ISOENERGY LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended March 31, 2023 and 2022

Dated: May 2, 2023

GENERAL

This management's discussion and analysis ("**MD&A**") is management's interpretation of the results and financial condition of IsoEnergy Ltd. ("**IsoEnergy**" or the "**Company**") for the three months ended March 31, 2023 and includes events up to the date of this MD&A. This discussion should be read in conjunction with the unaudited financial statements for the three months ended March 31, 2023 and 2022 and the notes thereto (together, the "**Interim Financial Statements**") and other corporate filings, including the annual financial statements for the years ended December 31, 2022 and 2021 (the "**Annual Financial Statements**"), all of which are available under the Company's profile on SEDAR at www.sedar.com. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified. This MD&A contains forward-looking information. Please see "Note Regarding Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions used to develop the Company's forward-looking information.

Technical Disclosure

All scientific and technical information in this MD&A has been reviewed and approved by Dr. Darryl Clark, P Geo., IsoEnergy Vice-President, Exploration. Dr. Clarke is a qualified person for the purposes of National Instrument 43-101 *Standards of Disclosure for Mineral Projects ("***NI 43-101***")*.

All chemical analyses disclosed in this MD&A were completed for the Company by SRC Geoanalytical Laboratories in Saskatoon, Saskatchewan.

All references in this MD&A to "Mineral Resource", "Inferred Mineral Resource", "Indicated Mineral Resource", and "Mineral Reserve" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

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.

Historical drilling results at Geiger 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, the 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		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	12,048	2017/20	Staked	None
	Whitewater	7,374	2018	Staked	None
	Larocque East	19,813	2018-2022	Purchased/Staked	2% NSR on certain claims(4)
	Edge	7,313	2019/20	Staked	None
	Collins Bay Extension	7,527	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
	subtotal	195,907			
Nunavut	Mountain Lake(6)	6,853	2016	Staked	None
		202,760			

(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, refer to the Company's annual MD&A for the years ended December 31, 2022 and 2021, filed on SEDAR.

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

Figure 1 – Property Location Map

OVERALL PERFORMANCE

General

In the three months ended March 31, 2023, the Company completed exploration work on its Hawk, Larocque East and Geiger 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 March 31, 2023, the Company had cash of $16,616,033, an accumulated deficit of $46,621,326 and working capital of $20,611,996.

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 2023

Dr. Darryl Clark was appointed as Vice President, Exploration, effective March 1, 2023.

Stock options

In the three months ended March 31, 2023, the Company issued 160,000 common shares on the exercise of stock options for proceeds of $186,700 and granted 300,000 stock options with a strike price of $3.06. Subsequent to quarter end, the Company issued a further 63,750 common shares on the exercise of stock options for proceeds of $24,544 and granted 150,000 options with a strike price of $2.74.

Investment subsequent to March 31, 2023

On April 5, 2023, the Company subscribed to 5,714,300 subscription receipts ("**Subscription Receipts**") of Labrador Uranium Inc. ("**Labrador Uranium**") at a price of $0.35 per Subscription Receipt for total consideration of $2,000,005.

The Subscription Receipts were issued in connection with a proposed transaction with ValOre Metals Corp. ("**ValOre**") whereby Labrador Uranium will indirectly acquire a 100% interest in the Angilak Uranium Project in Nunavut Territory (the "**Transaction**"). Completion of the Transaction is subject to the approval of ValOre shareholders as well as customary court, regulatory, stock exchange and other approvals and the satisfaction of other closing conditions. The Transaction is expected to close in the second quarter of 2023.

This investment provides IsoEnergy with initial exposure to a prospective area of interest to the Company.

Upon the satisfaction or waiver, as applicable, of the specified escrow release conditions (principally that all conditions to the completion of the Transaction have been satisfied or waived and receipt of all required approvals in connection with the Transaction), each Subscription Receipt shall be deemed to be exercised into one unit of Labrador Uranium (each, a "Unit"). Each Unit will consist of one common share of Labrador Uranium and one-half of one common share purchase warrant, exercisable at a price of $0.50 at any time on or before April 5, 2026.

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 with 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.

Exploration and Evaluation Activities

Hurricane 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 U_3O_8 based on 63,800 tonnes grading 34.5% U_3O_8, including 43.89 million lb U_3O_8 at an average grade of 52.1% U_3O_8 within the high-grade domain
- Inferred Mineral Resources of 2.66 million lb U_3O_8 based on 54,300 tonnes grading 2.2% U_3O_8
- 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_3O_8)	Contained Metal (Million lb U_3O_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% U_3O_8.
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 U_3O_8 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_3O_8)	Tonnage (000 t)	Grade (% U_3O_8)	Contained Metal (Million lb U_3O_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

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. For further information on the Hurricane Resource Estimate, please see the technical report entitled "Technical Report on the Larocque East Project, Northern Saskatchewan, Canada" filed on August 11, 2022 on the Company's profile at www.sedar.com.

