



ISOENERGY LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended December 31, 2017

Dated: March 1, 2018

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 year ended December 31, 2017 and includes events up to the date of this MD&A. This discussion should be read in conjunction with the audited consolidated financial statements as at and for the years ended December 31, 2017 and 2016 and the notes thereto (together the "**Annual Financial Statements**"), and other corporate filings, including IsoEnergy's annual information form, all of which are available under the Company's profile on SEDAR at www.sedar.com. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

This MD&A contains forward-looking information. Please see "Note Regarding Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions used to develop the Company's forward-looking information.

Technical Disclosure

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

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

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

The historical estimate was prepared with the polygonal method using only intervals greater than 0.1% U₃O₈ with a vertical thickness of at least 1.0 metre. Polygon sides were determined by drawing lines perpendicular to, and one half the distance to each adjacent drill hole. Estimated uranium was then obtained by multiplying the polygon areas by their thickness, a specific gravity of 2.5, and the grade of the drill hole interval. The mineral resource was classified as inferred.

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

BACKGROUND

Overview

The principal business activity of IsoEnergy is the acquisition and exploration of uranium mineral properties, principally in the Athabasca Basin of Saskatchewan. IsoEnergy's principal assets are: (i) a 100% interest in the Radio Project, Saskatchewan (subject to a 2% net smelter return royalty and 2% gross overriding royalty); (ii) a 100% interest in the Thorburn Lake Project, Saskatchewan (subject to a 1% net smelter return royalty and a 10% carried interest which can be reduced to 1% at the holder's option upon completion of a bankable feasibility study); (iii) a 100% interest, in each of the Madison, 2Z, Carlson Creek and North Thorburn properties, Saskatchewan; (iv) a 100% interest in the Mountain Lake property, Nunavut; (v) a 100% interest in the Geiger property, Saskatchewan; and (vi) a 100% interest in the Fox, East Rim, Full Moon and Whitewater properties, Saskatchewan.

Figure 1 below sets forth the location of the Company's properties in Saskatchewan.

Figure 1 – Property Location Map



History

IsoEnergy is the product of an amalgamation completed on October 12, 2016 between a company also called "IsoEnergy Ltd" ("**Old IsoEnergy**") and 1089338 B.C. Ltd. (then a wholly-owned subsidiary of NexGen Energy Ltd.), pursuant to section 269 of the British Columbia *Business Corporations Act* (the "**Old IsoEnergy Merger**"). Old 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. NexGen's common shares are listed and posted for trading on the Toronto Stock Exchange and NYSE American LLC. As of the date hereof, NexGen holds 63.9% of the outstanding IsoEnergy common shares

Pursuant to the Old IsoEnergy Merger, each outstanding common share of Old IsoEnergy was exchanged for one common share of the amalgamated entity, namely IsoEnergy or the Company, which had the same business and capital structure as Old IsoEnergy. Pursuant to the Old IsoEnergy Merger, NexGen was issued one common share of the amalgamated entity in exchange for its one common share of 1089338 B.C. Ltd.

Prior to the IsoEnergy Merger, and pursuant to a transfer agreement between Old IsoEnergy and NexGen, Old IsoEnergy acquired all of NexGen's interest in the Radio Project (including by way of assignment, the Radio Option Agreement (as defined below)), the Thorburn Lake Project and the Madison, 2Z and Carlson Creek properties, all early stage exploration properties located in the Athabasca Basin, Saskatchewan, effective June 17, 2016, (collectively, the "**Transferred Property Interests**"). As consideration for the Transferred Property Interests, Old IsoEnergy issued 29 million common shares to NexGen at a price of \$1.00 per common share.

In addition, on June 30, 2016 Old IsoEnergy acquired the North Thorburn property in exchange for one million common shares at a price of \$1.00 per common share and a cash payment of \$100,000.

In the period from incorporation to approximately August 15, 2016, pending completion of the brokered and non-brokered private placements, NexGen financed Old IsoEnergy's operational expenses. As of August 15, 2016, approximately \$458,400 was owing by Old IsoEnergy to NexGen in that regard. On August 16, 2016, NexGen converted \$450,000 of the amount owing by Old IsoEnergy to NexGen into 450,000 common shares at a price of \$1.00 per share.

On October 13, 2016, Airesurf Network Holdings Inc. ("**Airesurf**") and 2532314 Ontario Ltd., a wholly-owned subsidiary of the Company incorporated for the purpose of this transaction with Airesurf, amalgamated under the Ontario *Business Corporations Act* to form IsoOre Ltd. ("**IsoOre**"), a wholly-owned subsidiary of the Company (the "**Airesurf Transaction**").

Both the Airesurf Transaction and the Old IsoEnergy Merger were part of a series of transactions completed in connection with the Company's application to list its common shares on the TSX Venture Exchange (the "**TSXV**").

On October 19, 2016, IsoEnergy was listed on the TSXV as a Tier 2 Mining Issuer.

OVERALL PERFORMANCE

General

In the year ended December 31, 2017, the Company carried out exploration work on some of its properties in the Athabasca Basin and increased its property portfolio by way of acquisition and staking, all as more particularly discussed below under "Results of Operations".

As an exploration stage company, IsoEnergy does not have revenues and is expected to generate operating losses. As at December 31, 2017, the Company had cash of \$3,324,582, an accumulated deficit of \$5,028,341 and working capital (defined as current assets less accounts payable and accrued liabilities) of \$3,254,131.

