ISOENERGY LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Six Months Ended June 30, 2023 and 2022

Dated: August 9, 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 and six months ended June 30, 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 and six months ended June 30, 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. Clark 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 49.7% 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	14,452	2017/18/20/23	Purchased	NPI applies to some claims(3)
	East Rim	30,594	2017/20/21	Staked	None
	Full Moon	12,577	2017/20/23	Staked	None
	Whitewater	7,374	2018	Staked	None
	Larocque East	19,699	2018-2023	Purchased/Staked	2% NSR on certain claims(4)
	Edge	7,313	2019/20/23	Staked	None
	Collins Bay Extension	7,527	2019/20/23	Staked	None
	Evergreen	35,362	2020	Staked	None
	Hawk	5,961	2020	Staked	None
	Larocque West	623	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	2,324	2022/23	Staked	None
	Cable(5)	7,764	2022	Staked	None
	subtotal	197,528			
Nunavut	Mountain Lake(6)	6,853	2016	Staked	None
		204,381			

(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. On August 3, 2023, the expiry date of Consolidated Uranium's option to acquire the Company's Mountain Lake property in Nunavut, Canada was extended from August 3, 2023 to December 31, 2023.

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

Figure 1 – Property Location Map

OVERALL PERFORMANCE

General

In the six months ended June 30, 2023, the Company completed exploration work on its Hawk, Larocque East, Geiger and East Rim 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 June 30, 2023, the Company had cash of $11,371,919, an accumulated deficit of $43,052,939 and working capital of $18,109,856.

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 six months ended June 30, 2023, the Company issued 733,750 common shares on the exercise of stock options for proceeds of $394,844 and granted 450,000 stock options with a weighted average strike price of $2.95. Subsequent to quarter end, the Company granted 1,317,500 options with a strike price of $2.61 to directors, officers, employees and consultants of the Company.

Investment in Latitude Uranium Inc.

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

On June 19, 2023, after completion of Latitude Uranium's acquisition of a 100% interest in the Angilak Uranium Project in Nunavut Territory from ValOre Metals Corp., the Subscription Receipts were exercised into one unit of Latitude Uranium, consisting of one common share of Latitude 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.

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

Mountain Lake option agreement

The Company and Consolidated Uranium agreed on August 2, 2023 to extend the expiry date of Consolidated Uranium's option to acquire the Company's Mountain Lake property in Nunavut, Canada from August 3, 2023 to December 31, 2023.

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.

Six months ended June 30, 2023

During the six months ended June 30, 2023, the Company incurred $5,888,131 of exploration spending primarily on Hawk, Larocque East, Geiger and East Rim, as set out below. See "Outlook" below for future drilling plans.

	Hawk	Larocque East	Geiger	East Rim	Other	Total
Drilling	$ 1,268,129	$ 1,065,321	$ -	$ -	$ -	$ 2,333,450
Geological & geophysical	190,363	413,582	238,675	235,857	143,226	1,221,703
Camp costs	526,677	357,570	85,877	-	-	970,124
Labour & wages	137,965	170,337	27,361	10,499	80,484	426,646
Geochemistry & Assays	48,475	22,268	116	-	-	70,859
Extension of time payments	-	-	-	22,029	114,928	136,957
Travel and other	70,818	67,124	4,986	670	8,017	151,615
Cash expenditures	2,242,427	2,096,202	357,015	269,055	346,655	5,311,354
Share-based compensation	174,585	229,148	42,045	18,648	112,351	576,777
Total expenditures	**$ 2,417,012**	**$ 2,325,350**	**$ 399,060**	**$ 287,703**	**$ 459,006**	**$ 5,888,131**

Hawk Project

Winter 2023 – Diamond Drilling

Drilling at Hawk for the 2023 Winter program 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).

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

Winter 2023 –Ground EM Surveying

The Company recently completed the inversion of historic ZTEM data along with an additional 36 kilometres of fixed-loop electromagnetic geophysical surveying over its Hawk property. The ZTEM inversion highlights the extent of the conductive trend within the property and correlates well with the ground EM data that has been collected over the past two years, as shown in Figure 3.

Summer 2023 - Ambient Noise Tomography Surveying

An Ambient Noise Tomography ("ANT") survey is currently under way on the south-western portion of the Hawk property, using EXOSPHERE BY FLEET®. ExoSphere technology by Fleet Space consists of laying an array of 64 lightweight, battery-powered surface sensors called Geodes over a 2 km^2 survey grid to measure naturally occurring environmental seismic vibrations in the ground (caused by wave action, weather, and anthropogenic activities) over a six-day period. The Geodes collect and deliver information in near real-time to Fleet Space's satellite network. The subsurface ANT results will be integrated with information that has been gathered through previous exploration activities.

Summer 2023 – Diamond Drilling

Drilling for the Summer 2023 program comprises of three drill holes totalling 2,500 metres. These drill holes will follow up targets identified from the integration of significant sandstone alteration in recent drilling (IsoEnergy Ltd. News Release April 21, 2023), ground EM, the ZTEM inversion and the results from the ANT survey, where a highly prospective target area has been highlighted. Figure 3 shows the relative location of the drill target areas and the interpreted conductor traces hosted within the zone of low magnetic susceptibility. The primary objective of this drilling is to test for uranium mineralisation hosted at the unconformity. To accurately characterise the geochemical fingerprint of the altered rocks immediately above and below the unconformity, further sampling of the existing drill holes HK23-03 and HK23-05A will be conducted during the summer field season. This additional data will aid vectoring exploration efforts towards higher grade uranium mineralisation.