Three months ended March 31, 2023

During the three months ended March 31, 2023, the Company incurred $3,851,891 of exploration spending primarily on Hawk, Larocque East and Geiger, as set out below. See "Outlook" below for future drilling plans.

	Hawk	Larocque East	Geiger	Other	Total
Drilling	$ 1,287,941	$ 724,161	$ 17,243	$ -	$ 2,029,345
Camp costs	480,649	239,702	85,869	-	806,220
Geological & geophysical	47,534	145,226	169,563	16,750	379,073
Labour & wages	83,067	83,186	6,378	34,490	207,121
Geochemistry & Assays	50,160	22,445	64	-	72,669
Extension of time payments	-	-	-	67,455	67,455
Travel and other	48,912	28,042	3,686	1,650	82,290
Cash expenditures	1,998,263	1,242,762	282,803	120,345	3,644,173
Share-based compensation	83,005	83,024	6,506	35,183	207,718
Total expenditures	**$ 2,081,268**	**$ 1,325,786**	**$ 289,309**	**$ 155,528**	**$ 3,851,891**

Hawk Project

Winter 2023 – Diamond Drilling

Drilling at Hawk concluded in March 2023 with the primary objective of testing electromagnetic conductors identified in the 2022 geophysical survey. Winter drilling comprised five diamond drill holes totaling 4,273 metres.

The first-pass drilling was successful, intersecting graphitic conductors and prospective brittle structures in the southern half of the property. Basal sandstone intersected in HK23-03 are pervasively bleached with metre-scale zones of structure, desilicification, clay alteration, and "grey" sulphate related alteration which increase in strength near the unconformity. In HK23-05A, located 350 metres north, the upper and middle sandstone contain metre scale zones of fractured and fault disrupted sandstone, with the middle structure associated with desilicification, clay alteration, and bleaching. Anomalous radioactivity associated with sulphide mineralization was intersected at the unconformity of HK23-05A up to 350 counts per second (Figure 2).

Follow-up drilling is planned for Hawk in the next 12 months and an additional 36 kilometres of fixed-loop electromagnetic geophysical surveying was recently completed on the southern half of the property over key drill targets (Figure 3).

Radioactive intersections encountered during the 2023 winter drilling program were as follows:

Hole-ID	From (m)	To (m)	Length (m)	Radioactivity Min-Max (CPS)	Chemical Assays		Orientation (Azm/Dip)	Hole Length (m)
					U_3O_8 (%)	Ni (%)		
HK23-05A	693.5	694.0	0.5	60-350	Pending		-70	779

