thickness, a specific gravity of 2.5, and the grade of the drill hole interval. The mineral resource was classified as inferred.

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

Historical drilling results at Hawk and Ranger discussed herein are derived from historical reports and have not been independently verified by IsoEnergy. The historical work and reports were completed in accordance with contemporary industry standards and are considered sufficiently reliable for qualitative evaluation.

BACKGROUND

Overview

IsoEnergy was incorporated on February 2, 2016 under the Business Corporations Act (British Columbia) as a wholly-owned subsidiary of NexGen Energy Ltd. (“NexGen”) to acquire certain exploration assets of NexGen. NexGen is a Canadian based uranium exploration company focused on the advancement of its Rook 1 Project in the Athabasca Basin, Saskatchewan. On October 19, 2016, IsoEnergy was listed on the TSX Venture Exchange (“TSXV”). NexGen’s common shares are listed and posted for trading on the Toronto Stock Exchange, New York Stock Exchange and the Australian Stock Exchange. As of the date hereof, NexGen holds 50.0% of the outstanding IsoEnergy common shares.

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

Table 1 – Summary of Uranium Mineral Properties

Area	Project	Hectares	Date Acquired	Acquisition Type	Encumbrances
Saskatchewan	Radio	805	2016	Spun-out from NexGen	2% NSR ⁽¹⁾
	Thorburn Lake	2,802	2016	Spun-out from NexGen	1% NSR and 10% CI ⁽²⁾
	2Z	682	2016	Spun-out from NexGen	2% NSR ⁽¹⁾
	Carlson Creek	759	2016/20	Spun-out from NexGen/Staked	1% NSR and 10% CI ⁽²⁾
	Madison	1,347	2016	Spun-out from NexGen	2% NSR ⁽¹⁾
	North Thorburn	1,708	2016	Purchased	None
	Geiger	13,861	2017/18/20	Purchased	NPI applies to some claims ⁽³⁾
	East Rim	30,594	2017/20/21	Staked	None
	Full Moon	11,107	2017/20	Staked	None
	Whitewater	7,374	2018	Staked	None
	Larocque East	18,980	2018-2022	Purchased/Staked	2% NSR on certain claims ⁽⁴⁾
	Edge	6,515	2019/20	Staked	None
	Collins Bay Extension	7,429	2019/20	Staked	None
	Evergreen	35,362	2020	Staked	None
	Hawk	5,961	2020	Staked	None
	Larocque West	509	2020	Staked	None
	Ranger	16,476	2020	Staked	None
	Spruce	4,836	2020	Staked	None
	Trident	16,169	2020/21	Staked	None
	Sparrow	374	2020	Staked	None
Rapid River	1,823	2022	Staked	None	
Cable ⁽⁵⁾	7,764	2022	Staked	None	
	<i>subtotal</i>	193,237			
Nunavut	Mountain Lake ⁽⁶⁾	6,853	2016	Staked	None
		200,090			

- (1) 2% Net Smelter Royalty (“NSR”) on minerals other than diamonds, plus a 2% Gross Overriding Royalty on diamond.
- (2) 1% NSR plus a 10% Carried Interest (“CI”). The CI can be converted to an additional 1% NSR at the Holder’s option.
- (3) Sliding scale Net Profits Interest (“NPI”) ranging between 0% and 20% applies to a 7.5% interest in certain claims.
- (4) 2% NSR on MC00013747 and MC00013560; can be reduced to 1% for \$1,000,000.
- (5) The Cable claims staked in 2020 were allowed to lapse in September 2022. The Company re-staked certain claims in the southern portion of the project in December 2022.
- (6) Subject to the Mountain Lake Option Agreement, see “Discussion of Operations – Corporate Activities in 2021”.

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

Figure 1 – Property Location Map



OVERALL PERFORMANCE

General

In the year ended December 31, 2022, the Company completed exploration work on its Larocque East, Geiger, Trident, Ranger, Hawk, Evergreen, Spruce, East Rim, Full Moon, and Edge properties in the Athabasca Basin. On July 18, 2022, the Company announced the initial independent Mineral Resource estimate (the "Resource Estimate") for the Hurricane uranium deposit on its 100% owned Larocque East project in the eastern Athabasca Basin of Saskatchewan. See "Discussion of Operations" for details of exploration programs completed, the Resource Estimate and future plans.

As an exploration stage company, IsoEnergy does not have revenues and is expected to generate operating losses. As at December 31, 2022, the Company had cash of \$19,912,788, an accumulated deficit of \$41,721,615 and working capital of \$25,347,788.

Industry and Economic Factors that May Affect the Business

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

As with other companies involved with mineral exploration, the Company is subject to cost inflation on exploration drilling activities and the Company may experience difficulty and / or delays in securing goods (including spare parts) and services from time-to-time.

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

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

DISCUSSION OF OPERATIONS

Corporate Activities in 2022

Mr. Peter Netupsky was appointed to the Company's Board of Directors on November 1, 2022.

Financings

On December 6, 2022, the Company completed an \$18.5 million financing comprised of:

- A non-brokered private placement of 1,801,802 common shares at a price of \$3.33 per share to NexGen for gross proceeds of \$6 million;
- Issuance of an unsecured convertible debenture (the "**2022 Debentures**") to Queen's Road Capital Investment Ltd. for gross proceeds of C\$5.5 million (US\$4 million);

- A brokered bought “deal private” placement of 940,000 “flow through” common shares at a price of \$5.35 per share for gross proceeds of \$5 million by a syndicate of underwriters led by PI Financial Corp., and including Canaccord Genuity, Haywood Securities Inc., Raymond James Ltd., Sprott Capital Partners LP, and TD Securities Inc. (collectively, the “**Underwriters**”); and
- A brokered private placement of 600,000 common shares at a price of \$3.33 per share for gross proceeds \$2 million, led by the Underwriters.

Stock options

In the year ended December 31, 2022, the Company issued 1,074,500 common shares on the exercise of stock options for proceeds of \$719,891 and granted 3,572,500 stock options with a weighted average strike price of \$3.51 to certain directors, officers, employees, and contractors of the Company. Subsequent to year end, the Company issued a further 105,000 common shares on the exercise of stock options for proceeds of \$163,600.

Corporate Activities in 2021

In the year ended December 31, 2021, the Company was focused primarily on exploration activities at the Larocque East, Geiger, and Collins Bay Extension properties in the Eastern Athabasca as discussed below. Small scale exploration programs were conducted at 2Z, Sparrow, and Larocque West. Additionally, property extensions were acquired at the Trident, East Rim, and Larocque East properties. In 2021, a total of 6,680 hectares of mineral tenure in the Eastern Athabasca has been added to the Company’s exploration property portfolio through staking and purchase.

92 Energy Agreement

On April 14, 2021, IsoEnergy closed a transaction based on a Heads of Agreement with 92 Energy Pty Ltd (“**92 Energy**”) for 92 Energy to acquire a 100% interest in IsoEnergy’s Clover, Gemini, and Tower uranium properties in Saskatchewan, Canada (the “**Properties**”) in consideration for the issuance of 10,755,000 fully paid ordinary shares of 92 Energy or 16.25% of the issued and outstanding shares of 92 Energy at the time. The 92 Energy Shares were issued at a price of A\$0.20 per share and were in escrow for 12 months following the completion of 92 Energy’s initial public offering on the Australian Stock Exchange (the “**IPO**”). Additional consideration to IsoEnergy for the Properties included milestone cash payments of A\$100,000 within 60 days of the IPO (received June 14, 2021), and an additional A\$100,000 within 6 months of the IPO (received October 8, 2021). IsoEnergy retained a 2% NSR on the Properties and is entitled to nominate a member of 92 Energy’s Board of Directors, provided IsoEnergy maintains a minimum ownership position of 5%. IsoEnergy’s ownership position is currently 11.6% of the outstanding capital of 92 Energy. 92 Energy met a contractual requirement to spend an aggregate of A\$1,000,000 on exploration expenditures on the Properties prior to May 1, 2022.

Mountain Lake Option Agreement

On August 10, 2021, IsoEnergy completed an agreement with Consolidated Uranium Inc. (previously International Consolidated Uranium Inc.) (“**Consolidated Uranium**”), which trades on the TSXV, to grant Consolidated Uranium the option to acquire a 100% interest in the Company’s Mountain Lake uranium property in Nunavut, Canada (the “**Mountain Lake Option Agreement**”).

The Mountain Lake property consists of 6,853 hectares and was staked by IsoEnergy in 2016. The property contains a historical resource estimate of 8.2 million pounds U₃O₈ with an average grade of 0.23% U₃O₈ contained in 1.6 million tonnes of mineralization. Uranium mineralization is hosted within sandstone and dips shallowly from the top of the bedrock down to approximately 180 metres below surface. See “*Technical Disclosure*” above.

Under the terms of the Mountain Lake Option Agreement, Consolidated Uranium obtained the option to acquire a 100% interest in the Mountain Lake uranium property for consideration comprised of \$20,000 cash and 900,000 Consolidated Uranium common shares, received on August 7, 2020 and

August 11, 2021, respectively. The option is exercisable at Consolidated Uranium's election on or before August 3, 2023 for additional consideration of \$1,000,000, payable in cash or shares of Consolidated Uranium (provided certain conditions are met) at the discretion of Consolidated Uranium. If Consolidated Uranium elects to acquire the Mountain Lake property, IsoEnergy will be entitled to receive the following contingency payments in cash or shares of Consolidated Uranium, at the discretion of Consolidated Uranium:

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

The spot price contingent payments will expire 10 years following the date the option is exercised. At the date of this MD&A, the option has not been exercised by Consolidated Uranium.

On February 22, 2022, Consolidated Uranium completed a transaction pursuant to which it transferred its Moran Lake Project and associated liabilities to Labrador Uranium Inc. ("**Labrador Uranium**"), which trades on the Canadian Securities Exchange, in exchange for 16,000,000 common shares of Labrador Uranium. Consolidated Uranium subsequently distributed the 16,000,000 common shares of Labrador Uranium to its shareholders and the Company received 193,300 Labrador Uranium common shares, which it now holds in addition to the 900,000 Consolidated Uranium common shares.

Stock option and warrants

In the year ended December 31, 2021, the Company issued 11,381,576 common shares on the exercise of stock options and warrants for proceeds of \$8,160,203.

Exploration and Evaluation Activities

Year ended December 31, 2022

During the year ended December 31, 2022, the Company incurred \$10,242,497 of net exploration spending primarily on Larocque East, Geiger, Trident and East Rim, as set out below. See "Outlook" below for future exploration plans.

	Larocque East	Geiger	Trident	East Rim	Other	Total
Drilling	\$ 3,059,131	\$ 941,954	\$479,430	\$ -	\$ -	\$ 4,480,515
Geological & geophysical	145,353	58,302	8,050	338,475	1,042,899	1,593,079
Labour & wages	435,132	99,714	50,796	27,054	224,269	836,965
Camp costs	521,928	108,280	72,052	-	3,187	705,447
Extension of time payments	-	-	145,734	148,426	175,861	470,021
Geochemistry & Assays	144,963	9,419	16,668	-	19,127	190,177
Travel and other	136,069	19,966	11,920	657	8,912	177,524
Cash expenditures	4,442,576	1,237,635	784,650	514,612	1,474,255	8,453,728
Share-based compensation	998,593	290,928	126,870	38,299	376,759	1,831,449
Total expenditures	5,441,169	1,528,563	911,520	552,911	1,851,014	10,285,177
Disposal and derecognition of assets	-	-	-	-	(42,680)	(42,680)
Net expenditures	\$ 5,441,169	\$1,528,563	\$911,520	\$552,911	\$ 1,808,334	\$ 10,242,497

Larocque East Project

Initial Resource Estimate

On July 18, 2022, IsoEnergy announced the initial Resource Estimate for the Hurricane uranium deposit on its 100% owned Larocque East project in the eastern Athabasca Basin of Saskatchewan.

Highlights of the Resource Estimate are:

- Indicated Mineral Resources of 48.61 million lb U₃O₈ based on 63,800 tonnes grading 34.5% U₃O₈, including 43.89 million lb U₃O₈ at an average grade of 52.1% U₃O₈ within the high-grade domain
- Inferred Mineral Resources of 2.66 million lb U₃O₈ based on 54,300 tonnes grading 2.2% U₃O₈
- Indicated Mineral Resources are highly insensitive to cut-off grade due to the high-grade and compact nature of the Hurricane deposit

The following is a summary of the Resource Estimate (as of July 8, 2022)

Category	Domain	Tonnage (000 t)	Grade (% U ₃ O ₈)	Contained Metal (Million lb U ₃ O ₈)
Indicated	High-Grade	38.2	52.1	43.89
	Medium-Grade	25.6	8.4	4.72
	Low-Grade	-	-	-
Indicated Total		63.8	34.5	48.61
Inferred	High-Grade	-	-	-
	Medium-Grade	4.0	11.2	1.00
	Low-Grade	50.3	1.5	1.66
Inferred Total		54.3	2.2	2.66

Notes:

1. CIM (2014) definitions were followed for all Mineral Resource categories.
2. Mineral Resources are estimated at a uranium cut-off grade of 1.00% U₃O₈.
3. Tonnes are based on bulk density weighting.
4. Mineral Resources are estimated using a long-term uranium price of US\$65/lb.
5. Minimum grade width of one metre was applied to the resource domain wireframes.
6. Bulk density was interpolated using values derived from a regression curve based on U₃O₈ assay values.
7. Numbers may not add due to rounding.