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

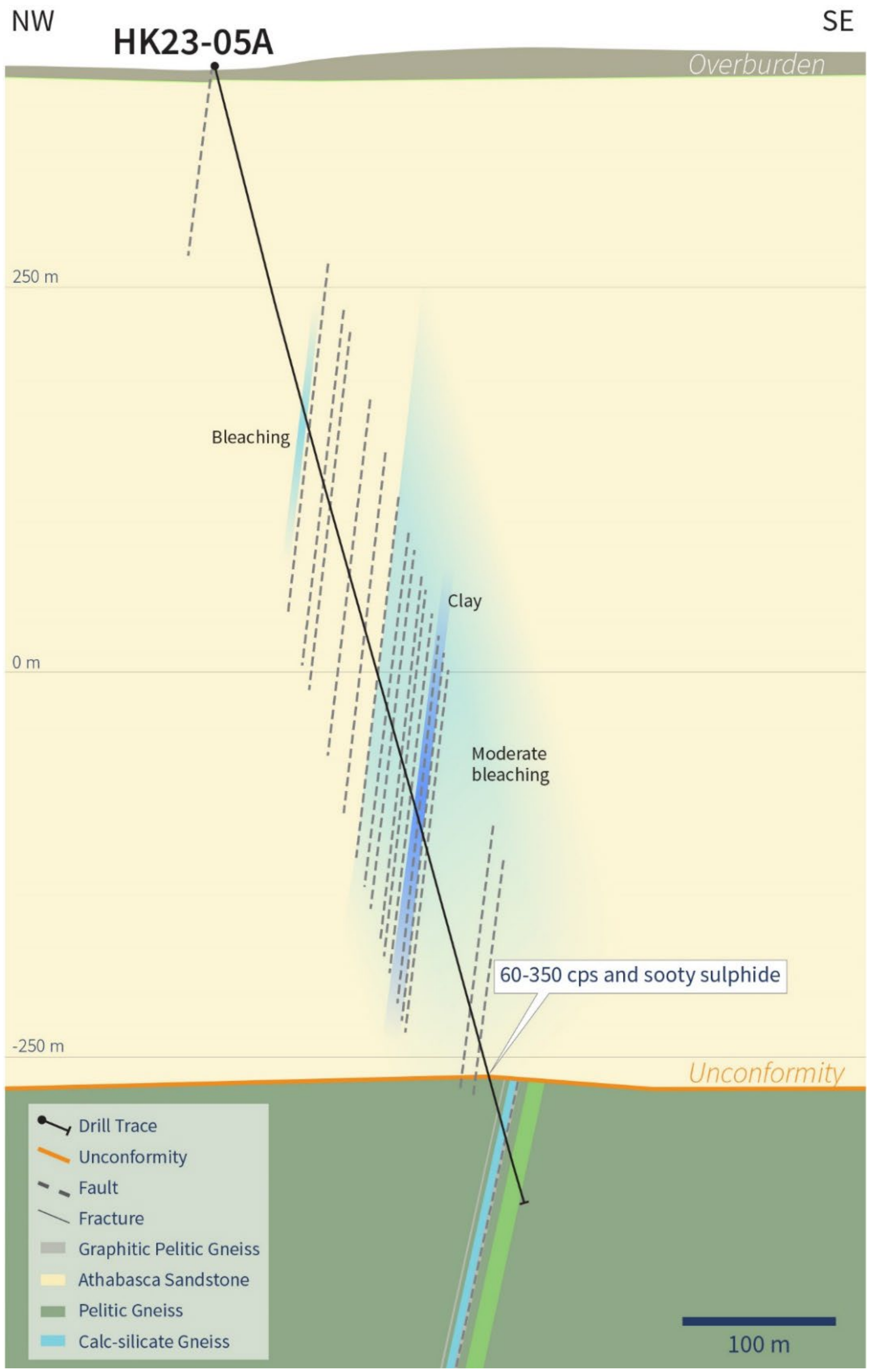
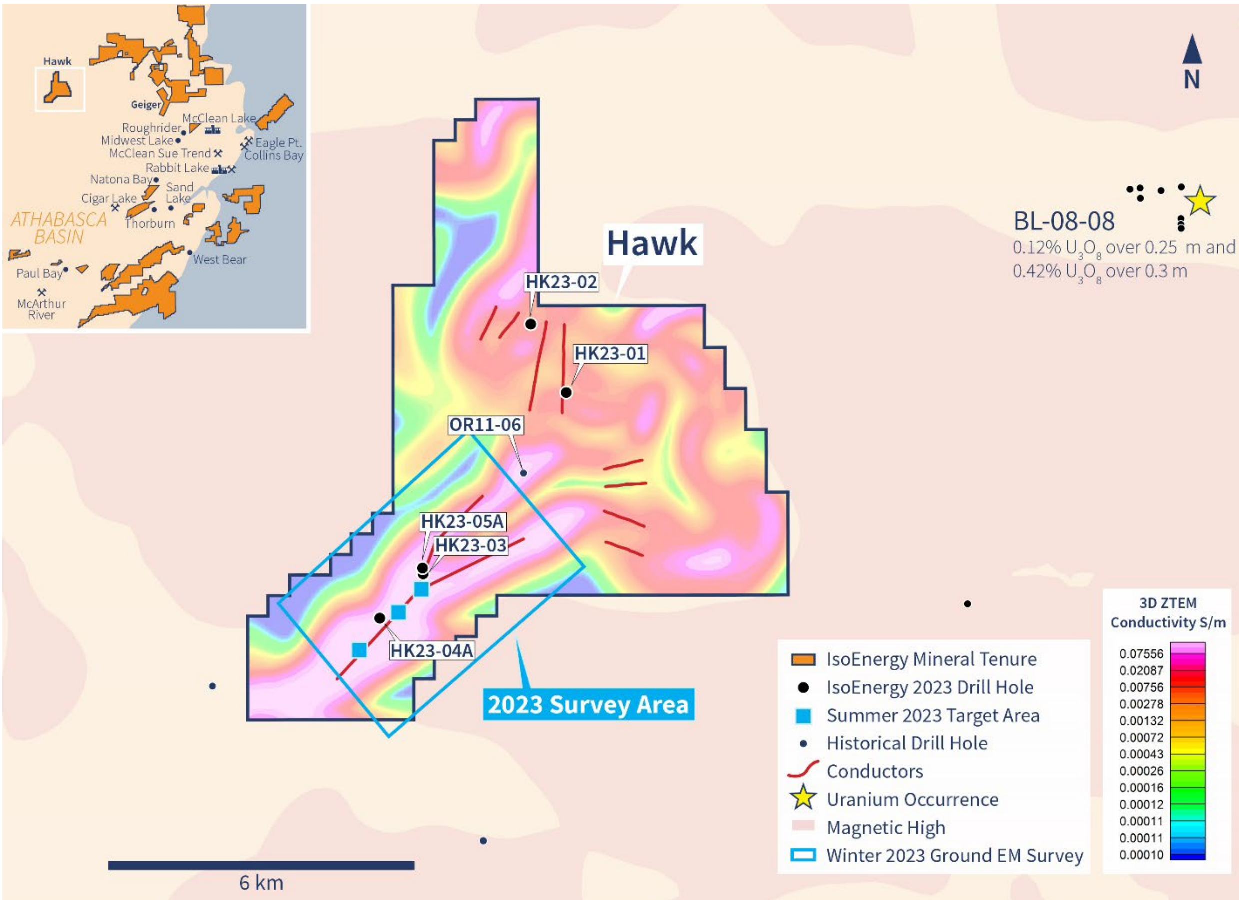