Figure 2 – Hawk Drill Hole HK23-05A Cross Section

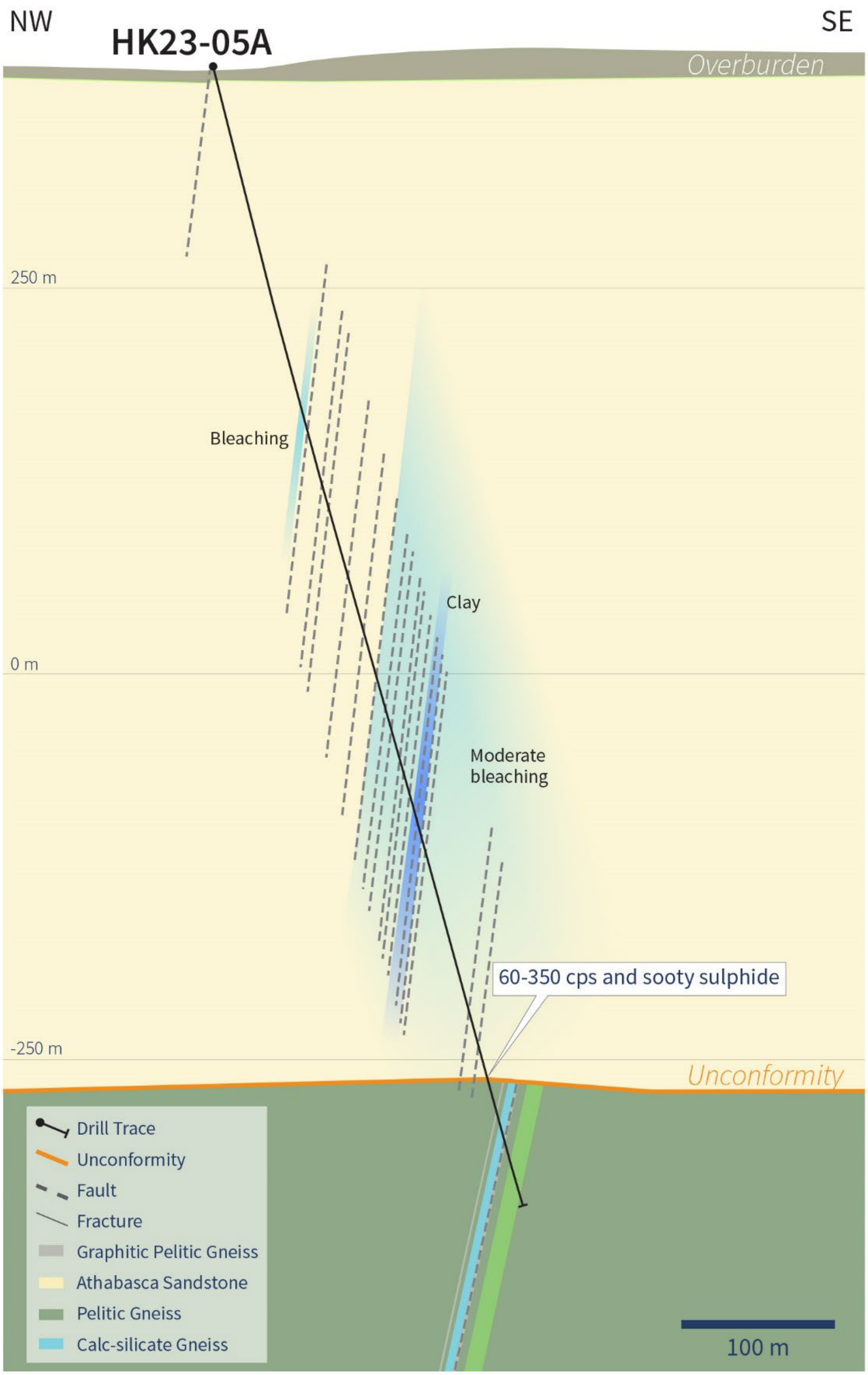
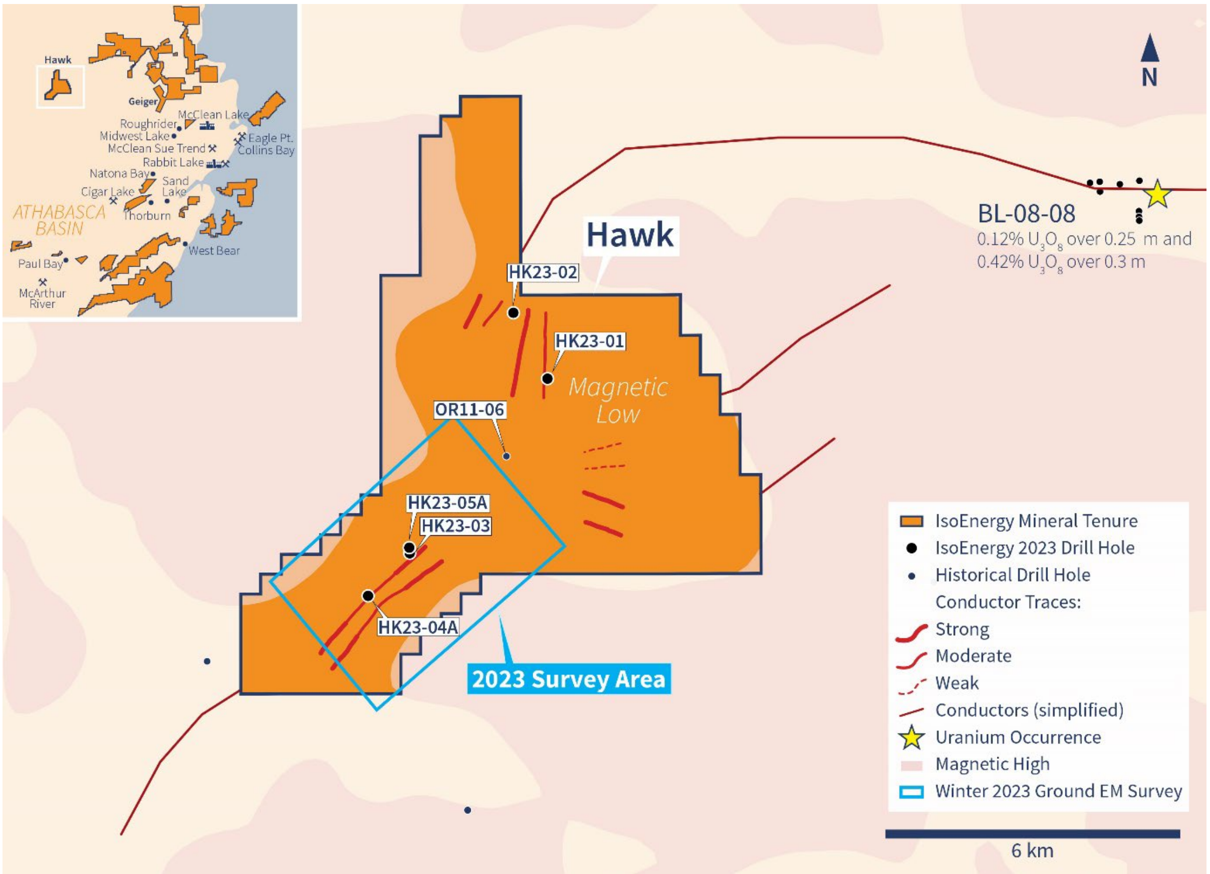