The Indicated Mineral Resources at Hurricane are highly insensitive to cut-off grade due to the high-grade and compact nature of the deposit, as illustrated in the following table:

Resource Category	Cut-off Grade (% U ₃ O ₈)	Tonnage (000 t)	Grade (% U ₃ O ₈)	Contained Metal (Million lb U ₃ O ₈)
Indicated	0.05	63.8	34.54	48.61
	0.25	63.8	34.54	48.61
	0.50	63.8	34.54	48.61
	0.75	63.8	34.54	48.61
	1.00	63.8	34.54	48.61
	2.00	63.8	34.58	48.61
	3.00	63.4	34.78	48.58
	5.00	60.1	36.54	48.29
	10.00	44.1	46.95	45.65
Inferred	0.05	288.2	0.73	4.67
	0.25	199.6	0.99	4.37
	0.50	124.5	1.37	3.77
	0.75	82.3	1.76	3.20
	1.00	54.3	2.23	2.66
	2.00	11.5	5.57	1.42
	3.00	5.1	9.62	1.08
	5.00	4.0	11.21	1.00
	10.00	2.0	13.42	0.61

Note: Mineral Resources are estimated at a uranium cut off grade of 1.0% U₃O₈

Geology and Mineralization

The Hurricane zone measures 375 metres along strike, up to 125 metres wide, and up to 12 metres thick. The high-grade domain, which contains 43.89 million pounds of U₃O₈ at an average grade of 52.1% U₃O₈, occupies an area 125 metres long and is up to 63 metres wide and up to 4.5 metres thick. Mineralization at Hurricane occurs at the sub-Athabasca unconformity approximately 325 metres vertically below surface and is essentially horizontal. East-west striking, steeply north-dipping basement rocks underlying Hurricane host centimetre- to metre-scale fault zones preferentially occurring at contacts between graphitic and non-graphitic units. Mineralization is controlled by the intersection of these fault zones with the sub-Athabasca unconformity resulting in mineralization elongated in its east-west dimension. Mineralization ranges from disseminated to massive and includes very high-grade intersections, including 38.8% over 7.5 metres in LE20-76 between 322.5 and 330 metres which includes a subinterval averaging 74.0% U₃O₈ over 3.5 metres from 324.0 to 327.5 metres. Additional Hurricane drilling highlights are presented below.

Drilling, Sampling and Analytical

The Mineral Resource Estimate was defined using 52 diamond drill holes totaling 20,387 metres and using 785 samples. Uranium grade data comprises chemical assays of half split drill core samples collected on site by IsoEnergy staff. All samples were assayed at the independent Saskatchewan Research Council (SRC) Geoanalytical Laboratory of Saskatoon, an ISO/IEC 17025 accredited facility. Samples were analysed using a combination of inductively coupled plasma - mass spectrometry (ICP-MS), inductively coupled plasma - optical emission spectrometry (ICP-OES), and partial or total acid digestion of one aliquot of representative sample pulp per analysis. Mineralized samples were analysed for U₃O₈ by ICP-OES.

Quality Assurance and Quality Control (QA/QC) measures include the field insertion of Certified Reference Material (CRM) standards, CRM blanks, and duplicate samples. The Mineral Resource Estimate grade data was obtained only from chemical assays; no radiometric data were utilized.

Estimation Methodology

Mineral Resources were estimated by SLR Consulting (Canada) Ltd. (SLR), an independent consulting company experienced in completing uranium Mineral Resource estimates in the Athabasca Basin and worldwide.

Wireframe models of mineralized zones were used to constrain the block model grade interpolation process. The models represent grade envelopes using the geological interpretation described above as guidance. The wireframes consisted of Low-Grade (LG), Medium-Grade (MG), and High-Grade (HG) domains at nominal cut-off grades (COG) of 0.05%, 5.0%, and 25.0% U_3O_8 , respectively (Figures 2 and 3). Sample intervals with assay results less than the nominated COG were included within the mineralized wireframes if the core length was less than two metres or allowed for modelling of grade continuity. Hard domain boundaries were employed to prevent assay results from one domain influencing the remaining domains.

Statistical evaluation of samples from each domain was completed separately to determine the treatment of high-grade assays. No capping was applied to the High-Grade domain; assays were capped at 5.0% U_3O_8 and 20.0% U_3O_8 within the Low- and Medium-Grade domains, respectively. High grade x density threshold value of 250 (approximately equivalent to 55% U_3O_8) spatial restrictions equal to half the parent search ellipse dimensions were utilized within the High-Grade domain.

The uranium grade was used to estimate the density of each sample using polynomial formula developed by SLR from the results of 115 samples analyzed for bulk density and uranium grade. Densities were then interpolated into the block model to convert mineralized volumes to tonnage and were also used to weight the uranium grades interpolated into each block.

Blocks were classified as Indicated or Inferred based on drill hole spacing, confidence in the geological interpretation, and apparent continuity of mineralization. All the blocks within the HG domains and blocks within the MG domain with apparent grade continuity from two or more holes were classified as Indicated. For the LG grade domain, blocks that did not meet the criteria of grade x thickness (GT) greater or equal to 1.0% m were removed from the Mineral Resource reporting. The block model was validated using swath plots of composite grades versus inverse distance cubed, ordinary kriging, and nearest neighbour grades in the X, Y, and Z dimensions, volumetric comparison of blocks versus wireframes, visual inspection of block versus composite grades on plan, vertical, and long section, and statistical comparison of block grades and assay composite grades.

Selected drilling results from the Hurricane Deposit are presented below:

Hole-ID	From (m)	To (m)	Length (m)	Chemical Assays (% U ₃ O ₈)	Azimuth/Dip (degrees)	Hole Length (m)	Location	Note
LE20-30	329.5	334.5	5.0	7.8	180/-80	442.0	Section 4460E	Mineralized
incl.	332.0	333.0	1.0	34.9				HG Domain Intercept
LE20-32A	329.5	339.0	9.5	17.5	180/-80	470.0	Section 4510E	Mineralized
incl.	334.5	337.0	2.5	63.6				HG Domain Intercept
LE20-34	325.5	334.0	8.5	33.9	180/-80	461.0	Section 4435E	Mineralized
incl.	328.0	332.5	4.5	62.1				HG Domain Intercept
LE20-40	319.5	326.0	6.5	12.6	000/-90	368.0	Section 4435E	Mineralized
incl.	323.0	324.5	1.5	53.8				HG Domain Intercept
LE20-51	322.0	330.0	8.0	13.6	000/-90	341.0	Section 4510E	Mineralized
incl.	326.5	329.0	2.5	38.4				HG Domain Intercept
LE20-52	318.5	326.0	7.5	22.7	000/-90	365.0	Section 4435E	Mineralized
incl.	322.5	324.5	2.0	79.2				HG Domain Intercept
LE20-53	317.5	328.0	10.5	11.7	000/-90	374.0	Section 4410E	Mineralized
incl.	325.0	327.5	2.5	44.7				HG Domain Intercept
LE20-54	329.5	337.5	8.0	14.4	180/-79	428.5	Section 4510E	Mineralized
incl.	333.5	337.0	3.5	28.1				HG Domain Intercept
LE20-57	343.3	350.3	7.0	16.6	217/-70	413.3	Section 4435E	Mineralized
incl.	347.3	349.3	2.0	52.6				HG Domain Intercept
LE20-62	321.0	325.5	4.5	6.2	000/-90	350.0	Section 4435E	Mineralized
incl.	324.5	325.5	1.0	18.5				HG Domain Intercept
LE20-64	322.5	329.0	6.5	37.6	000/-90	412.5	Section 4535E	Mineralized
incl.	324.5	329.0	4.5	54.2				HG Domain Intercept
LE20-68	320.0	334.0	14.0	5.5	180/-80	470.0	Section 4485E	Mineralized
incl.	332.0	333.5	1.5	49.3				HG Domain Intercept
LE20-72	320.5	326.5	6.0	6.2	000/-90	398.0	Section 4460E	Mineralized
incl.	325.0	326.0	1.0	27.8				HG Domain Intercept
LE20-76	322.5	330.5	8.0	36.4	000/-90	359.0	Section 4435E	Mineralized
incl.	323.5	327.5	4.0	71.7				HG Domain Intercept
LE21-78C1 ¹	248.0	260.0	12.0	5.2	000/-90	323.0	Section 4460E	Mineralized
incl.	257.5	258.5	1.0	42.4				HG Domain Intercept
LE21-107	324.5	332.0	7.5	17.7	000/-90	344.0	Section 4485E	Mineralized
incl.	327.5	331.0	3.5	34.5				HG Domain Intercept

Notes:

All results previously disclosed

1: LE21-78C1 is a wedged offcut from LE21-78 at 70m

Figure 2 – Plan view of Mineralized Domains with Selected Drilling Results

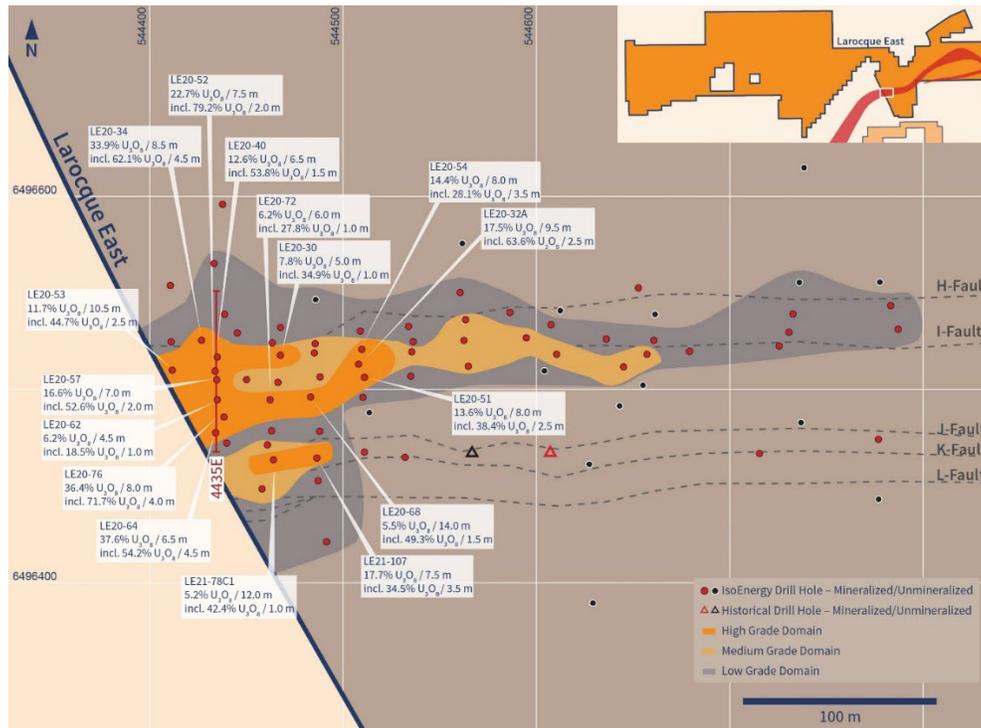
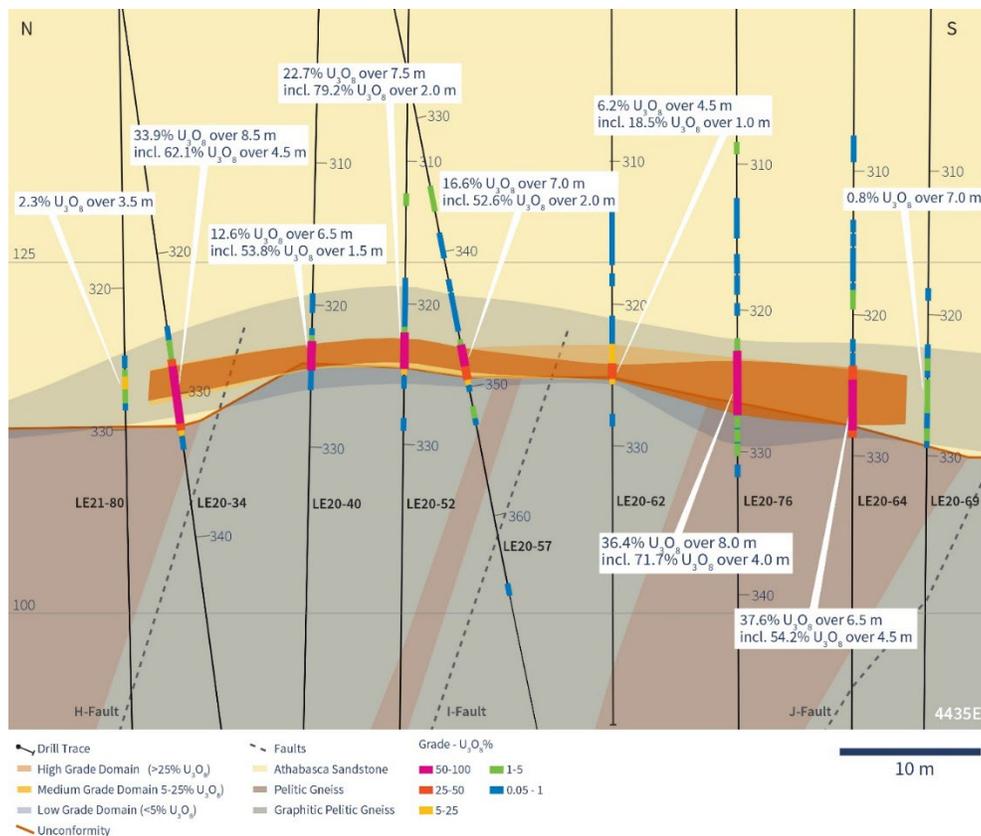