Figure 3 – Hawk winter ground EM survey results and the results of the 3D inversion of the historic ZTEM data from 100 metres below the unconformity with the proposed summer drill targets



Larocque East Project

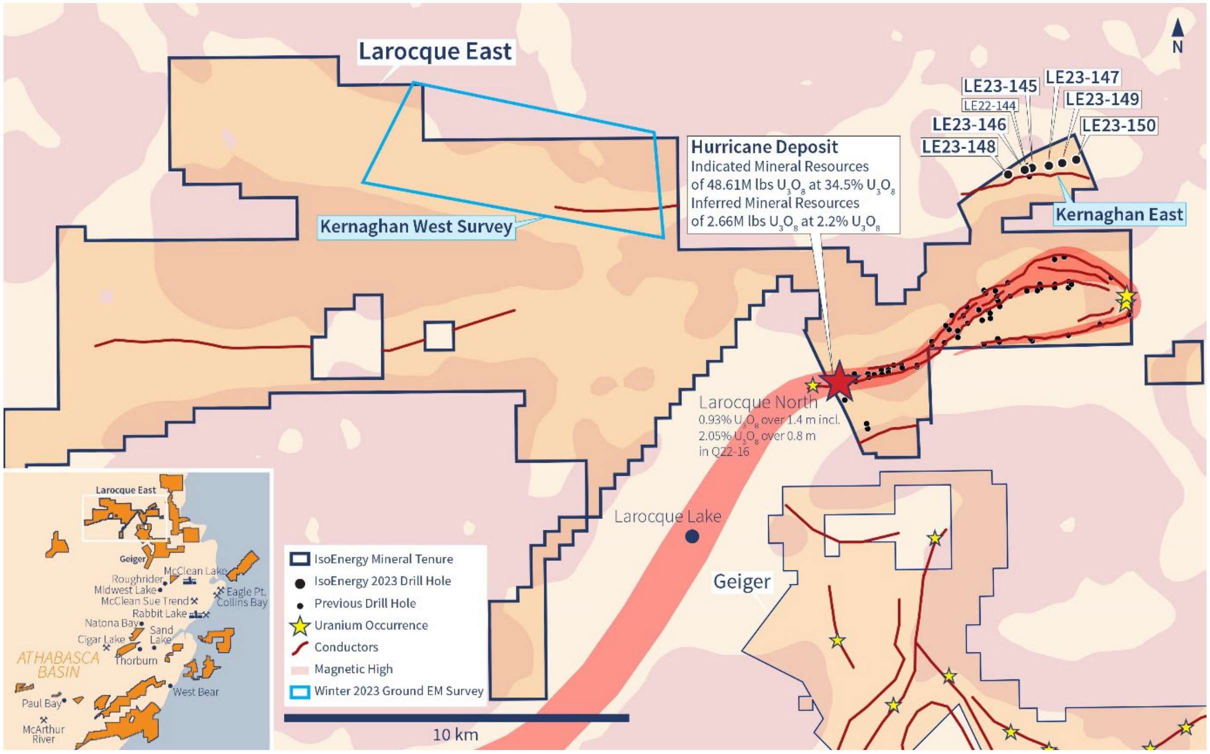
Winter 2023 – Diamond Drilling

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.

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.