Figure 3 – Hawk Project Drilling & Ground Geophysical Survey Area



Larocque East Project

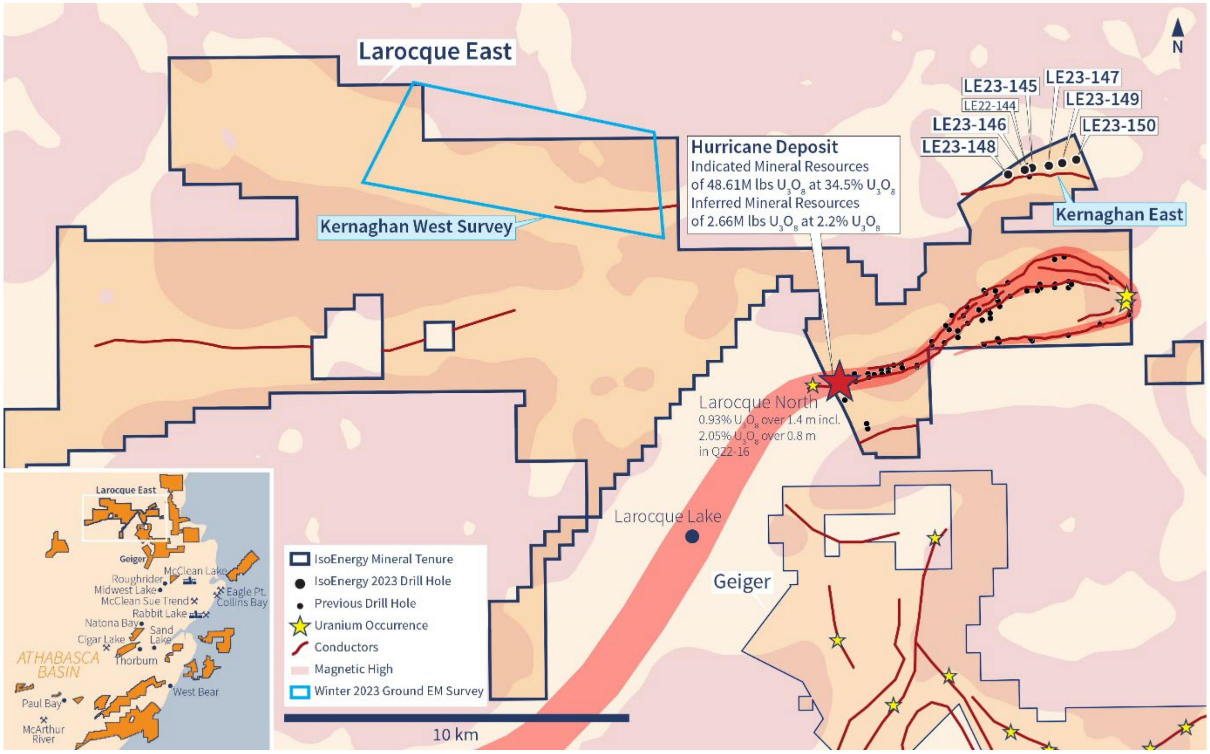
Winter 2023 – Diamond Drilling

The winter program followed up drilling on the eastern portion of the Kernaghan trend to test favourable results previously identified in the summer of 2022. Six holes totalling 1,909 metres were completed (Figure 4). Drill hole LE23-146 was designed to test previously defined basement alteration (drill hole LE22-144) and intersected hematite and hydrothermal clay alteration in the basement that is typically proximal to uranium mineralisation in the Athabasca Basin. The remaining holes were designed to systematically test along the two kilometres of alteration strike length intersected in the 2022 winter drill program. Potential follow-up work on the Kernaghan Trend will be influenced by pending geochemical results.