Figure 3 – Cross Section 4435E Showing High-, Medium-, and Low-Grade Domains with Drilling Results



Winter 2022 – Diamond Drilling

Diamond drilling totalling 12,147 metres in 30 drill holes was completed at Larocque East during the winter 2022 season. Five drill holes totalling 2,138 metres were completed in the Hurricane area primarily to follow-up mineralization intersected by drill hole LE21-101 (0.6% U₃O₈ over 4.5 m from 324.5 m to 329.0 m including 3.1% U₃O₈ over 0.5 m from 327.5 m to 328.0 m; refer to February 3, 2022, news release titled “IsoEnergy Reports Final Chemical Assays From 2021 Drilling at Hurricane Zone”). Reaching the unconformity 75 metres west of LE21-101, LE22-115A intersected 2.0 metres averaging 1.0% U₃O₈ (from 335.0 m to 337.0 m which includes 0.5 m averaging 3.3% U₃O₈ from 335.5 m to 336.0 m). No significant radioactivity was intersected in the four remaining 2022 Hurricane-area drill holes. Hurricane drilling results are presented in Figure 4.

The remaining 25 winter 2022 drill holes were completed to test the fertile Larocque Lake conductive trend which extends for approximately 8 kilometres east of the Hurricane zone (Figure 5). Exploration drilling followed-up anomalous results in previous drilling and tested high-priority geophysical targets generated from IsoEnergy’s recent resistivity surveys (refer to April 22, 2022, news release titled “IsoEnergy Provides Winter Exploration Update”). Drill hole LE22-116 intersected weak mineralization comprising 0.4% U₃O₈ from 282.0 to 282.5 metres immediately above the unconformity. None of the remaining winter 2022 exploration drill holes intersected significant radioactivity.

Assay results from winter 2022 drilling are presented in the table below. At this time, no direct follow-up of the winter 2022 drilling results is planned.

Hole-ID	From (m)	To (m)	Length (m)	Radioactivity ¹ (CPS)	Chemical Assays		Orientation (Azimuth / Dip)	Hole Length (m)
					U ₃ O ₈ (%)	Ni (%)		
LE22-115A ²	335.0	337.0	2.0	>500	1.0	0.1	180/-80	434.0
incl.	335.5	336.0	0.5	>5,000	3.3	0.0		
LE22-116 ²	282.0	282.5	0.5	>500	0.4	0.0	345/60	432.5

Notes:

1. Radioactivity is total gamma from drill core measured with an RS-125 hand-held spectrometer
2. Radioactivity previously disclosed

Figure 4 – Hurricane Zone Drill Hole Location Map

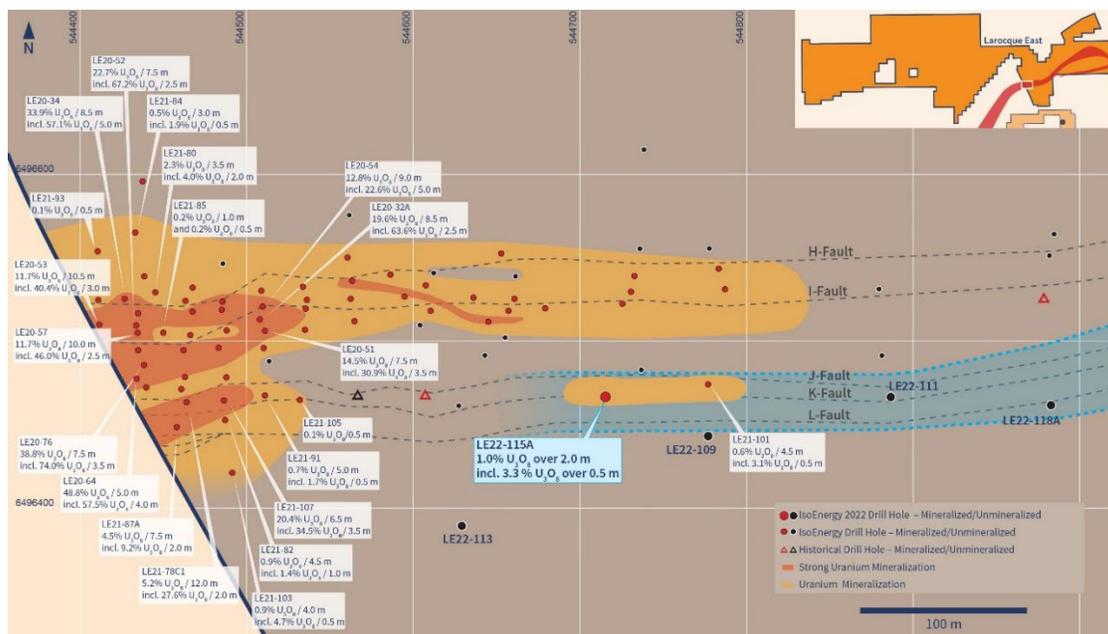
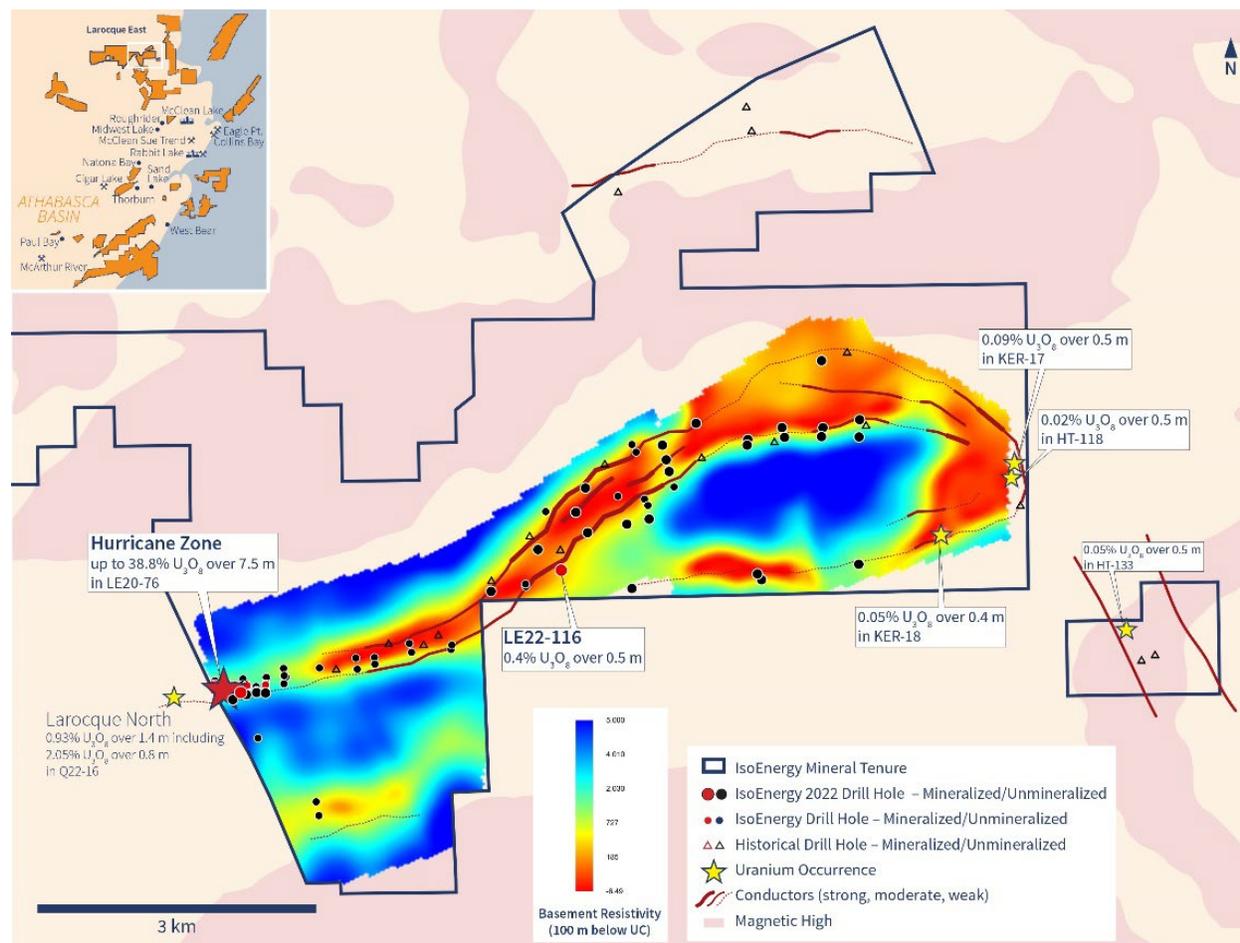


Figure 5 – Larocque East Exploration Drilling Results



Summer 2022 – Diamond Drilling

Diamond drilling totalling 1,998 metres in six drill holes was completed at Larocque East during July 2022. Drill hole parameters are presented in the table below and drill hole locations are presented in Figure 6. Drilling tested three target areas, Hurricane East, the eastern Larocque Lake trend, and the Kernaghan trend.

Three drill holes (LE22-139, LE22-141 and LE22-143) were completed in the Hurricane East area to test the J-fault over 1.1 kilometre of strike length not covered by previous programs. Although favourable alteration and structure were intersected, no elevated radioactivity was intersected.

Two drill holes (LE22-140 and LE22-144) evaluated the Kernaghan trend in the northern portion of the Project. The holes were drilled to test for significant structures to explain the unconformity topography in this area. LE22-144 intersected a weak to moderate structure and alteration well into the basement.

One drill hole (LE22-142) was completed to test a zone of low sandstone resistivity above a moderate basement conductor on the eastern portion of the Larocque Lake trend. The drill hole intersected weak to moderate alteration and structure in the upper half of the sandstone and minor structural disruption in graphitic pelite in the lower portion of the basement.

Follow-up drilling is currently underway on the Kernaghan trend, as further discussed in *Outlook* below. There are currently not any plans for follow-up work in the Hurricane East and Larocque Lake trend areas.