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



Summer 2023 - ANT Surveying

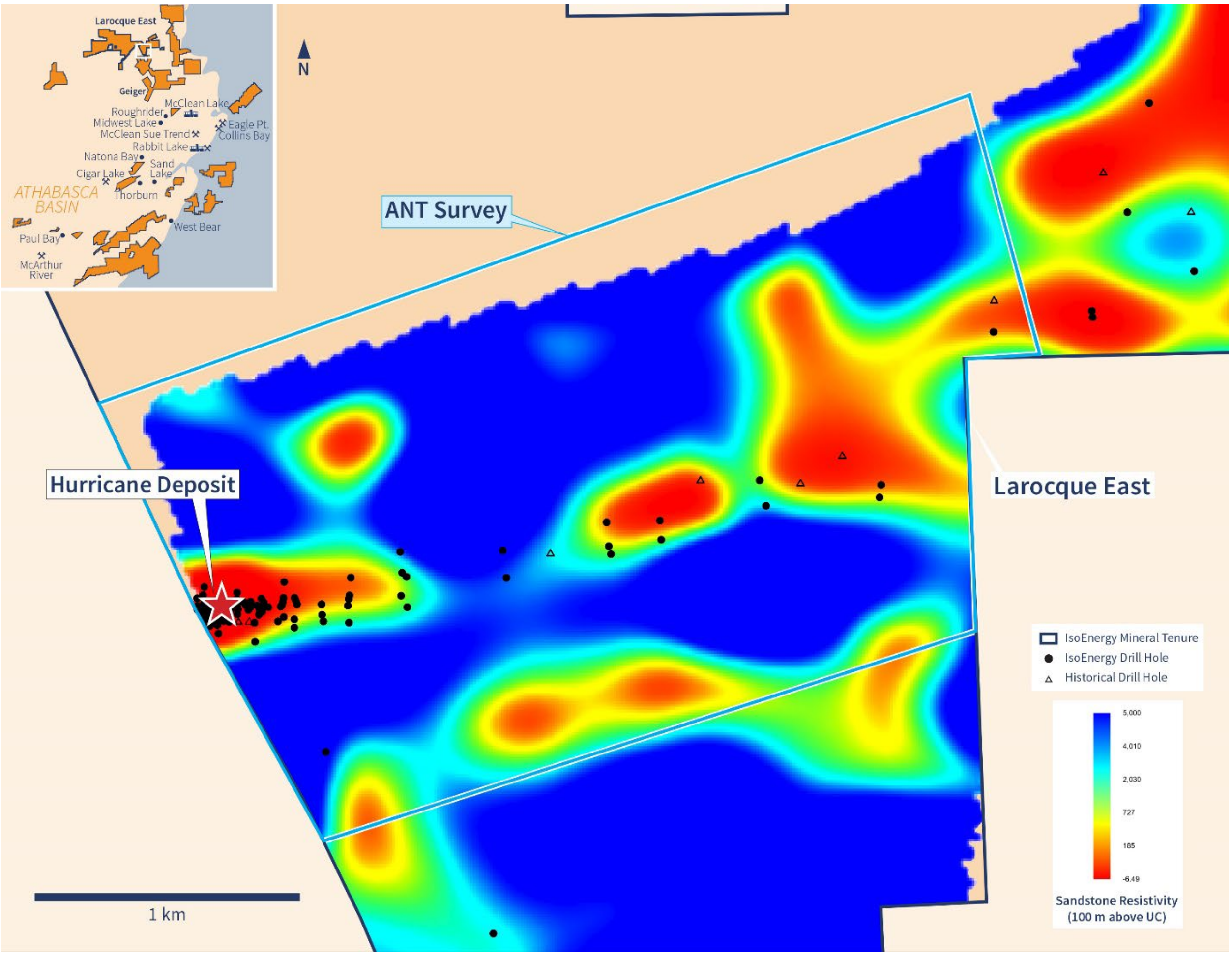
ANT surveys were completed directly over the Hurricane deposit with further survey extensions north, south and east of the known uranium mineralization. The ANT results are currently being interpreted and integrated with information that has been gathered through previous exploration activities.

Summer 2023 – Diamond Drilling

On the Kernaghan trend, where historical drilling identified over 40 metres of unconformity topography associated with anomalous geochemistry in the Athabasca sandstones, the planned summer drill program comprised two drill holes totalling 600 metres. The main objective of the drill program is to test a 40-metre-thick pyrite-bearing graphitic unit at the unconformity. This target is proximal to hydrothermal clay and hematite alteration that is spatially associated with elevated uranium geochemistry previously intersected in exploration drilling.

A recent internal technical review of the Hurricane project has identified potential areas for resource expansion along the northern and eastern extents to the known mineralization (Figure 5). The summer drill program comprises approximately 1,100 metres. The main objective of this drilling is to extend the resource footprint and assess the potential of the ANT technology to highlight density contrasts associated with uranium mineralisation.

Figure 5 – Hurricane deposit, Larocque East highlighting the outline of the Ambient Noise Tomography Survey Area against the backdrop of resistivity 100 metres above the unconformity.