Winter 2023 – Geophysics

Two lines of Stepwise Moving Loop Transient Electromagnetic ("**SWML TEM**") survey lines totaling 26.8 kilometres were completed at Western Kernaghan (Figure 4) over an untested magnetic low corridor. The objective of the survey was to pinpoint basement conductors to target first-pass drill testing of the area. Historically, conductors have been outlined along strike, east of the property boundary. The survey was successful and follow-up drill testing is planned for the summer season in 2023.

Figure 4 – Larocque East - Kernaghan East Trend Exploration Drilling Results & Ground Geophysical Survey Areas



<u>Geiger Project</u>

Winter 2023 - Geophysics

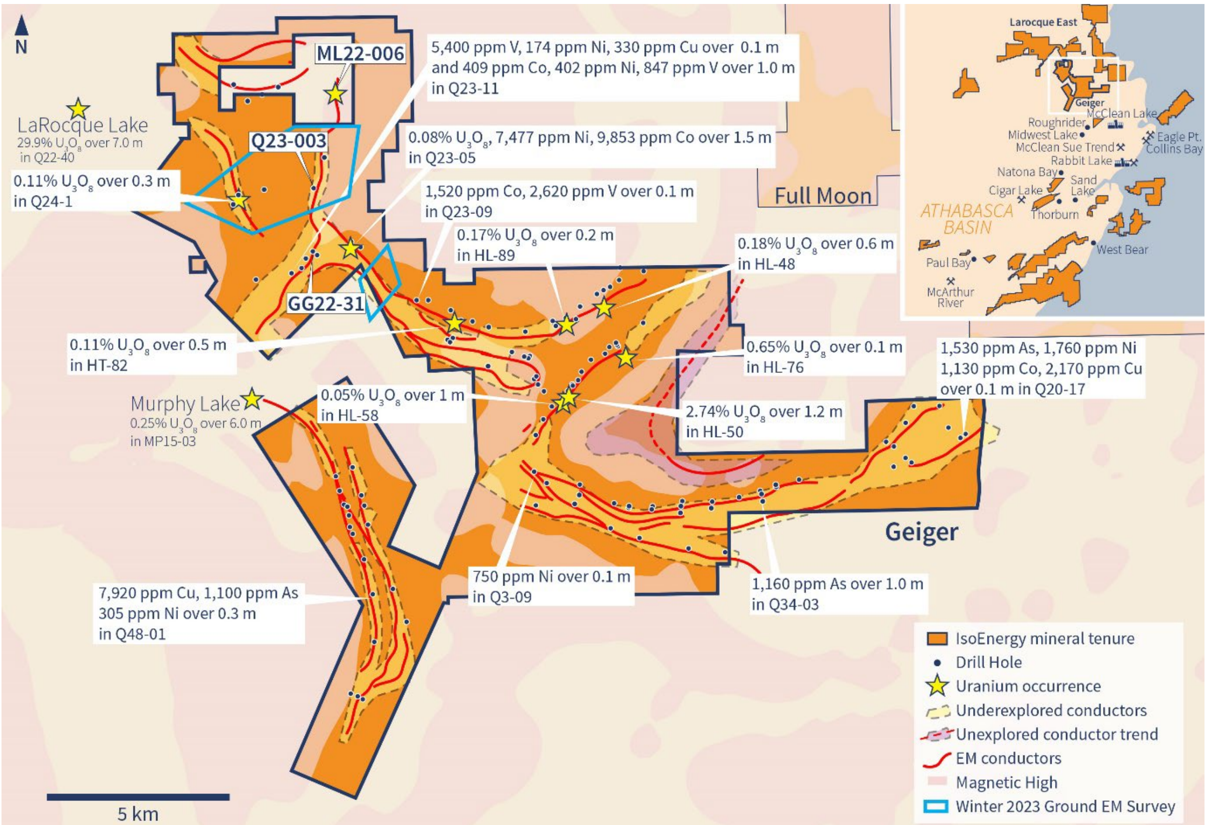
Six lines of SWML TEM surveying completed at the Geiger project, advanced three areas to a drill-ready level (Figure 5).