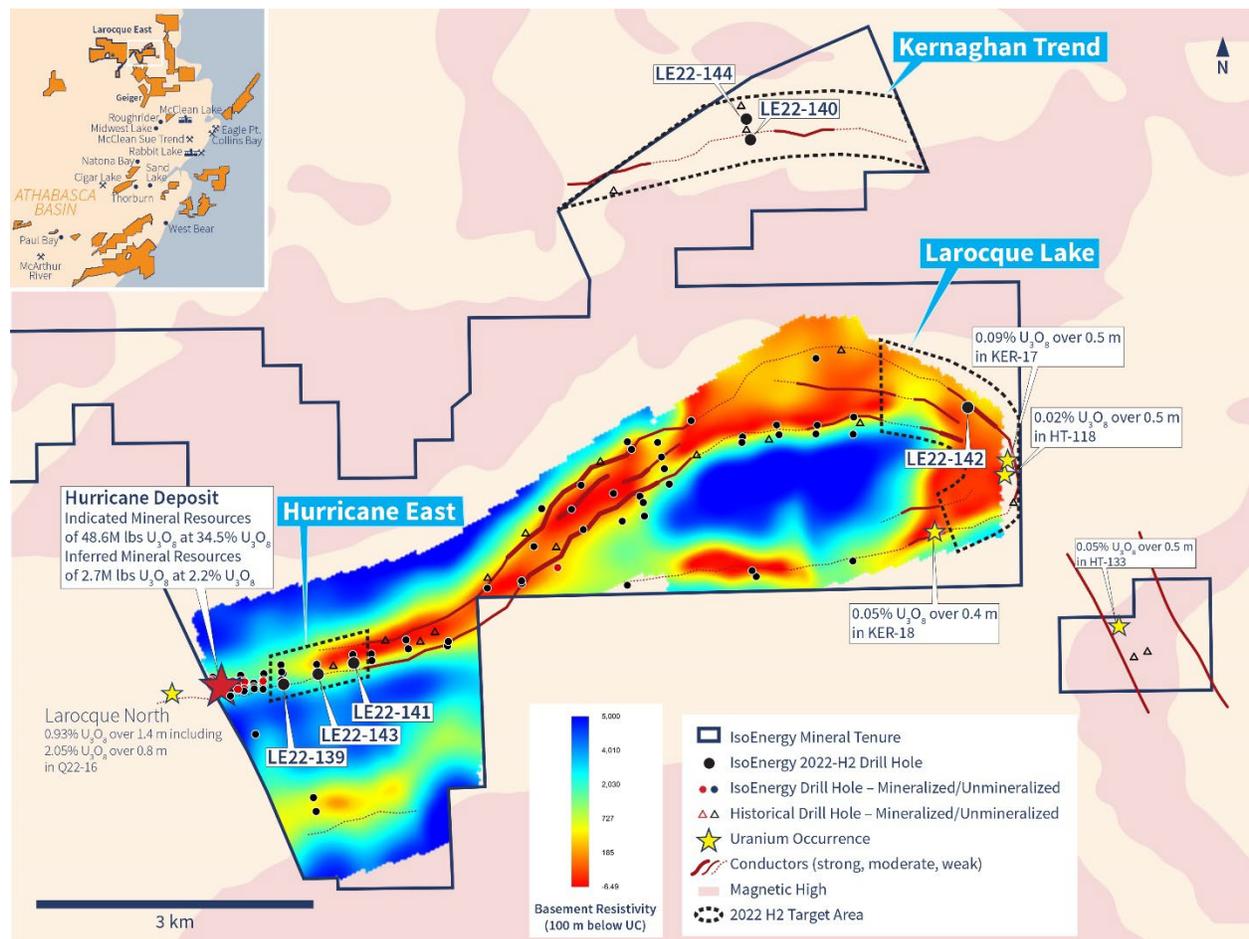
The drill results can be summarized as follows:

Hole ID	UTM NAD83-13		Elevation (mASL)	Azimuth/Dip (Degrees)	Length (m)	Radioactivity ¹ (CPS)
	Easting	Northing				
LE22-139	545,181	6,496,573	449	164.0 / -79.0	347.0	-
LE22-140	550,228	6,502,529	407	164.0 / -60.0	347.0	-
LE22-141	545,961	6,496,747	419	000.0 / -90.0	308.0	-
LE22-142	552,494	6,499,342	421	030.0 / -45.0	380.0	-
LE22-143	545,568	6,496,662	443	164.0 / -84.0	341.0	-
LE22-144	550,195	6,502,691	417	164.0 / -68.0	275.0	-

Note:

1. Radioactivity is total gamma from drill core measured with an RS-125 hand-held spectrometer

Figure 6 – Larocque East – Summer 2022 Drill Hole Locations



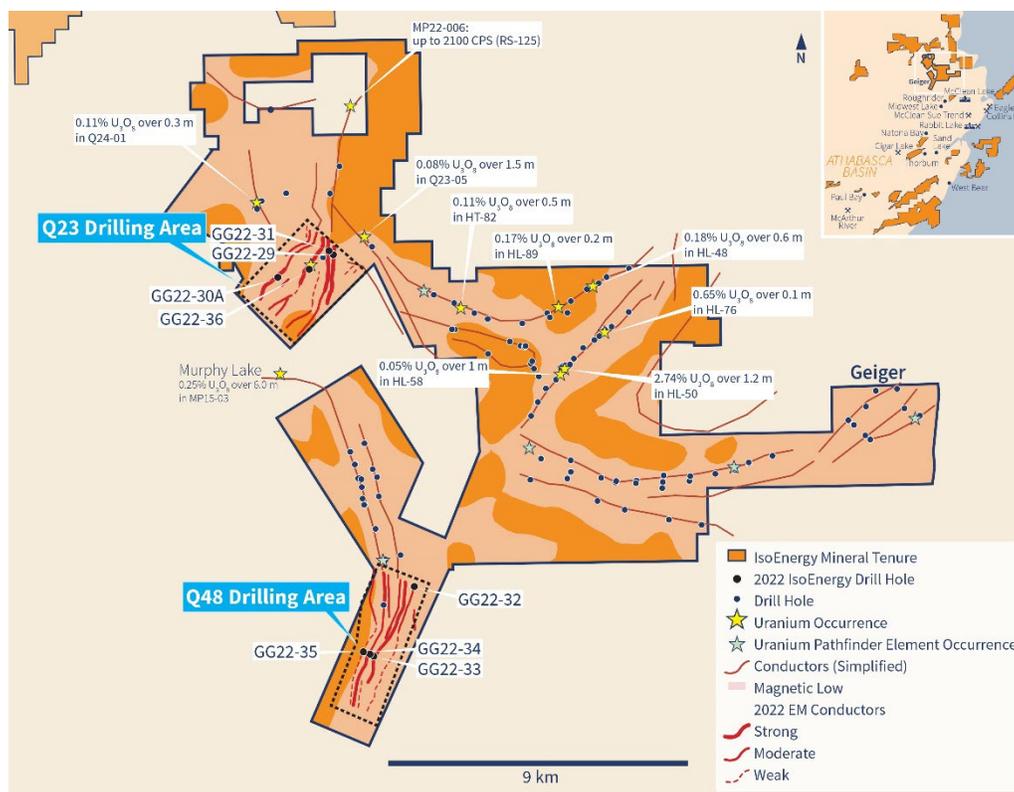
Geiger Project

Winter 2022 - Geophysics

Fixed Loop Transient Electromagnetic (FLTEM) surveying was conducted at the Geiger project between mid-December 2021 and late January 2022. A total of 10 FLTEM data profiles were collected in the Q23 and Q48 areas to upgrade historical airborne electromagnetic (EM) conductors in advance of drill testing. Both survey areas are characterized as zones of low magnetic susceptibility which host multiple northeast-to north-trending EM conductors. Limited drilling has been completed in each area and indicates the vertical depth to the unconformity is between approximately 240 and 275 metres. Figure 7 shows the survey results.

The winter 2022 geophysical surveys mapped 35 kilometres of conductor strike within the two areas, of which 27 kilometres are interpreted to be moderately to strongly conductive. The EM conductors considered prospective for uranium mineralization and initial follow-up drilling is planned for the second half of 2022.

Figure 7 – Geiger Survey Results



Summer 2022 – Diamond Drilling

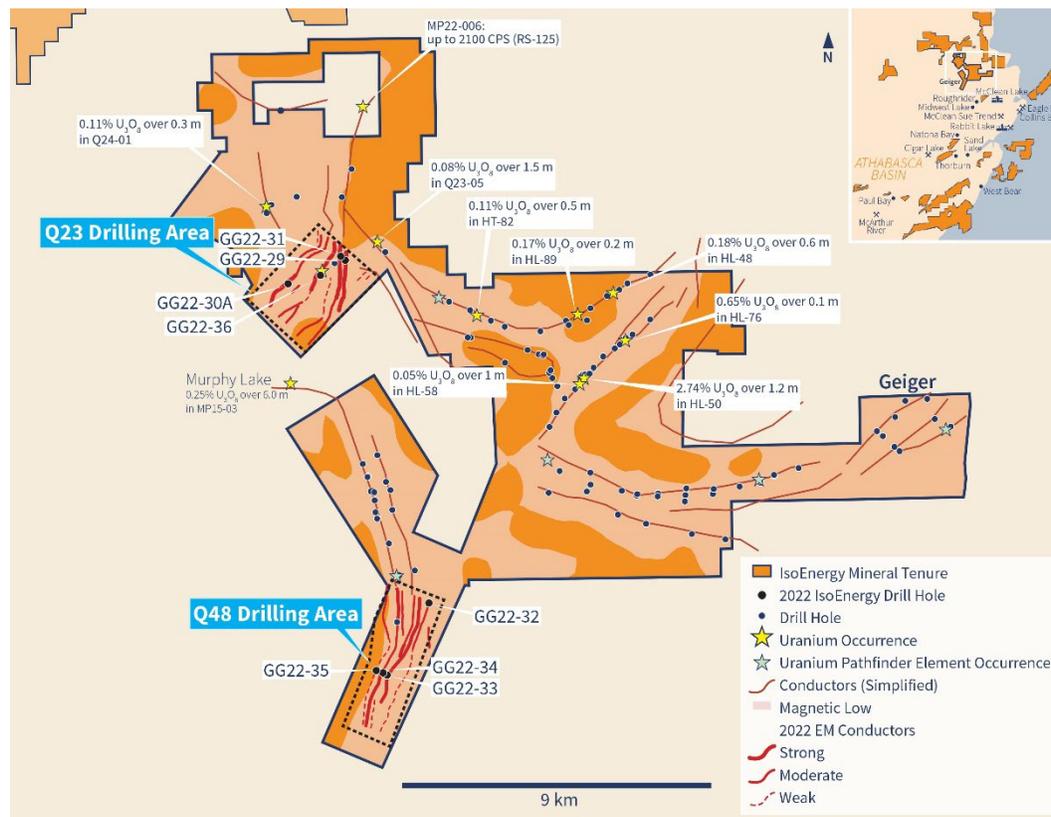
Eight holes totalling 3,357m were completed at Geiger to follow-up conductors identified by geophysical surveys carried out in the Q23 and Q48 areas during the winter 2022 season (Figure 8).

Four holes completed in the Q23 area targeted moderate to strong conductors. GG22-31 intersected highly-strained graphitic gneiss and pervasive argillic alteration which extends 55 metres into the basement and completely overprints the regional paleoweathering profile. GG22-31 is located 4.5 kilometres south of the radioactive intersection in drill hole ML22-006, recently announced by Fission 3.0 Corp. on the neighboring Murphy Lake property. The Geiger project covers 3.4 kilometres of the prospective interpreted strike between GG22-31 and ML22-006.

Four holes were completed in the Q48 area, including a three-hole fence across the centre of the winter 2022 survey area. Sandstones in the central drill hole, GG22-34, are pervasively bleached with metre-to decametre-scale zones of increased fracturing, desilicification, and clay alteration which increase in width and strength toward the unconformity. Conductive rocks were intersected in the basement well below the unconformity. In GG22-35, located 200 metres to the west, the upper 115 metres of sandstone is pervasively bleached and contains zones of silicification and clay-lined fractures associated with abundant structures including quartz-healed breccias. These results upgrade the central conductive trends at Q48.

Ground EM surveying is underway at Geiger to follow-up a trend of anomalous drilling results and generate additional drill targets along strike of weak historical mineralization, as further discussed in *Outlook* below.