Geiger Project

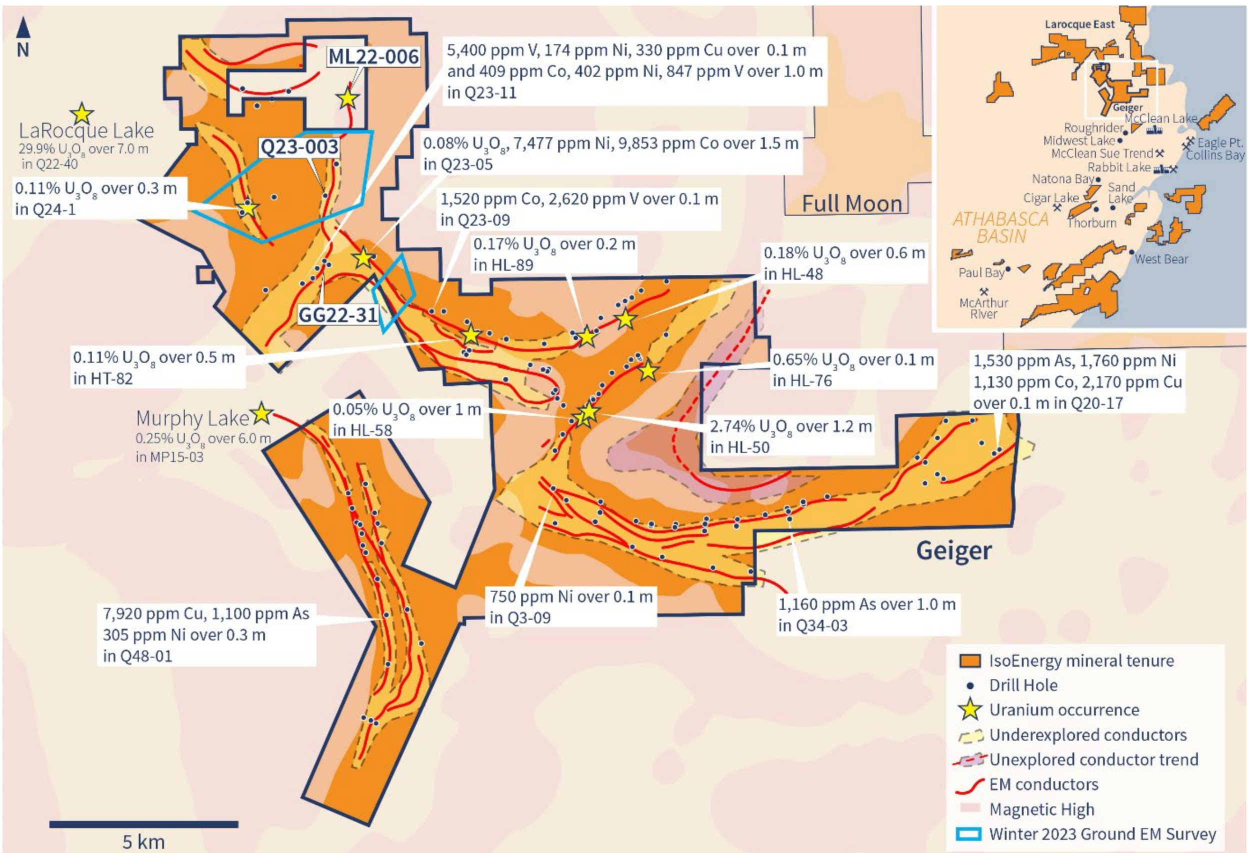
Winter 2023 - Geophysics

Six lines of SWML TEM surveying completed at the Geiger project, advanced three areas to a drill-ready level (Figure 6).

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.

Figure 6 – Geiger Project Ground Geophysical Survey Areas

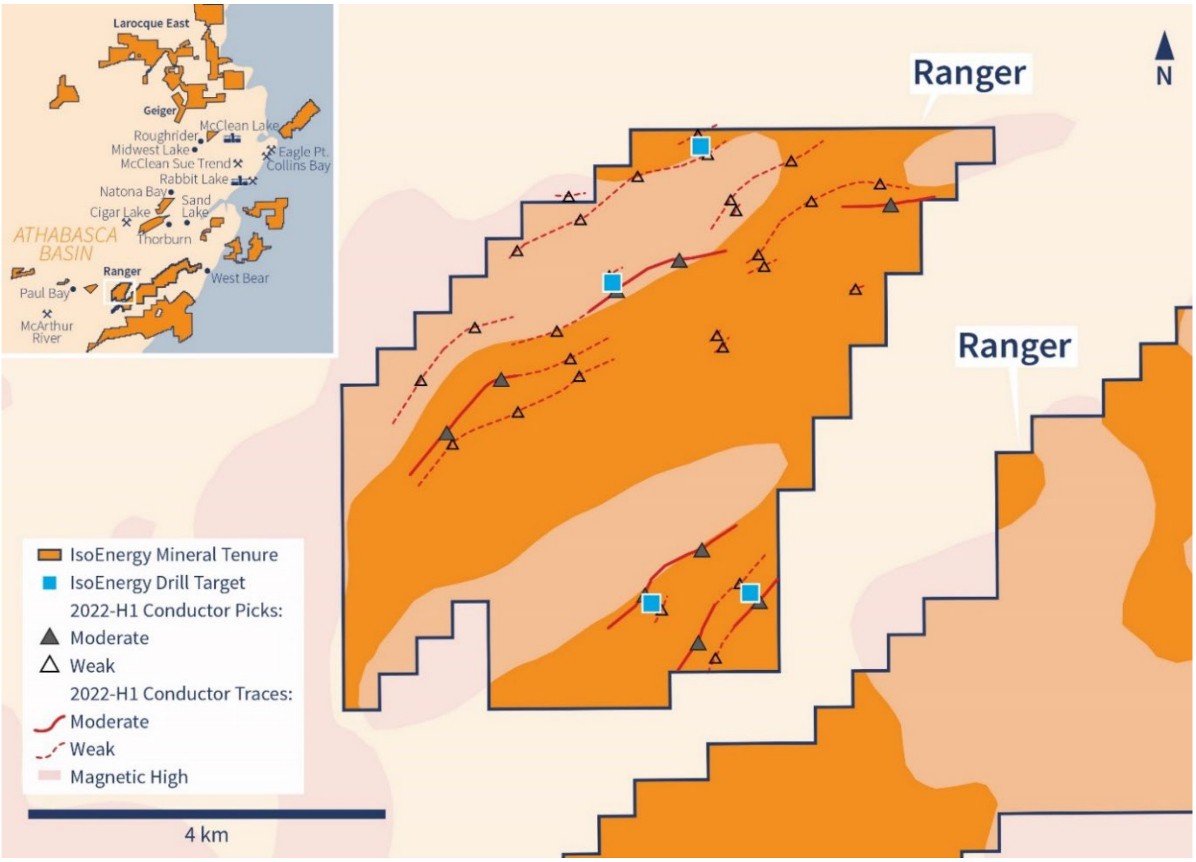


Ranger Project

Summer 2023 – Diamond Drilling

As at Hawk, electromagnetic surveying completed at Ranger during winter 2022 advanced the project to a drill-ready state. The winter survey work mapped weakly to moderately conductive trends in two areas. The northwestern conductive trends are associated with magnetic breaks and are completely untested by historic drilling within the project. The southern conductive trends are associated with a magnetic break and the projection of the Bird Lake Fault, a significant post-Athabasca structure which has a vertical offset of up to 80 metres. The depth to the unconformity in the survey area is expected to between 230 and 300 metres. Drilling at Ranger consists of four drill holes totalling 1,600 metres. Figure 7 shows the relative location of the drill target areas and the interpreted conductor traces. The primary objective of this drilling is to test for uranium mineralisation hosted at the unconformity.