Three SWML TEM profiles completed in the Q23 North area identified a 2.1 kilometre strike length of basement conductors. The 2.1 kilometre-long Q23 North area has been tested by only two historical drill holes, Q23-003 and Q23-010. Q23-003 intersected moderate structure and alteration in the basal sandstone as well as fault structures in the graphitic basement rocks. Q23-010 intersected moderate sandstone structure and alteration as well as weakly graphitic basement rocks. Anomalous U-partial values as well as other pathfinder elements were intersected in the sandstone of both drill holes. Relevant historical drilling was also completed north of this area which reported structure and alteration in several drill holes as well as two metres of anomalous radioactivity with a peak of 2,300 cps 20 metres below the unconformity in drill hole ML22-006 (F3 Uranium Corp. News Release August 10, 2022).

Conductive anomalies were also identified in the Q24 and Bent Lake areas. Historical drilling in the Q24 area comprises five drill holes, Q24-001 through Q24-005. Q24-001 intersected anomalous radiometry at the unconformity (up to 2,450 cps) and a graphitic basement as well as elevated radiometry hosted in pitchblende-coated fractures throughout the basement. Drill fences on either side along section of this hole failed to identify an extension of the uranium mineralization. No historical drilling has been completed in the Bent Lake survey area; however uranium mineralization has been intersected to the northwest as well as to the southeast of the survey area with drill holes Q23-005 and Q23-009. Drill hole Q23-005 intersected strong structure and alteration in the basal sandstone as well as anomalous radiometric peaks extending ten metres into the basement with a maximum of 5,674 counts per second. Drill hole Q23-009 intersected strong structure and alteration in the basal sandstone as well at a peak of 723 counts per second above the unconformity.

Diamond drilling is planned for the second half of 2023 to follow-up the winter 2023 EM survey results.

Figure 5 – Geiger Project Ground Geophysical Survey Areas



Claim Staking

Four claims totalling 2,670 hectares were staked in the Eastern Athabasca early in 2023 to extend the Larocque East, Full Moon, Edge and Collins Bay Extension properties.

Three months ended March 31, 2022

During the three months ended March 31, 2022, the Company incurred $3,938,445 of exploration spending primarily on Larocque East, Geiger, Ranger and Hawk, as set out below. See "Outlook" below for future drilling plans.

	Larocque East	Other	Total
Drilling	$ 2,596,628	$ (9,964)	$ 2,586,664
Camp costs	289,529	-	289,529
Geological & geophysical	9,403	285,408	294,811
Labour & wages	157,108	34,342	191,450
Geochemistry & Assays	116,229	(8,373)	107,856
Travel and other	61,617	14,741	76,358
Cash expenditures	3,230,514	316,154	3,546,668
Share-based compensation	317,887	69,486	387,373
Depreciation	4,404	-	4,404
Total expenditures	**$ 3,552,805**	**$ 385,640**	**$ 3,938,445**

OUTLOOK

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

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

SELECTED FINANCIAL INFORMATION

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

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

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

Results of Operations

During the three months ended March 31, 2023, the Company capitalized $3,851,891 of 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 Interim Financial Statements and should be read in conjunction with the Interim Financial Statements.

	For the three months ended March 31	
	2023	**2022**
General and administrative costs		
Share-based compensation	**$ 1,153,807**	$ 1,620,388
Administrative salaries, contract and director fees	**300,986**	455,014
Investor relations	**124,054**	104,626
Office and administrative	**35,039**	28,076
Professional fees	**111,873**	76,051
Travel	**51,957**	8,681
Public company costs	**118,164**	75,843
Total general and administrative costs	**(1,895,880)**	(2,368,679)
Interest income	**159,536**	10,031
Interest expense	**-**	-
Interest on convertible debentures	**(307,717)**	(161,441)
Fair value gain (loss) on convertible debentures	**(3,631,213)**	(7,178,291)
Foreign exchange (loss)/gain	**(910)**	(27,112)
Loss from operations	**(5,676,184)**	(9,725,492)
Deferred income tax recovery/(expense)	**776,473**	249,811
Loss	**$ (4,899,711)**	$ (9,475,681)

Three months ended March 31, 2023

During the three months ended March 31, 2023, the Company recorded a loss of $4,899,711, compared to a loss of $9,475,681 in the three months ended March 31, 2022. The main drivers of the difference between the two periods include a decrease of $3,547,078 in the fair value loss on the US$6 million convertible debentures (the "**2020 Debentures**") and the 2022 Debentures (together, the "**Debentures**") in the three months ended March 31, 2023 compared to the three months ended March 31, 2022, an increase of $526,662 in the deferred income tax recovery in the three months ended March 31, 2023, compared with the three months ended March 31, 2022 and a decrease of $466,581 in share-based compensation in the three months ended March 31, 2023 compared to the three months ended March 31, 2022, as further described below.