Figure 8 – Geiger Drill Hole Locations

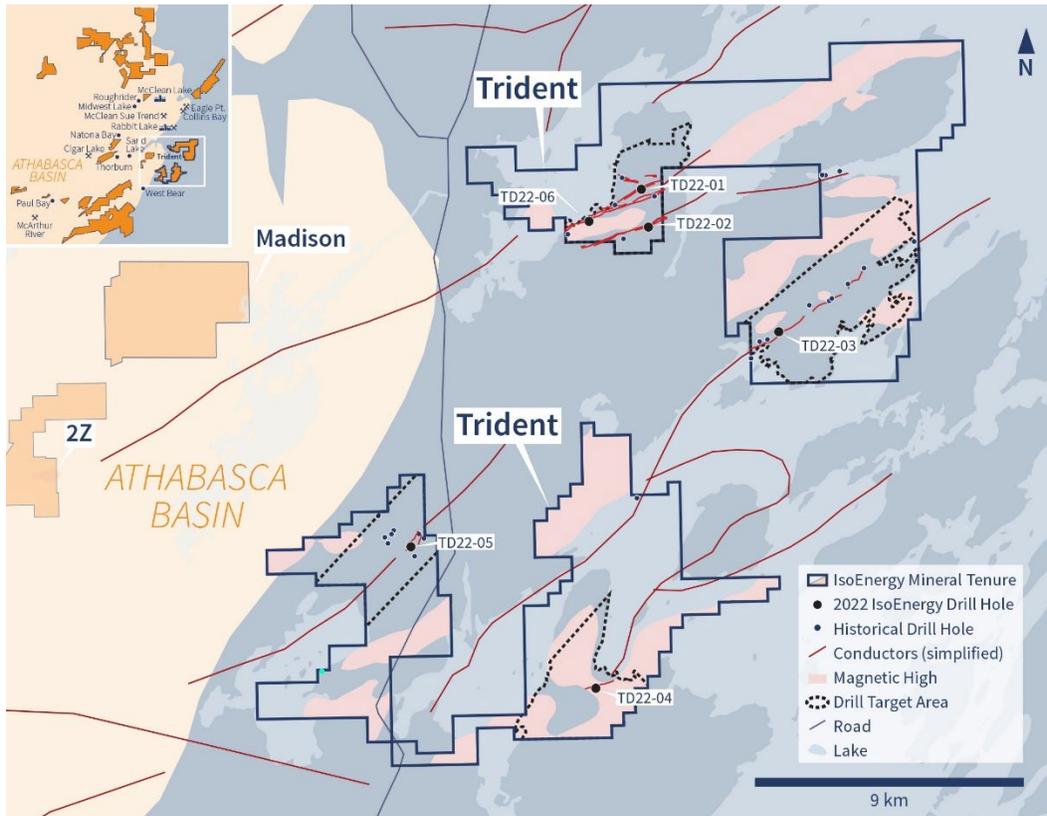


Trident Project

Summer 2022 – Diamond Drilling

Six drill holes totalling 1,293 metres were completed at IsoEnergy's Trident project. Drilling tested historically-defined electromagnetic (EM) conductors hosted within zones of low magnetic susceptibility to evaluate four target areas for the presence of structures. IsoEnergy's first-pass drilling was successful, intersecting prospective graphitic structures with brittle reactivation in three of the target areas. Historical drilling combined with recent drilling at the northwest target area suggests that the basement geology and conductive package is potentially more complicated than originally assumed. Several kilometres of conductive strike length remain at the Trident Project. Modern geophysical coverage, including airborne gravity surveying is planned for 2023 to assist with developing additional targets for drill testing. Figure 9 shows the Trident target areas, historical drilling and 2022 drill hole locations. All geochemical results from Trident have been received and is currently being evaluated.

Figure 9 – Trident Drill Hole Locations

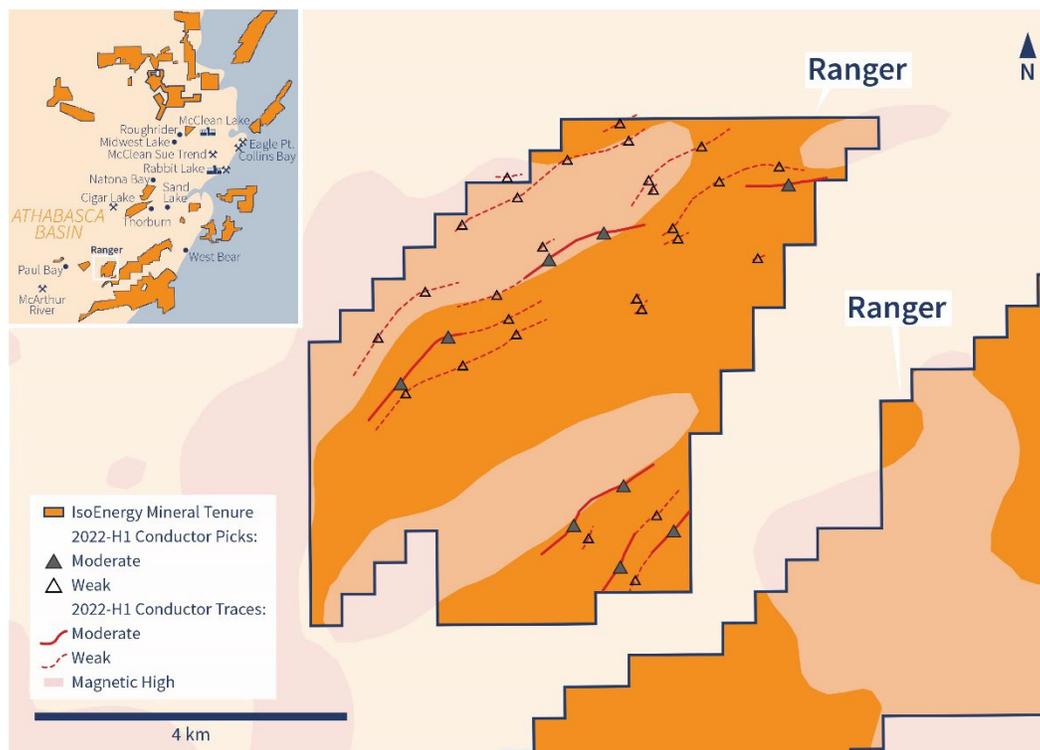


Ranger Project

Winter 2022 - Geophysics

Ten lines of FLTEM ground geophysical surveying were completed at Ranger in the first half of 2022 to upgrade historical airborne conductors in preparation for drill testing. The survey work identified weakly to moderately conductive features in two zones within the approximately 4.5 kilometre x 6.0 kilometre survey area. Five historical drill holes, all of which are in the southeastern portion of the survey area, indicate the depth to the unconformity is between 230 and 300 metres. Figure 10 shows the Ranger survey results.

Figure 10 – Ranger Survey Results



Hawk Project

Winter 2022 - Geophysics

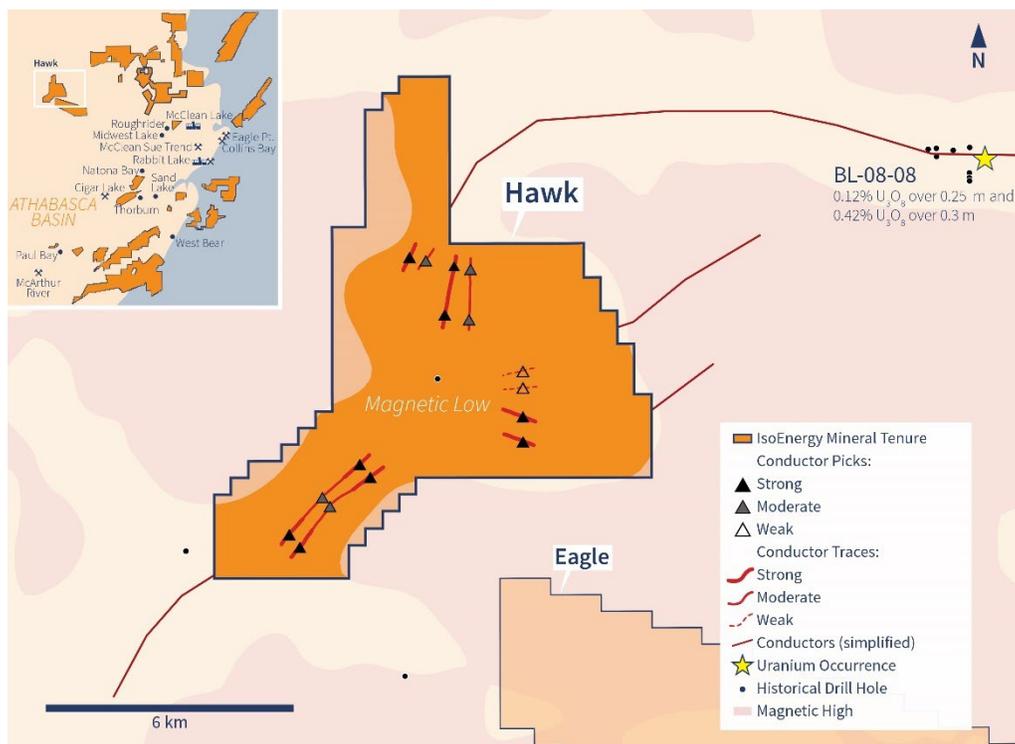
Hawk is an early-stage project which covers 10 kilometres of a prospective, low magnetic susceptibility corridor hosting EM conductors interpreted to reflect graphitic metasediments. The single existing drill hole on the project failed to intersect the targeted conductor, indicating that the entire corridor remains untested within the project. The vertical depth to the unconformity is expected to be between 600 and 750 metres.

Winter 2022 geophysical work consisted of six widely spaced lines of FLTEM surveying to evaluate historical airborne EM conductors and generate targets for first-pass reconnaissance drilling. The survey results exceeded expectations with multiple conductors identified on each survey line, most of which are interpreted to be strongly to moderately conductive. Figure 11 shows the survey results.

Airborne Geophysical Surveying

Airborne geophysical surveying totalling more than 5,000 line-kilometres was completed over IsoEnergy's Evergreen, Spruce, East Rim, Full Moon and Edge projects in June and July 2022. The survey utilized Xcalibur's FALCON® Airborne Gravity Gradiometer system to acquire high-resolution gravity gradient, magnetic, and radiometric (spectrometry) datasets. Survey data were received in late August and interpretation of results is underway. Gravity gradient and magnetic data are expected to improve understanding of basement geology and assist in the identification of potential alteration zones, while radiometric results will be followed up with ground-truthing to locate near-surface showings and radioactive boulder trains such as those that led to the discovery of several notable uranium deposits including Triple R and Key Lake.

Figure 11 – Hawk Survey Results



Claim Staking and Lapsing

Sixteen claims totalling 14,816 hectares were staked in the eastern part of the Athabasca Basin during 2022. Six of the new claims were staked at Larocque East to cover an interpreted, approximately 4 kilometre long western extension of the Kernaghan Lake conductive trend and link the Larocque East and Larocque West projects. Two claims staked 16 kilometres northwest of the McArthur River mine form the new Rapid River Project, which is interpreted to cover approximately 2.5 kilometres of the Ens Lake conductive trend and a 3.5 kilometre extension of the Fox Lake trend, host of the Fox Lake Deposit. One additional claim was staked to link the Madison and 2Z projects. Three additional claims were staked contiguous with the Evergreen project to cover extensions of conductive trends defined within the project. One additional claim was staked at the Ranger property which expanded coverage of magnetic low basement lithologies, potentially hosting conductors worthy of exploring. Three claims were staked which comprised a portion of the original Cable property that was previously lapsed by the Company. These claims host underexplored magnetic low and potentially conductive corridors and the fringes of neighboring magnetic highs.

In September 2022, the Company lapsed all the mineral claims underlying the Cable (subsequently partially re-staked), Eagle, Horizon, and Whitewater East properties, as well of one of the five Whitewater mineral claims. These claims were lapsed pursuant to the Company’s ongoing property portfolio evaluation process.

Year ended December 31, 2021

During the year ended December 31, 2021, the Company incurred \$7,341,264 of exploration spending primarily on Larocque East (\$5,279,165) and Geiger (\$1,587,228). The Company elected not to carry out a winter drilling program in 2021 due to concerns over COVID-19.

Geiger*Spring 2021 – Historical Drill Core Review*

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

Summer 2021 – Diamond Drilling

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

The most noteworthy result of the summer 2021 diamond drilling was the discovery of a zone of significant sandstone alteration associated with the 3B electromagnetic conductor. The 3B conductor was identified by IsoEnergy in July during a reinterpretation of historical airborne geophysical survey data. While testing the 3A conductor to the north, drill hole GG21-21 intersected significant sandstone alteration and structure interpreted to be related to the 3B conductor to the south. GG21-27 targeted the 3B conductor and followed up the sandstone alteration and structure intersected by GG21-21. GG21-27 intersected an interval of graphitic basement hosting fault structures 155 metres below the unconformity, and which correlates to the center of the interval of strongest alteration and fault structure in GG21-21. The alteration zone locally contains a strongly illitic signature, a feature consistent with alteration zones proximal to uranium deposits in the Athabasca basin. Uranium and uranium pathfinder element concentrations within this alteration zone are low. Importantly, the 3B conductor associated with this sandstone alteration and graphitic basement has been tested only indirectly by the two 2021 drill holes and is completely untested along its remaining 4.5 kilometres of strike length.

Larocque East*Spring 2021 – Geophysics*

A program of DC-Resistivity ground geophysical surveying was completed at Larocque East in July 2021. The 54 line-kilometre survey comprised 19 survey lines spaced 200 metres apart covering the eastern half of the Larocque Lake conductor system on the Larocque East project. The survey mapped basement resistivity lows coincident with historical electromagnetic conductors throughout the survey area, as well as coincident and stand-alone zones of decreased resistivity in the overlying sandstone potentially caused by hydrothermal alteration zones. Drilling completed in Q1 2022 followed-up these results.