Figure 7 – Ranger proposed drill hole locations and the conductor traces as defined from the 2022 EM survey



Airborne Geophysical Surveying

Geotech Ltd completed a helicopter-borne Versatile Time Domain Electromagnetic (VTEM™ Plus) and horizontal magnetic gradiometer geophysical survey at the East Rim project in June 2023. The survey covered approximately 1,125 line-kilometres. The VTEM™ Plus system is excellent for locating discrete conductive anomalies as well as mapping lateral and vertical variations in resistivity. The results of this VTEM survey are currently being interpreted and will be integrated with the magnetic and gravity surveys that were conducted in 2022 to generate basement hosted targets for initial reconnaissance drill testing in the winter 2024.

Xcalibur Multiphysics has been engaged to conduct multiparameter airborne geophysical surveying at IsoEnergy's early-stage Trident, Full Moon and Collins Bay Extension projects. The survey will employ Xcalibur's FALCON® Airborne Gravity Gradiometry system to acquire high-resolution gravity, magnetic, and radiometric (spectrometry) datasets. Gravity and magnetic data will improve the property-wide understanding of basement geology and assist in the identification of potential alteration zones, while gamma ray spectrometry aims to locate anomalous radioactivity related to 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. Survey work is expected to commence in September.

Claim Staking

Nine claims totalling 4,292 hectares were staked in the Eastern Athabasca to date in 2023 to extend the Larocque East, Full Moon, Edge, Collins Bay Extension, Geiger and Rapid River properties.

Six months ended June 30, 2022

During the six months ended June 30, 2022, the Company incurred $5,774,096 of exploration spending primarily on Larocque East, Ranger, Hawk and Geiger, as set out below.

	Larocque East	Ranger	Hawk	Geiger	Other	Total
Drilling	$2,613,499	$ -	$ -	$ 11,324	$ 19,220	$2,644,043
Geological & geophysical	103,076	282,731	183,563	39,752	252,132	861,254
Extension of time payments	-	18,514	58,909	-	390,118	467,541
Camp costs	415,314	-	-	200	-	415,514
Labour & wages	242,193	51,184	8,494	23,724	58,455	384,050
Geochemistry & Assays	111,981	-	-	-	-	111,981
Travel and other	85,238	4,130	-	7,930	3,762	101,060
Cash expenditures	3,571,301	356,559	250,966	82,930	723,687	4,985,443
Share-based compensation	495,160	104,890	17,697	49,115	121,791	788,653
Depreciation	-	-	-	-	-	-
Total expenditures	**$ 4,066,461**	**$ 461,449**	**$ 268,663**	**$ 132,045**	**$ 845,478**	**$ 5,774,096**

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. Refer to *Exploration and Evaluation Activities – Six months ended June, 2023* above for further information on the Company's exploration plans for the remainder of the year.

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 six months ended June 30, 2023, the Company capitalized $5,888,131 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 June 30		For the six months ended June 30	
	2023	**2022**	**2023**	**2022**
General and administrative costs				
Share-based compensation	**$ 1,071,646**	$ 1,116,062	**$ 2,225,453**	$ 2,736,450
Administrative salaries, contract and director fees	**308,630**	289,508	**609,616**	744,522
Investor relations	**91,699**	113,961	**215,753**	218,587
Office and administrative	**64,385**	103,912	**99,424**	131,988
Professional fees	**226,890**	281,675	**338,763**	357,726
Travel	**27,976**	41,737	**79,933**	50,418
Public company costs	**72,424**	51,113	**190,588**	126,956
Total general and administrative costs	**(1,863,650)**	(1,997,968)	**(3,759,530)**	(4,366,647)
Interest income	**116,392**	16,124	**275,928**	26,155
Interest expense	**(20)**	(386)	**(20)**	(386)
Interest on convertible debentures	**(305,533)**	(162,797)	**(613,250)**	(324,238)
Fair value gain on convertible debentures	**5,192,441**	10,043,078	**1,561,228**	2,864,787
Foreign exchange (loss)/gain	**(52,822)**	47,850	**(53,732)**	20,738
Income/(loss) from operations	**3,086,808**	7,945,901	**(2,589,376)**	(1,779,591)
Deferred income tax recovery	**481,579**	264,613	**1,258,052**	514,424
Income/(loss)	**$ 3,568,387**	$ 8,210,514	**$ (1,331,324)**	$ (1,265,167)

Three months ended June 30, 2023

During the three months ended June 30, 2023, the Company recorded income of $3,568,387, compared to income of $8,210,514 in the three months ended June 30, 2022. The main drivers of the difference between the two periods include a decrease of $4,850,637 in the fair value gain on the US$6 million convertible debentures (the "**2020 Debentures**") and the 2022 Debentures (together, the "**Debentures**") and an increase of $142,736 in interest on the Debentures, offset by an increase of $216,966 in the deferred income tax recovery and an increase of $100,268 in interest received, as further described below.

General and administrative costs

Share-based compensation was $1,071,646 in the three months ended June 30, 2023, compared to $1,116,062 in the three months ended June 30, 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 June 30, 2023 mainly due to a lower number of options issued to directors and corporate employees leading up to the current period.

Administrative salaries, contracts and directors' fees were $308,630 for the three months ended June 30, 2023, compared to $289,508 in the three months ended June 30, 2022. The increase in the three months ended June 30, 2023, is mainly due to the addition of staff in the corporate office and an additional director, compared to the three months ended June 30, 2022.

Investor relations expenses were $91,699 for the three months ended June 30, 2023, compared to $113,961 in the three months ended June 30, 2022 and related primarily to costs incurred in communicating with existing and potential shareholders, conferences and marketing. The costs were lower in the three months ended June 30, 2023 due to decreased industry conference attendance and marketing activities compared to the corresponding period.