General and administrative costs

Share-based compensation was $1,153,807 in the three months ended March 31, 2023, compared to $1,620,388 in the three months ended March 31, 2022. 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 March 31, 2023 due to a lower market price of the Company's common shares in late 2022 and to date in 2023 and a lower number of options issued during and leading up to the current period.

Administrative salaries, contracts and directors' fees were $300,986 for the three months ended March 31, 2023, compared to $455,014 in the three months ended March 31, 2022. On February 28, 2022, the former Chief Financial Officer of the Company resigned and was paid $175,997 in accordance with the terms of her employment contract. The severance payments accounted for the majority of the difference between the two periods.

Investor relations expenses were $124,054 for the three months ended March 31, 2023, compared to $104,626 in the three months ended March 31, 2022 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 March 31, 2023 due to the resumption of in-person industry conferences and marketing activities as COVID-19 restrictions continued to be relaxed.

Office and administrative expenses were $35,039 for the three months ended March 31, 2023 compared to $28,076 in the three months ended March 31, 2022, and normally consist of office operating costs and other general administrative costs. The increase in the three months ended March 31, 2023 is mainly as a result of increased rent-related expenses.

Professional fees were $111,873 for the three months ended March 31, 2023, compared to $76,051 for the three months ended March 31, 2022. 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 March 31, 2023 mainly due increased business development activities, increased audit fees and legal fees to secure work permits for new employees.

Travel expenses were $51,957 for the three months ended March 31, 2023, compared to $8,681 in the three months ended March 31, 2022. Travel expenses relate to business development and general corporate activities and amounts vary depending on projects and activities being undertaken. Travel requirements have mostly returned to levels experienced prior to the COVID-19 pandemic.

Public company costs were $118,164 for the three months ended March 31, 2023, compared to $75,843 in the three months ended March 31, 2022, 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 March 31, 2023 as a result of an increase in insurance premiums on directors and officers insurance.

Other items

The Company recorded interest income of $159,536 in the three months ended March 31, 2023, compared to $10,031 in the three months ended March 31, 2022, which represents interest earned on cash balances. The amounts were higher in the three months ended March 31, 2023 due to higher effective interest rates and higher average cash balances during the period.

Interest expense on Debentures was $307,717 in the three months ended March 31, 2023, compared to $161,441 in the three months ended March 31, 2022. Interest on Debentures in the three months ended March 31, 2023 relates to the interest owing on the US dollar denominated 2020 Debentures and 2022 Debentures (which were issued in December 2022), while the three months ended March 31, 2022 only included interest on the 2020 Debentures. The 2020 Debentures and 2022 Debentures bear interest of 8.5% and 10%, respectively, per annum and such interest is payable on June 30 and December 31.

The fair value of the Debentures on March 31, 2023 was $31,109,724 compared to $27,405,961 at December 31, 2022. This resulted in a fair value loss on Debentures of $3,703,763 in the three months ended March 31, consisting of a fair value loss of $3,631,213 included in the statement of loss and a fair value loss attributable to the change in credit risk of $72,550 included in other comprehensive income (loss). During the three months ended March 31, 2022, the fair value loss on Debentures was $7,162,620, consisting of a fair value loss of $7,178,291 included in the statement of loss, slightly offset by a fair value gain attributable to the change in credit risk of $15,671 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 increased in the current period due primarily to the increase in the Company's share price from $2.91 at December 31, 2022 to $3.08 at March 31, 2023 and other market inputs.

Foreign exchange losses were $910 in the three months ended March 31, 2023, compared to a loss of $27,112 in the three months ended March 31, 2022, and mainly relates to the slightly weaker US dollar compared to the Canadian dollar during the current 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 March 31, 2023, this resulted in a recovery of $776,473, compared to a recovery of $249,811 in the three months ended March 31, 2022. The difference is mainly due to the deferred tax recovery on the renunciation of flow-through share expenses in the three months ended March 31, 2023. In the three months ended March 31, 2022 the Company did not renounce any flow-through share expenditures.

Financial Position

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

	March 31, 2023	**December 31, 2021**
Exploration and evaluation assets	**$75,019,364**	$71,165,630
Total assets	**97,573,833**	97,115,302
Total current liabilities	**2,466,579**	2,621,742
Total non-current liabilities	**32,647,259**	28,272,870
Working capital [(1)]	**20,611,996**	25,347,788
Cash dividends declared per share	**Nil**	Nil

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

In the three months ended March 31, 2023, the Company capitalized $3,851,891 of exploration and evaluation costs as further described in "Discussion of Operations" above. Non-current liabilities increased during the period due to an increase in the fair value of the Debentures as discussed in "Results of Operations" above and an increase in deferred tax liabilities. Working capital decreased during the three months mainly due to 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 three months ended March 31, 2023.