Summer 2021 – Drilling

In November 2021 IsoEnergy completed a program of core drilling at the Larocque East project totaling 12,780 metres in 30 completed drill holes and seven drill holes abandoned before reaching their target depth (refer to February 3, 2022, news release titled “*IsoEnergy Reports Final Chemical Assays From 2021 Drilling at Hurricane Zone*”). Twelve drill holes were planned to expand the footprint of the Hurricane zone and included drilling at both the western and the eastern sides of the zone. Four infill drill holes were planned between existing drill fences to provide information on the continuity of the higher-grade portions of the zone. Fourteen exploration drill holes were planned in two target areas. The main target area was a three-

kilometre-long section of the Larocque Lake trend where DC-resistivity signatures similar to that of Hurricane are present and historical drilling has intersected alteration, structures, graphitic basement, and anomalous geochemistry. The second target area included trends of decreased resistivity in the sandstone and basement and is located southeast of and subparallel to the Hurricane zone stratigraphy

Drilling results at the Hurricane zone include intersections of significant radioactivity in several drill holes outside the previously defined mineralized footprint (i.e., LE21-78C1, LE21-82, LE21-84, LE21-87A, LE21-91, LE21-93, LE21-101, LE21-103, LE21-105 and LE21-107). While exploration drill holes intersected zones of significant alteration and structure in the sandstone and basement leading to the development of follow-up targets for further testing, no significant radioactivity was intersected.

The final geochemical results were received in late January 2022. The strongest result of the 2021 drilling at Hurricane was drill hole LE21-107, which intersected 6.5 metres averaging 20.4% U_3O_8 including a 3.5 metre subinterval averaging 34.5% U_3O_8 . LE21-107, LE21-78C1 (5.2% U_3O_8 over 12.0 m) and LE21-87A (4.5% U_3O_8 over 7.5 m) defined a new zone of significant mineralization on the south side of Hurricane.

Spring 2021 – Land Acquisition

In June 2021 IsoEnergy expanded the Larocque East project by purchasing two mineral claims totaling 902 hectares.

Collins Bay Extension

Fall 2021 - Geophysics

An airborne Versatile Time-Domain Electromagnetic (VTEM-Plus) and spectrometer survey was completed at the Collins Bay Extension project in September 2021. The 567 line-kilometre survey covered the southwestern portion of the Collins Bay Extension and was intended to map extensions of the Tent-Seal and Collins Bay conductive trends associated with mineralization at the Eagle Point, Rabbit Lake, and Collins Bay deposits.

Other Properties – Land Acquisition

During the year ended December 31, 2021, property extensions were acquired by land staking at East Rim (5,483 hectares) and Trident (295 hectares).

Outlook

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

As of the date hereof, the Company's current exploration priorities are the Collins Bay Extension, East Rim, Evergreen, Full Moon, Geiger, Hawk, Larocque East, Madison, Ranger, and Trident properties.

Six diamond drill holes totalling 2,000 metres are being completed at Larocque East to follow up favourable results on the eastern Kernaghan Trend. The 3.5 kilometres of this conductive trend covered by the Larocque East project has only been drilled on a single fence, where historical drilling intersected anomalous uranium geochemistry and chlorite in the lower sandstone and defined over 40 metres of unconformity relief on section. Following up the historical results, IsoEnergy's summer 2022 drill hole LE22-144 intersected a broad zone of illitic and hematitic alteration associated with a basement-hosted structure. The structure and alteration are located in the 265 metre gap between the historical drill holes. Winter 2023 drilling is planned as a series of systematic step outs along strike of LE22-144 to evaluate the extent of the alteration zone and test for the presence of mineralization.

Two lines of ground electromagnetic (“**EM**”) surveying are in progress along the approximately 15 kilometre long interpreted western extension of the Kernaghan Trend. This work will generate drill targets for first-pass evaluation of this undrilled portion of the Kernaghan Trend.

Six diamond drill holes, totalling 4,800 metres, are underway at IsoEnergy’s Hawk project. Drilling is following-up results from the 2022 EM survey which identified multiple moderate to strong basement conductors in each of the three surveyed areas. Winter 2023 drilling consists of first-pass testing of each area to assess for the presence of significant alteration, structure, and geochemistry.

Hawk is interpreted to cover at least 10 kilometres of prospective conductive strike with depths to the unconformity interpreted to be between 600 and 750 metres. The single historical drill hole completed within the project, OR11-06, failed to intersect conductive basement; therefore, the prospective stratigraphy is considered to remain untested. Relogging of OR11-06 in 2022 by IsoEnergy identified pervasively bleached and locally desilicified lower sandstones above pervasively sericitized basement, which is suggestive of hydrothermal alteration in the vicinity.

Ground EM surveying is underway at Geiger to follow-up a trend of anomalous drilling results and generate additional drill targets along strike of weak historical mineralization. IsoEnergy’s summer 2022 drill hole GG22-31 intersected a zone of pervasive argillic alteration extending 55 metres into the basement associated with graphitic gneisses. Located 1.7 kilometres along strike to the north of GG22-31, historical drill hole Q23-003 intersected a zone of basement alteration similar to that in GG22-31. A further 2.8 kilometres north, Fission 3.0 Corp.’s drill hole ML22-006 is reported to have intersected radioactivity proximal to graphitic fault structures. These anomalous results are interpreted to occur along a 4.5 kilometre long trend of which 3.4 kilometres lies within the Geiger project. Importantly, only GG22-31 and ML22-006 are interpreted to have intersected the targeted conductors, leaving the remainder of this trend inadequately tested.

Ground EM surveying is also underway north of historical drill hole Q24-001 which intersected 0.11% U₃O₈ over 0.3 m (259.6 – 259.9m) at the unconformity within an alteration zone spanning the unconformity. Q24-001 was followed up on section and along strike to the south but remains open to the north.

SELECTED FINANCIAL INFORMATION

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

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

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

Results of Operations

During the year ended December 31, 2022, the Company capitalized \$10,242,497 of net exploration and evaluation costs to exploration and evaluation assets. The exploration and evaluation activities carried out during this period are described in the Discussion of Operations section above.

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

	For the three months ended		For the year ended December 31	
	December 31 2022	2021	2022	2021
General and administrative costs				
Share-based compensation	\$ 2,098,770	\$ 2,390,740	\$ 7,575,501	\$ 3,739,554
Administrative salaries, contract and director fees	386,936	381,144	1,412,472	2,137,082
Investor relations	88,191	70,713	471,317	281,701
Office and administrative	31,344	49,132	215,766	148,240
Professional fees	198,124	104,542	697,236	264,161
Travel	19,548	6,515	111,853	8,433
Public company costs	61,437	14,155	230,640	119,232
Depreciation expense	-	-	-	29,398
Total general and administrative costs	(2,884,350)	(3,016,941)	(10,714,785)	(6,727,801)
Interest income	54,153	12,546	107,178	66,660
Interest expense	-	-	(386)	(5,230)
Interest on convertible debentures	(210,907)	(162,971)	(701,609)	(641,836)
Fair value gain (loss) on convertible debentures	7,503,338	(2,699,713)	2,921,806	(11,036,471)
(Loss)/gain on sale of assets	-	(15,320)	(85,386)	3,595,382
Foreign exchange (loss)/gain	(32,129)	(5,629)	73,777	(16,712)
Other income	-	-	-	29,274
Income/(loss) from operations	4,430,105	(5,888,028)	(8,399,405)	(14,736,734)
Deferred income tax recovery/(expense)	278,711	169,533	1,024,744	(1,043,960)
Income/(loss)	\$ 4,708,816	\$ (5,718,495)	\$ (7,374,661)	\$ (15,780,694)

Three months ended December 31, 2022

During the three months ended December 31, 2022, the Company recorded income of \$4,708,816, compared to a loss of \$5,718,495 in the three months ended December 31, 2021. The main drivers of the difference between the two periods include a \$7,503,338 fair value gain on the US\$6 million principal of convertible debentures (the “**2020 Debentures**”) and the 2022 Debentures (together, the “**Debentures**”) in the three months ended December 31, 2022 compared to a loss of \$2,699,713 on the 2020 Debentures in the three months ended December 31, 2021, and a \$291,970 decrease in share-based compensation in the three months ended December 31, 2022 compared to the three months ended December 31, 2021, as further described below.

General and administrative costs

Share-based compensation was \$2,098,770 in the three months ended December 31, 2022, compared to \$2,390,740 in the three months ended December 31, 2021. The share-based compensation expense is a non-cash charge based on the Black-Scholes value of stock options, calculated using the graded vesting method. Stock options granted to directors, consultants and employees vest over two years, with the corresponding share-based compensation expense being recognized over this period. Variances in share-based compensation expense are expected from period to period depending on many factors, including the Black-Scholes value of the options granted, the number of options granted in recent periods and whether options have fully vested or have been cancelled in a period. The charge to earnings was lower in the three months ended December 31, 2022 due to a lower market price of the Company's common shares in late 2022 and a lower number of options issued during and leading up to the current period.

Administrative salaries, contracts and directors' fees at \$386,936 for the three months ended December 31, 2022, were in line with the expense during the prior period.

Investor relations expenses were \$88,191 for the three months ended December 31, 2022, compared to \$70,713 in the three months ended December 31, 2021 and related primarily to costs incurred in communicating with existing and potential shareholders, conferences and marketing. The costs were higher in the three months ended December 31, 2022 due to the resumption of in-person industry conferences and marketing activities as COVID-19 restrictions were relaxed.

Office and administrative expenses were \$31,344 for the three months ended December 31, 2022 compared to \$49,132 in the three months ended December 31, 2021, and normally consist of office operating costs and other general administrative costs. The decrease in the three months ended December 31, 2022 is mainly as a result of higher rent and professional subscription expenses in the three months ended December 31, 2021.

Professional fees were \$198,124 for the three months ended December 31, 2022, compared to \$104,542 for the three months ended December 31, 2021. Professional fees normally consist of legal fees related to the Company's business activities, as well as accounting and tax fees related to regulatory filings. Professional fees were higher in the three months ended December 31, 2022 mainly due to business development activities and legal and valuation fees related to the 2022 Debentures.

Travel expenses were \$19,548 for the three months ended December 31, 2022, compared to \$6,515 in the three months ended December 31, 2021. Travel expenses relate to general corporate activities and amounts vary depending on projects and activities being undertaken.

Public company costs were \$61,437 for the three months ended December 31, 2022, compared to \$14,155 in the three months ended December 31, 2021, and consisted primarily of costs associated with the Company's continuous disclosure obligations, listing fees, directors and officers insurance, transfer agent costs, press releases and other shareholder communications. Costs were higher in the three months ended December 31, 2022 as a result of an increase in insurance premiums on directors and officers insurance.

Other items

The Company recorded interest income of \$54,153 in the three months ended December 31, 2022, compared to \$12,546 in the three months ended December 31, 2021, which represents interest earned on cash balances. The amounts were higher in the three months ended December 31, 2022 due to higher effective interest rates during the period and higher cash balances resulting from the \$18.5 million financing completed on December 6, 2022.

Interest expense on Debentures was \$210,907 in the three months ended December 31, 2022, compared to \$162,971 in the three months ended December 31, 2021, and relates to the interest owing on the US dollar denominated Debentures. The 2020 Debentures and 2022 Debentures bear interest of 8.5% and 10%, respectively, per annum and is payable on June 30 and December 31. The increase in the three

months ended December 31, 2022 was due to the additional interest payable since the issuance of the 2022 Debentures.

The fair value of the Debentures on December 31, 2022 was \$27,405,961 compared to the fair value of the 2020 Debentures of \$29,592,165 at September 30, 2022. The 2022 Debentures were issued with a fair value on issuance of \$5,295,812 during the three months ended December 31, 2022. The decrease in the fair value of the Debentures is the result of a fair value gain on the Debentures of \$7,482,016 in the three months ended December 31, 2022, consisting of a fair value gain of \$7,503,338 included in the statement of loss and a fair value loss attributable to the change in credit risk of \$21,322 included in other comprehensive income (loss). During the three months ended December 31, 2021, the fair value loss on Debentures was \$2,734,659, including a loss of \$2,699,713 included in the statement of loss, and a loss of \$34,946 included in other comprehensive income (loss). The Company's Debentures are classified as measured at fair value through profit and loss. In accordance with IFRS 9 – Financial Instruments, the part of a fair value change due to an entity's own credit risk is presented in other comprehensive income (loss). The fair value of the Debentures decreased in the current period due primarily to the decrease in the Company's share price from \$3.95 to \$2.91 and other market inputs. As of December 31, the time to maturity of the 2020 Debentures and 2022 Debentures was 2.6 and 4.9 years, respectively.