Office and administrative expenses were $64,385 for the three months ended June 30, 2023 compared to $103,912 in the three months ended June 30, 2022, and normally consist of office operating costs and other general administrative costs. The decrease in the three months ended June 30, 2023 is mainly as a result of non-recurring employee relocation expenditure of $75,000 incurred in the three months ended June 30, 2022, partially offset by a provision for prescribed rate taxes on the Company's most recent flow-though share issuance, increased professional membership fees and increased staff training costs in the current period.

Professional fees were $226,890 for the three months ended June 30, 2023, compared to $281,675 for the three months ended June 30, 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 lower in the three months ended June 30, 2023 mainly due to reduced business development activities.

Travel expenses were $27,976 for the three months ended June 30, 2023, compared to $41,737 in the three months ended June 30, 2022. Travel expenses relate to business development and general corporate activities and amounts vary depending on projects and activities being undertaken.

Public company costs were $72,424 for the three months ended June 30, 2023, compared to $51,113 in the three months ended June 30, 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 June 30, 2023 as a result of higher insurance premiums on directors and officers insurance in the current period.

Other items

The Company recorded interest income of $116,392 in the three months ended June 30, 2023, compared to $16,124 in the three months ended June 30, 2022, which represents interest earned on cash balances. The amounts were higher in the three months ended June 30, 2023 due to higher effective interest rates and higher average cash balances during the period.

Interest expense on Debentures was $305,533 in the three months ended June 30, 2023, compared to $162,797 in the three months ended June 30, 2022. Interest on Debentures in the three months ended June 30, 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 June 30, 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 June 30, 2023 was $25,932,806 compared to $31,109,724 at March 31, 2023. This resulted in a fair value gain on Debentures of $5,176,918 in the three months ended June 30, consisting of a fair value gain of $5,192,441 included in the statement of income (loss), partially offset by a fair value loss attributable to the change in credit risk of $15,523 included in other comprehensive income (loss). During the three months ended June 30, 2022, the fair value gain on Debentures was $10,152,393, consisting in a fair value gain of $10,043,078 included in the statement of loss and a fair value gain attributable to the change in credit risk of $109,315 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 $3.08 at March 31, 2023 to $2.61 at June 30, 2023 and other market inputs.

Foreign exchange losses were $52,822 in the three months ended June 30, 2023, compared to a gain of $47,850 in the three months ended June 30, 2022, and mainly relates to the 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 June 30, 2023, this resulted in a recovery of $481,579, compared to a recovery of $264,613 in the three months ended June 30, 2022. The difference is mainly due to the deferred tax recovery on the renunciation of flow-through share expenses in the three months ended June 30, 2023. In the three months ended June 30, 2022 the Company did not renounce any flow-through share expenditures.

Six months ended June 30, 2023

During the six months ended June 30, 2023, the Company recorded a loss of $1,331,324, compared to a loss of $1,265,167 in the six months ended June 30, 2022. The main drivers of the difference between the two periods include a decrease of $1,303,559 in the fair value gain on the Debentures. and an increase of $289,012 in interest on the Debentures, offset by an increase of $743,628 in the deferred income tax recovery, a decrease of $510,997 in share based compensation and an increase of $249,773 in interest received, as further described below.

General and administrative costs

Share-based compensation was $2,225,453 in the six months ended June 30, 2023, compared to $2,736,450 in the six months ended June 30, 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 six months ended June 30, 2023, mainly due to a lower number of options issued to directors and corporate employees during and leading up to the current period.

Administrative salaries, contracts and directors' fees were $609,616 for the six months ended June 30, 2023, compared to $744,522 in the six months ended June 30, 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 payment accounted for the majority of the difference between the two periods, but was partially offset by the addition of staff in the corporate office and an additional director, in the six months ended June 30, 2023.

Investor relations expenses were $215,753 for the six months ended June 30, 2023, in line with $218,587 in the six months ended June 30, 2022 and related primarily to costs incurred in communicating with existing and potential shareholders, conferences and marketing.

Office and administrative expenses were $99,424 for the six months ended June 30, 2023 compared to $131,988 in the six months ended June 30, 2022, and normally consist of office operating costs and other general administrative costs. The decrease in the six months ended June 30, 2023 is mainly as a result of non-recurring employee relocation expenditure of $75,000 incurred in the six months ended June 30, 2022, partially offset by a provision for prescribed rate taxes on the Company's most recent flow-though share issuance and increased professional membership fees in the current period.

Professional fees were $338,763 for the six months ended June 30, 2023, compared to $357,726 for the six months ended June 30, 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 lower in the six months ended June 30, 2023 mainly due to non-recurring recruitment expenses incurred in the six months ended June 30, 2022, partially offset increased audit fees in the current period.

Travel expenses were $79,933 for the six months ended June 30, 2023, compared to $50,418 in the six months ended June 30, 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 $190,588 for the six months ended June 30, 2023, compared to $126,956 in the six months ended June 30, 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 six months ended June 30, 2023 as a result of an increase in insurance premiums on directors and officers insurance.

Other items

The Company recorded interest income of $275,928 in the six months ended June 30, 2023, compared to $26,155 in the six months ended June 30, 2022, which represents interest earned on cash balances. The amounts were higher in the six months ended June 30, 2023 due to higher effective interest rates and higher average cash balances during the period.