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.

	Mar. 31, 2023	Dec 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net (loss) income	**$ (4,899,711)**	**$4,708,816**	**$(10,818,309)**	$8,210,514	($9,475,681)	($5,718,495)	($4,190,912)	($1,771,545)
Net (loss) income per share:								
Basic	**$ (0.04)**	**$0.04**	**($0.10)**	$0.08	($.0.09)	($0.05)	($0.04)	($0.02)
Diluted	**$ (0.04)**	**($0.02)**	**($0.10)**	($0.01)	($.0.09)	($0.05)	($0.04)	($0.02)

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 every other period since issuance of the Debentures.

LIQUIDITY

IsoEnergy has no revenue-producing operations, earns only minimal interest income on cash, and is expected to have recurring operating losses. As at March 31, 2023, the Company had an accumulated deficit of $46,621,326.

During the three months ended March 31, 2023, the Company utilized cash on hand to invest $2,633,757 (net of accounts payable) in exploration and evaluation assets and for $845,136 of expenditure on its corporate activities, including movements in working capital. During the period, the Company received $186,700 from the exercise of stock options.

As at the date of this MD&A, the Company has approximately $13.0 million in cash, $4.8 million in marketable securities and $19.5 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 May 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 March 31, 2023 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:

Three months ended March 31, 2023	**Short term compensation**	**Share-based compensation**	**Total**
Expensed to the statement of loss and comprehensive loss	**$ 204,161**	**$ 1,016,863**	**$ 1,221,024**
Capitalized to exploration and evaluation assets	**47,654**	**243,541**	**291,195**
	$ 251,815	**$ 1,260,404**	**$ 1,512,219**

Three months ended March 31, 2022	**Short term compensation**	**Share-based compensation**	**Total**
Expensed to the statement of loss and comprehensive loss	$ 154,193	$ 1,534,152	$ 1,688,345
Capitalized to exploration and evaluation assets	50,672	124,641	175,313
	$ 204,865	$ 1,658,793	$ 1,863,658

As of March 31, 2023, $5,671 (December 31, 2022 – $17,317) was included in accounts payable and accrued liabilities owing to NexGen and directors and officers.

During the three months ended March 31, 2023, the Company paid NexGen, $7,153 (March 31, 2022 - $5,272) 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 three months ended March 31, 2022.

OUTSTANDING SHARE DATA

The authorized capital of IsoEnergy consists of an unlimited number of common shares. As of May 2, 2023, there were 110,615,880 common shares and 10,307,583 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 May 2, 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		0.2
903,750	$0.39	903,750	$0.39		1.6
620,000	$0.42	620,000	$0.42		0.7
398,000	$1.19	398,000	$1.19		2.0
250,000	$2.44	250,000	$2.44		2.8
150,000	$2.74	50,000	$2.74	(i)	5.0
1,350,000	$2.81	983,333	$2.81	(i)	2.7
832,500	$2.97	277,500	$2.97	(i)	4.6
300,000	$3.06	100,000	$3.06	(i)	4.8
250,000	$3.46	83,333	$3.46	(i)	4.5
1,840,000	$3.47	680,000	$3.47	(i)	4.0
2,503,333	$3.99	1,746,666	$3.99	(i)	3.4
400,000	$4.96	266,667	$4.96	(i)	3.8
10,307,583	**$2.78**	**6,869,249**	**$2.45**		**3.1**

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

CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Interim 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.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Interim Financial Statements were prepared in accordance with IFRS and its interpretations adopted by the IASB and follow the same accounting policies and methods as described in note 2 to the Company's Annual Financial Statements, without any changes or adoption of new standards.

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 March 31, 2023, 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 March 31, 2023, 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 March 31, 2023, the Company had a working capital balance of $20,611,996, including cash of $16,616,033.

(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 March 31, 2023. 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 $1,391,084 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 Pty. Ltd. ("**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 is the Australian dollar can increase or decrease the value of the Company's investment in 92 Energy by $204,624 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. For a comprehensive list of the risks and uncertainties facing the Company, please see "Risk Factors" in the Company's MD&A for the year ended December 31, 2022 and the "Industry and Economic Factors that May Affect the Business" included above the "Overall Performance" section of this MD&A. These are not the only risks and uncertainties that IsoEnergy faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

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 "*Discussion of Operations*" and in the Company's statement of loss and comprehensive loss contained in its Interim 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, 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.