Foreign exchange losses were \$32,129 in the three months ended December 31, 2022, compared to losses of \$5,629 in the three months ended December 31, 2021, and mainly relates to exchange movements on United States dollars held by the Company. The majority of the US dollar proceeds on issuance of the Debentures were converted to Canadian dollars but enough was held in US dollars to cover future interest as well as other US dollar payments. The foreign exchange loss was due to a weaker US dollar compared to the Canadian dollar during the period.

The Company records a deferred tax recovery or expense which is comprised of a recovery on losses recognized in the period and, when applicable, the release of flow-through share premium liability which is offset by the renunciation of flow-through share expenditures to shareholders. In the three months ended December 31, 2022, this resulted in a recovery of \$278,711, compared to a recovery of \$169,533 in the three months ended December 31, 2021. The difference is mainly due to a higher level of expenses and the release of flow-through share premium liability of \$46,215 during the three months ended December 31, 2022.

Year ended December 31, 2022

During the year ended December 31, 2022, the Company recorded a loss of \$7,374,661, compared to a loss of \$15,780,694 in the year ended December 31, 2021. The decreased loss was predominantly the result of a fair value gain on the Debentures of \$2,921,806 in the year ended December 31, 2022 compared to a fair value loss of \$11,036,471 in the year ended December 31, 2021, partially offset by an increase of \$3,835,947 in share-based compensation in the year ended December 31, 2022 and a gain on disposal of assets of \$3,595,382 in the year ended December 31, 2021 (loss of \$85,386 in the year ended 31 December, 2022).

General and administrative costs

Share-based compensation was \$7,575,501 in the year ended December 31, 2022, compared to \$3,739,554 in the year ended December 31, 2021. The charge to earnings was higher in the year ended December 31, 2022 due to a greater number of options with higher fair values issued in 2021 and 2022, compared to previous years.

Administrative salaries, contracts and directors' fees at \$1,412,472 for the year ended December 31, 2022, were lower than the year ended December 31, 2021 which were \$2,137,082. On February 28, 2022, the former Chief Financial Officer of the Company resigned and was paid \$175,997 and on February 15, 2021, the former Chief Executive Officer resigned and was paid \$897,254, in accordance with the terms of their

respective employment contracts. These severance payments accounted for the majority of the difference between the two periods, with the residual amounts being \$1,236,475 for the year ended December 31, 2022 and \$1,239,828 for the year ended December 31, 2021.

Investor relations expenses were \$471,317 for the year ended December 31, 2022, compared to \$281,701 in the year ended December 31, 2021 and related primarily to costs incurred in communicating with existing and potential shareholders, conferences and marketing. The costs were higher in the year ended December 31, 2022 due to the resumption of in-person industry conferences as COVID-19 restrictions were relaxed, increased participation in uranium industry organizations, subscription to uranium market publications and data services, as well as a site tour hosted in September 2022.

Office and administrative expenses were \$215,766 for the year ended December 31, 2022 compared to \$148,240 in the year ended December 31, 2021, and normally consist of office operating costs and other general administrative costs. The increase in the year ended December 31, 2022 is mainly as a result of relocation expenses for the new Chief Financial Officer.

Professional fees were \$697,236 for the year ended December 31, 2022, compared to \$264,161 for the year ended December 31, 2021. Professional fees normally consist of legal fees related to the Company's business activities, as well as accounting and tax fees related to regulatory filings. Professional fees were higher in the year ended December 31, 2022 mainly due increased business development activities and legal and valuation fees associated with the issuance of the 2022 Debentures on December 6, 2022.

Travel expenses were \$111,853 for the year ended December 31, 2022, compared to \$8,433 in the year ended December 31, 2021. Travel expenses relate to business development and general corporate activities and amounts vary depending on projects and activities being undertaken. Travel has resumed in 2022 after a period of subdued activity due to the COVID-19 pandemic.

Public company costs were \$230,640 for the year ended December 31, 2022, compared to \$119,232 in the year ended December 31, 2021, and consisted primarily of costs associated with the Company's continuous disclosure obligations, listing fees, directors and officers insurance, transfer agent costs, press releases and other shareholder communications. Costs were higher in the year ended December 31, 2022 as a result of increased listing fees due to the Company's higher market capitalization compared to the previous period and higher insurance premiums on directors and officers insurance.

Depreciation expense was \$Nil in the year ended December 31, 2022, compared to \$29,398 in the year ended December 31, 2021, as an office lease, which gave rise to a depreciable right-of-use asset, was assigned to a third party on July 1, 2021.

Other items

The Company recorded interest income of \$107,178 in the year ended December 31, 2022, compared to \$66,660 in the year ended December 31, 2021, which represents interest earned on cash balances. The amounts were higher in the year ended December 31, 2022 mainly due to higher interest rates in recent months.

Due to the assignment of an office lease to a third party on July 1, 2021, interest expense was \$386 for the year ended December 31, 2022 compared to \$5,230 in the year ended December 31, 2021.

Interest expense on Debentures was \$701,609 in the year ended December 31, 2022, compared to \$641,836 in the year ended December 31, 2021, with the difference mostly as a result of the additional interest payable since issuance of the 2022 Debentures on December 6, 2022 and a stronger US dollar during the year ended December 31, 2022.

The fair value of the Debentures on December 31, 2022 was \$27,405,961 compared to \$25,101,132 at December 31, 2021. The value of the Debentures increased due to the issuance of the 2022 Debentures

with a fair value on issuance of \$5,295,812 during the year ended December 31, 2022, partially offset by a fair value gain on the Debentures of \$2,990,983 in the year ended December 31, consisting of a fair value gain of \$2,921,806 included in the statement of loss and a fair value gain attributable to the change in credit risk of \$69,177 included in other comprehensive income (loss). During the year ended December 31, 2021, the fair value loss on the 2020 Debentures was \$11,067,140, including a loss of \$11,036,471 recognized in the statement of loss and a loss of \$30,669 included in other comprehensive income (loss). The fair value of the Debentures decreased in the current year due to the decrease in the share price from \$3.74 and \$3.10 on December 31, 2021 and December 6, 2022, respectively, to \$2.91 by year end and other market inputs.

During the year ended December 31, 2022, the Company lapsed all the mineral claims underlying the Cable, Eagle, Horizon, and Whitewater East properties, as well of one of the five Whitewater mineral claims and one Evergreen claim and a loss on disposal of \$85,386 was recognized on the lapsing of these claims. During the year ended December 31, 2021, the Company recognized a gain of \$3,595,382 on disposal of assets, consisting of \$2,225,877 related to the sale of Clover, Gemini and Tower uranium properties to 92 Energy and \$1,369,505 on the completion of the Mountain Lake Option Agreement.

Foreign exchange gains were \$73,777 in the year ended December 31, 2022, compared to losses of \$16,712 in the year ended December 31, 2021, and mainly relates to exchange movements on United States dollars held by the Company. The foreign exchange gain was due to the stronger US dollar compared to the Canadian dollar during the current period.

IsoEnergy recognized other income of \$29,274 in the year ended December 31, 2021, mainly consisting of rental income. No rental income was received since July 1, 2021 when the office lease was assigned to a third party.

In the year ended December 31, 2022, the deferred tax recovery was \$1,024,744, compared to an expense of \$1,043,960 in the year ended December 31, 2021. The difference is mainly due to the deferred tax expense on the gain on the sale of assets and the renunciation of higher flow through-share expenses in the year ended December 31, 2021.

Financial Position

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

	December 31, 2022	December 31, 2021	December 31, 2020
Exploration and evaluation assets	\$71,165,630	\$60,955,590	\$53,731,796
Total assets	97,115,302	84,190,522	68,223,460
Total current liabilities	2,621,742	640,971	305,395
Total non-current liabilities	28,272,870	27,635,882	14,830,474
Working capital ⁽¹⁾	25,347,788	22,527,412	13,994,556
Cash dividends declared per share	Nil	Nil	Nil

⁽¹⁾ Working capital is defined as current assets less accounts payable and accrued liabilities.

In the year ended December 31, 2022 the Company capitalized \$10,242,497 of net exploration and evaluation costs as further described in "Discussion of Operations" above. Non-current liabilities increased during the period due to the issuance of the 2022 Debentures for gross proceeds of \$5.5 million, partially offset by a decrease in the fair value of the Debentures as discussed in "Results of Operations" above. Working capital increased during the year mainly due to the \$18.5 million in financing completed on December 6, 2022, partly offset by the continued utilization of cash on hand to advance the Company's

exploration portfolio and for corporate expenditure, combined with a reduction of the fair value of the marketable securities during the year ended December 31, 2022.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's Interim and Annual financial statements prepared in accordance with IFRS. The information below should be read in conjunction with the Company's Interim and Annual financial statements for each of the past seven quarters.

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

	Dec 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income (loss)	\$4,708,816	\$(10,818,309)	\$8,210,514	(\$9,475,681)	(\$5,718,495)	(\$4,190,912)	(\$1,771,545)	(\$4,099,742)
Net income (loss) per share:								
Basic	\$0.04	(\$0.10)	\$0.08	(\$0.09)	(\$0.05)	(\$0.04)	(\$0.02)	(0.04)
Diluted	(\$0.02)	(\$0.10)	(\$0.01)	(\$0.09)	(\$0.05)	(\$0.04)	(\$0.02)	(\$0.04)

IsoEnergy does not derive any revenue from its operations. Its primary focus is the acquisition, exploration and evaluation of mineral properties. As a result, the income/loss per period has fluctuated depending on the Company's activity level and periodic variances in certain items. Quarterly periods are therefore not comparable. In the third quarter of 2020, the Company issued the 2020 Debentures and in the fourth quarter of 2022 the 2022 Debentures, both of which are accounted for as measured at fair value through profit and loss, which has resulted in a gain on the revaluation of the Debentures in the three months ended June 30, 2022 and three months ended December 31 2022 and losses in the every other period.

LIQUIDITY

IsoEnergy has no revenue-producing operations, earns only minimal interest income on cash, and is expected to have recurring operating losses. As at December 31, 2022, the Company had an accumulated deficit of \$41,721,615.

During the year ended December 31, 2022, the Company utilized cash on hand to invest \$8,683,729 (net of accounts payable) in exploration and evaluation assets and \$2,943,303 for expenditure on its corporate activities, including movements in working capital. During the year, the Company received \$12,244,180 in net proceeds from private placements of common shares, \$5,295,812 in net proceeds from the issuance of the 2022 Debentures, \$719,891 from the exercise of stock options and paid \$504,028 in cash interest on the Debentures.

As at the date of this MD&A, the Company has approximately \$18.8 million in cash, \$5.3 million in freely tradable marketable securities and \$23.5 million in working capital.

The \$18.5 million in gross proceeds from the financing completed on December 6, 2022 is sufficient to fund the Company's currently planned exploration activities at its properties for at least the next year, while maintaining current corporate capacity, which includes wages, consulting fees, professional fees, costs associated with the Company's head office and fees and expenditures required to maintain all of its tenements.

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

Management will determine whether to accept any offer to finance, weighing such factors as the financing terms, the results of exploration, the Company's share price at the time and current market conditions,

among others. Circumstances that could impair the Company's ability to raise additional funds include general economic conditions, the price of uranium and the other factors set forth under "Risk Factors" below and above under "Industry and Economic Factors that May Affect the Business". A failure to obtain financing as and when required, could require the Company to reduce its exploration and corporate activity levels.

The Company's properties are in good standing with the applicable governmental authority until between March 2023 and September 2043 and the Company does not have any contractually imposed expenditure requirements.

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

Working capital is held mainly in cash and freely tradeable marketable securities, both of which are highly liquid.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at December 31, 2022 or as at the date hereof.

TRANSACTIONS WITH RELATED PARTIES

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

NexGen is a related party due to its ownership in the Company and the overlapping members of the Board of Directors between NexGen and the Company.

Remuneration attributed to key management personnel is summarized as follows:

Year ended December 31, 2022	Short term compensation	Share-based compensation	Total
Expensed in the statement of loss and comprehensive loss	\$ 826,159	\$ 6,521,678	\$ 7,347,837
Capitalized to exploration and evaluation assets	231,184	384,403	615,587
	\$ 1,057,343	\$ 6,906,081	\$ 7,963,424

Year ended December 31, 2021	Short term compensation	Share-based compensation	Total
Expensed in the statement of loss and comprehensive loss	\$ 734,766	\$ 3,026,208	\$ 3,760,974
Capitalized to exploration and evaluation assets	259,617	465,019	724,636
	\$ 994,383	\$ 3,491,227	\$ 4,485,610

As of December 31, 2022, \$17,317 (2021 – \$nil) was included in accounts payable and accrued liabilities owing to NexGen and directors and officers.