Interest expense on Debentures was $613,250 in the six months ended June 30, 2023, compared to $324,238 in the six months ended June 30, 2022. Interest on Debentures in the six months ended June 30, 2023 relates to the interest owing on the US dollar denominated 2020 Debentures and 2022 Debentures (which were issued in December 2022), while the six months ended June 30, 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 June 30, 2023 was $25,932,806 compared to $27,405,961 at December 31, 2022. This resulted in a fair value gain on Debentures of $1,473,155 in the six months ended June 30, consisting of a fair value gain of $1,561,228 included in the statement of income (loss), partially offset by a fair value loss attributable to the change in credit risk of $88,073 included in other comprehensive income (loss). During the six months ended June 30, 2022, the fair value gain on Debentures was $2,989,773, consisting in a fair value gain of $2,864,787 included in the statement of loss and a fair value gain attributable to the change in credit risk of $124,986 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 $2.91 at December 31, 2022 to $2.61 at June 30, 2023 and other market inputs.

Foreign exchange losses were $53,732 in the six months ended June 30, 2023, compared to a gain of $20,738 in the six months ended June 30, 2022, and mainly relates to the 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 six months ended June 30, 2023, this resulted in a recovery of $1,258,052, compared to a recovery of $514,424 in the six months ended June 30, 2022. The difference is mainly due to the deferred tax recovery on the renunciation of flow-through share expenses in the six months ended June 30, 2023. In the six months ended June 30, 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.

	June 30, 2023	**December 31, 2022**
Exploration and evaluation assets	**$77,057,123**	$71,165,630
Total assets	**96,299,981**	97,115,302
Total current liabilities	**1,091,853**	2,621,742
Total non-current liabilities	**27,533,855**	28,272,870
Working capital (1)	**18,109,856**	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 six months ended June 30, 2023, the Company capitalized $5,888,131 of exploration and evaluation costs as further described in *Exploration and Evaluation Activities – Six months ended June, 2023* above. Current liabilities decreased during the six months due to the settlement of the flow-through share liability expenditures during the period, partially offset by an increase in accounts payable and accrued liabilities. Non-current liabilities decreased during the period, mainly due to a decrease in the fair value of the Debentures as discussed in *Results of Operations* above, partially offset by an increase in deferred tax liabilities. Working capital decreased during the six 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 six months ended June 30, 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.

	Jun. 30, 2023	**Mar. 31, 2023**	**Dec 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**	**Sept. 30, 2021**
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net (loss) income	**$ 3,568,387**	**$(4,899,711)**	**$4,708,816**	**$(10,818,309)**	$8,210,514	($9,475,681)	($5,718,495)	($4,190,912)
Net (loss) income per share:								
Basic	**$ 0.03**	**($0.04)**	**$0.04**	**($0.10)**	$0.08	($.0.09)	($0.05)	($0.04)
Diluted	**$(0.01)**	**($0.04)**	**($0.02)**	**($0.10)**	($0.01)	($.0.09)	($0.05)	($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, the three months ended December 31, 2022 and the three months ended June 30, 2023 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 June 30, 2023, the Company had an accumulated deficit of $43,052,939.

During the six months ended June 30, 2023, the Company utilized cash on hand to invest $4,964,537 (net of accounts payable) in exploration and evaluation assets and $1,470,210 of expenditure on its corporate activities, including movements in working capital. During the period, the Company invested $2,000,005 in Latitude Uranium, received $394,844 from the exercise of stock options and paid $436,921 in cash interest on the Debentures.

As at the date of this MD&A, the Company has approximately $9.9 million in cash, $5.5 million in marketable securities and $14.4 million in working capital.

The Company anticipates obtaining additional equity financing in the coming year to fund its currently planned exploration activities at its properties, 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. Should the Company not obtain sufficient funds when needed, the Company plans to sell its marketable securities in order to fund operations.

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 July 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 June 30, 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:

Six months ended June 30, 2023	**Short term compensation**	**Share-based compensation**	**Total**
Expensed to the statement of income/(loss) and comprehensive income/(loss)	**$ 408,322**	**$ 1,951,745**	**$ 2,360,067**
Capitalized to exploration and evaluation assets	**$ 118,641**	**$ 324,458**	**443,099**
	$ 526,963	**$ 2,276,203**	**$ 2,803,166**

Six months ended June 30, 2022	**Short term compensation**	**Share-based compensation**	**Total**
Expensed to the statement of income/(loss) and comprehensive income/(loss)	$ 340,194	$ 2,524,101	$ 2,864,295
Capitalized to exploration and evaluation assets	102,576	247,913	350,489
	$ 442,770	$ 2,772,014	$ 3,214,784

As of June 30, 2023, $217 (December 31, 2022 – $17,317) was included in accounts payable and accrued liabilities owing to NexGen and directors and officers.

During the six months ended June 30, 2023, the Company paid NexGen $14,481 (June 30, 2022 - $12,465) 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 six months ended June 30, 2022.

OUTSTANDING SHARE DATA

The authorized capital of IsoEnergy consists of an unlimited number of common shares. As of August 9, 2023, there were 111,183,750 common shares and 11,115,083 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 August 9, 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)
903,750	$0.39	903,750	$0.39		1.3
620,000	$0.42	620,000	$0.42		0.4
398,000	$1.19	398,000	$1.19		1.8
250,000	$2.44	250,000	$2.44		2.5
150,000	$2.74	50,000	$2.74	(i)	4.7
1,317,500	$2.61	439,167	$2.61	(i)	4.9
1,350,000	$2.81	1,350,000	$2.81		2.4
832,500	$2.97	277,500	$2.97	(i)	4.4
300,000	$3.06	100,000	$3.06	(i)	4.6
250,000	$3.46	83,333	$3.46	(i)	4.2
1,840,000	$3.47	1,260,000	$3.47	(i)	3.8
2,503,333	$3.99	1,746,666	$3.99	(i)	3.1
400,000	$4.96	266,667	$4.96	(i)	3.6
11,115,083	**$2.87**	**7,745,083**	**$2.69**		**3.2**

(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 and Level 2.

Financial instrument risk exposure

As at June 30, 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 June 30, 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 June 30, 2023, the Company had a working capital balance of $18,109,856, including cash of $11,371,919.

(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 June 30, 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 $1,173,101 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 $184,850 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 in 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.