During the year ended December 31, 2022, the Company paid NexGen, \$26,710 (2021 - \$16,601) for use of NexGen's office space.

On December 6, 2022, NexGen acquired 1,801,802 common shares of the Company.

On February 28, 2022, the former Chief Financial Officer resigned and was paid \$175,997 in accordance with the terms of her employment contract. This is excluded from the table above for the year ended December 31, 2022.

On December 6, 2021, NexGen acquired 3,685,929 common shares on the exercise of 3,685,929 warrants with an exercise price of \$0.60. In April 2021, NexGen acquired 1,537,760 common shares on the exercise of 1,537,760 warrants with an exercise price of \$0.60.

On February 15, 2021, the former Chief Executive Officer resigned and was paid \$897,254 in accordance with the terms of his employment contract. This is excluded from the table above for year ended December 31, 2021.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 4 to the Annual Financial Statements for the year ended December 31, 2022 and have been consistently followed in preparation of these Annual Financial Statements, except as noted below.

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

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

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

OUTSTANDING SHARE DATA

The authorized capital of IsoEnergy consists of an unlimited number of common shares. As of February 16, 2023, there were 110,497,130 common shares and 10,251,333 stock options outstanding, each stock option entitling the holder to purchase one common share of IsoEnergy at the prices set forth below.

In August 2020, the Company issued the 2020 Debentures with an 8.5% coupon and a 5-year term, which are convertible at \$0.88 per share and in December 2022, the Company issued the 2022 Debentures with a 10% coupon and a 5-year term, which are convertible at \$4.33 per share.

There are no warrants outstanding at the date of this MD&A.

Stock options outstanding at February 16, 2023, and the exercise price thereof are set forth below:

Number of options	Exercise price per option	Number of options exercisable	Exercise price per option	Vesting	Weighted average remaining contractual life (years)
510,000	\$0.36	510,000	\$0.36		0.4
675,000	\$0.42	675,000	\$0.42		0.9
967,500	\$0.39	967,500	\$0.39		1.9
398,000	\$1.19	398,000	\$1.19		2.5
250,000	\$2.44	166,667	\$2.44	(i)	3.0
1,408,333	\$2.81	983,333	\$2.81	(i)	3.4
2,603,333	\$3.99	1,796,667	\$3.99	(i)	3.8
400,000	\$4.96	133,333	\$4.96	(i)	4.0
1,906,667	\$3.47	680,000	\$3.47	(i)	4.4
250,000	\$3.46	83,333	\$3.46	(ii)	4.9
882,500	\$2.97	277,500	\$2.97	(ii)	4.9
10,251,333	\$2.77	6,671,334	\$2.37		3.2
(i)	Vest 1/3 on grant and 1/3 one third each year thereafter				
(ii)	Vest 1/3 on grant and 1/3 each year thereafter, except for 50,000 options which vest 1/3 six months after grant date 1/3 on each anniversary of the grant date thereafter				

CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

i. Impairment

At the end of each financial reporting period, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that an impairment loss or reversal of previous impairment should be recorded. Where such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. With respect to exploration and evaluation assets, the Company is required to make estimates and judgments about future events and circumstances and whether the carrying amount of exploration assets exceeds its recoverable amount. Recoverability depends on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or its ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

ii. Share-based payments

The Company uses the Black-Scholes option pricing model to determine the fair value of options to calculate share-based payment expenses. The Black-Scholes model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payment expense.

In situations where equity instruments are issued to settle amounts due or for goods or services received by the entity the transaction is measured at the fair value of the goods or services received unless that fair value cannot be estimated reliably, in which case the good or services received and corresponding increase in equity are measured at the fair value of the equity instrument issued.

iii. Convertible debentures

The Company uses a model based on a system of two coupled Black-Scholes equations to determine the fair value of the convertible debentures. This model involves five key inputs to determine the fair value of the convertible debentures: risk-free interest rate, credit spread, market price at valuation date, expected dividend yield and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control.

CAPITAL MANAGEMENT AND RESOURCES

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

In the management of capital, the Company considers all types of funding alternatives, including equity, debt and other means and is dependent on third party financing. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it determines that there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

FINANCIAL INSTRUMENTS

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

Fair Value Measurement

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

- Level 1 – quoted prices in active markets for identical assets or liabilities.

- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data.

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

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

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

Financial instrument risk exposure

As at December 31, 2022, the Company's financial instrument risk exposure and the impact thereof on the Company's financial instruments are summarized below:

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at December 31, 2022, the Company has cash on deposit with a large Canadian bank. Credit risk is concentrated as a significant amount of the Company's cash and cash equivalents is held at one financial institution. Management believes the risk of loss to be remote.

The Company's accounts receivable consists of input tax credits receivable from the Government of Canada and interest accrued on cash equivalents. Accordingly, the Company does not believe it is subject to significant credit risk.

(b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital to meet short-term obligations. As at December 31, 2022, the Company had a working capital balance of \$25,347,788, including cash of \$19,912,788.

(c) Market Risk

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

(i) Interest Rate Risk

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value of the Company's cash and cash equivalent balances as of December 31, 2022. The interest on the Debentures is fixed and not subject to market fluctuations.

(ii) Foreign Currency Risk

The functional currency of the Company is the Canadian dollar. The Company is affected by currency transaction risk and currency translation risk. Consequently, fluctuations of the Canadian dollar in relation to other currencies impact the fair value of financial assets, liabilities

and operating results. Financial assets and liabilities subject to currency translation risk primarily include US dollar denominated cash, US dollar accounts payable and accrued liabilities, the Debentures and Australian dollar denominated marketable securities. The Company maintains Canadian and US dollar bank accounts in Canada.

The Company is exposed to foreign exchange risk on its US dollar denominated Debentures. At its respective maturity dates, the principal amounts of the Debentures are due in full, and prior to then at a premium upon the occurrence of certain events, including a change of control. The Company holds sufficient US dollars to make all cash interest payments due under the Debentures until maturity but not to pay the principal amount. Accordingly, the Company is subject to risks associated with fluctuations in the Canadian/US dollar exchange rate that may make the Debentures more costly to repay.

A 5% change in the US dollar exchange rate can result in a net increase or decrease in the Company's US dollar-based cash and debt of \$1,215,144 that would flow through the statement of loss and comprehensive income (loss).

The Company is also exposed to foreign exchange risk on its Australian dollar denominated investment in 92 Energy. Accordingly, the Company is subject to risks associated with fluctuations in the Canadian/Australian dollar exchange rate that may decrease the value of its investment in 92 Energy.

A 5% change in the Australian dollar can increase or decrease the value of the Company's investment in 92 Energy by \$212,642 that would flow through Other Comprehensive Income (Loss).

(iii) **Price Risk**

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

RISK FACTORS

The operations of the Company are speculative due to the high-risk nature of its business which is the exploration of mineral properties. The primary risk factors affecting the Company are set forth below and in "Economic Factors that May Affect the Business" included above the "Overall Performance" section of this MD&A. These are not the only risks and uncertainties that IsoEnergy faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Negative Operating Cash Flow and Dependence on Third Party Financing

The Company has no source of operating cash flow and there can be no assurance that the Company will ever achieve profitability. Accordingly, the Company is dependent on third party financing to continue exploration activities on the Company's properties, maintain capacity and satisfy contractual obligations. Accordingly, the amount and timing of expenditures depends on the Company's cash reserves and access to third party financing. Failure to obtain such additional financing could result in delay or indefinite

postponement of further exploration and development of the Company's properties or require the Company to sell one or more of its properties (or an interest therein).

Uncertainty of Additional Financing

As stated above, the Company is dependent on third party financing, whether through debt, equity, or other means. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company. The Company's access to third party financing depends on a number of factors including the price of uranium, the results of ongoing exploration, a claim against the Company, a significant event disrupting the Company's business or the uranium industry generally, or other factors may make it difficult or impossible to obtain financing through debt, equity, or other means on favourable terms, or at all. As previously stated, failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties or require the Company to sell one or more of its properties (or an interest therein).

The Price of Uranium and Alternate Sources of Energy

The price of the Company's securities is highly sensitive to fluctuations in the price of uranium. Historically, the fluctuations in these prices have been, and are expected to continue to be, affected by numerous factors beyond the Company's control. Such factors include, among others: demand for nuclear power; political and economic conditions in uranium producing and consuming countries; public and political response to a nuclear accident; improvements in nuclear reactor efficiencies; reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails; sales of excess inventories by governments and industry participants; and production levels and production costs in key uranium producing countries.

In addition, nuclear energy competes with other sources of energy like oil, natural gas, coal and hydro-electricity. These sources are somewhat interchangeable with nuclear energy, particularly over the longer term. If lower prices of oil, natural gas, coal and hydro-electricity are sustained over time, it may result in lower demand for uranium concentrates and uranium conversion services, which, among other things, could lead to lower uranium prices. Growth of the uranium and nuclear power industry will also depend on continuing and growing public support for nuclear technology to generate electricity. Unique political, technological and environmental factors affect the nuclear industry, exposing it to the risk of public opinion, which could have a negative effect on the demand for nuclear power and increase the regulation of the nuclear power industry. An accident at a nuclear reactor anywhere in the world could affect acceptance of nuclear energy and the future prospects for nuclear generation.

All of the above factors could have a material and adverse effect on the Company's ability to obtain the required financing in the future or to obtain such financing on terms acceptable to the Company, resulting in material and adverse effects on its exploration and development programs, cash flow and financial condition.

Loss of Entire Investment

An investment in marketable securities is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Mineral Exploration is Speculative

The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities, as major expenses may be required to locate and establish mineral reserves,

to develop metallurgical processes and to construct mining and processing facilities at a particular site. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities. Whether income will result from projects undergoing exploration programs depends on the successful establishment of mining operations. Factors including, but not limited to, government regulations (such as those governing prices, taxes, royalties, land tenure, land use and environmental protection), costs, actual mineralization, size and grade of mineral deposits, consistency and reliability of ore grades and commodity prices may affect successful project development. Few properties that are explored are ultimately developed into producing mines.

Additional Exploration Risks

The risks and uncertainties inherent in exploration activities include but are not limited to: general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Discovery of mineral deposits is also dependent upon several factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting exploration programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of any bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that it will be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon several factors, most of which are beyond the control of the Company and may result in the Company not receiving adequate return on investment capital.

SEGMENT INFORMATION

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

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning IsoEnergy's general and administrative expenses and exploration and evaluation expenses and assets is set forth above under "Results of Operations" and in the Company's statement of loss and comprehensive loss contained in its Annual Financial Statements, which is available on IsoEnergy's website or on its profile at www.sedar.com.

NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking statements" (also referred to as "forward-looking information") within the meaning of applicable Canadian securities legislation. "Forward-looking information" includes, but is not limited to, statements with respect to the activities, events or developments that the Company expects or anticipates will or may occur in the future, including, without limitation, planned exploration activities. Generally, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof. Statements relating to "mineral resources" may also be deemed forward-looking information as they involve estimates of the mineralization that will be encountered if a mineral deposit is developed and mined.

Such forward-looking information and statements are based on numerous assumptions, including material assumptions and estimates related to the below factors that, while the Company considers them reasonable

as of the date of this MD&A, they are inherently subject to significant business, economic and competitive uncertainties and contingencies. Such known and unknown factors that could cause actual results to materially differ from those forward-looking statements include among others, that the results of planned exploration activities are as anticipated, the Company will be able to execute its strategy as expected, new mining techniques will have beneficial applications as expected and be available for use by the Company, continued engagement and collaboration with the communities and stakeholders; the price of uranium, the anticipated cost of planned exploration activities, that general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed and on reasonable terms, and that third party contractors, equipment and supplies and governmental and other approvals required to conduct the Company's planned exploration activities will be available on reasonable terms and in a timely manner. Although the assumptions made by the Company in providing forward-looking information or making forward-looking statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate.

Forward-looking information and statements also involve known and unknown risks and uncertainties and other factors, which may cause actual events or results in future periods to differ materially from any projections of future events or results expressed or implied by such forward-looking information or statements, including, among others: negative operating cash flow and dependence on third party financing, uncertainty of additional financing, no known mineral reserves or resources, resources may not be converted to reserves, the limited operating history of the Company, the influence of a large shareholder, alternative sources of energy and uranium prices, aboriginal title and consultation issues, reliance on key management and other personnel, actual results of exploration activities being different than anticipated, changes in exploration programs based upon results, availability of third party contractors, availability of equipment and supplies, failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks associated with the mineral exploration industry, environmental risks, changes in laws and regulations, community relations and delays in obtaining governmental or other approvals.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information or implied by forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to update or reissue forward-looking information as a result of new information or events except as required by applicable securities laws.

APPROVAL

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