The Annual Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Industry and Economic Factors that May Affect the Business

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

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

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

SELECTED FINANCIAL INFORMATION

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

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

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

Results of Operations

During the year ended December 31, 2017 the Company capitalized \$2,775,049 of exploration and evaluation assets compared to \$2,891,814 in the the period from February 2 (incorporation) to December 31, 2016 (the “**December 2016 Period**”). See discussion of this in the Discussion of Operations section below.

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

For the years ended December 31			
	2017	2016 ⁽¹⁾	
Share-based compensation	\$ 977,641	\$ 829,913	
Salaries and directors' fees	690,694	457,806	
Investor relations	172,640	171,412	
Office and administrative	148,412	80,527	
Professional and consultant fees	331,515	124,617	
Travel	153,927	64,710	
Public company costs	66,610	80,596	
Employee relocation expense	-	72,998	
Exploration costs	301	21,870	
Airesurf acquisition and listing costs	-	565,079	
Interest income	(25,391)	-	
Loss from operations	(2,516,349)	(2,469,528)	
Deferred income tax recovery (expense)	33,312	(75,776)	
Loss and comprehensive loss	\$ (2,483,037)	\$ (2,545,304)	

(1) Commencing on February 2, 2016, the date of incorporation of Old IsoEnergy.

As stated above, IsoEnergy is the result of the Old IsoEnergy Merger and for accounting purposes the business of IsoEnergy is that of Old IsoEnergy. As also stated above, Old IsoEnergy was incorporated on February 2, 2016. Accordingly, the Company has only completed one fiscal year and one partial fiscal year.

Year ended December 31, 2017 vs the period from February 2 to December 31, 2016

During the year ended December 31, 2017, the Company recorded a loss of \$2,483,037 compared to \$2,545,304 in the December 2016 Period. The loss was lower in the year ended December 31, 2017 as compared to the December 2016 Period as costs related to the Airesurf Transaction, TSXV listing costs and the employee relocation expenses were one-time items incurred in the December 2016 Period. The Company only commenced exploration activities during the September 2016 quarter and as a result In the year ended December 31, 2017 there was higher stock-based compensation and an overall increased level of activity as compared to the December 2016 Period.

Share-based compensation charged to the statement of loss and comprehensive loss was \$977,641 in the year ended December 31, 2017 compared to \$829,913 in the December 2016 Period. The stock-based compensation expense is a non-cash charge calculated using the graded vesting method of the Black-Scholes values. Stock options granted to directors, consultants and employees vest over two years with the corresponding share-based compensation expense being recognized over this period. Variances in share-based compensation expense are expected from period to period depending on many factors, including whether options are granted in a period and whether options have fully vested or have been cancelled in a period. In October 2016, the Company granted 3,775,000 options with a weighted average

fair value per option of \$0.69 with this value being recognized over the vesting period. During the year ended December 31, 2017, an additional 300,000 stock options were granted with a weighted average fair value per option of \$0.68. As at the date hereof, there is an aggregate of 4,075,000 options outstanding, of which 2,733,332 have vested.

Administrative salaries and directors' fees were \$690,694 for the year ended December 31, 2017 compared to \$457,806 in the December 2016 Period as employees were not hired until July 2016 and director compensation only began in the third quarter of 2016. With an increase in exploration activity in 2017, there was an increase in the salaries allocated to exploration and evaluation assets which are capitalized to the balance sheet.

Investor relations expenses were \$172,640 for the year ended December 31, 2017 compared to \$171,412 in the December 31, 2016 Period and related primarily to costs incurred in dealing with existing and potential shareholders.

Office and administrative expenses were \$148,412 for the year ended December 31, 2017 compared to \$80,527 in the December 2016 Period and consisted of office rent and other general administrative costs. Office rent was \$70,048 in the year ended December 31, 2017 compared to \$34,732 in the December 31, 2016 Period. Other general administrative expenses included communication, professional membership dues, bank charges and staff training. As stated above, the relative increase in office and administrative expenses is due to the fact that the Company's operations did not commence until July 2016.

Professional fees were \$331,515 for the year ended December 31, 2017 and consisted of legal, technical and accounting fees compared to \$124,617 for the December 31, 2016 Period. Professional fees for the December 2016 Period related primarily to accounting fees for the Company's application to list its common shares on the TSXV and included some legal fees for general corporate purposes. Professional fees incurred in the year ended December 31, 2017 included technical and legal fees related to the Company's business development activities, as well as accounting and tax fees related to regulatory filings and legal fees incurred primarily in connection with the Company's property acquisitions and OTCQX listing.

Travel expenses were \$153,927 for the year ended December 31, 2017 and related to business development and general corporate activities. In the December 31, 2016 Period travel expenses were \$64,710 and related to general corporate travel for marketing private placements and business development activities.

Public company costs were \$66,610 for the year ended December 31, 2017 compared to \$80,596 in the December 31, 2016 Period and consist primarily of costs associated with the Company's continuous disclosure obligations, listing fees, transfer agent costs, press releases and other shareholder communication. The listing fees were higher in 2016 due to the application fees on initial listing of the Company's shares on the TSXV.

The Company recorded interest income of \$25,391 in the year ended December 31, 2017 representing interest earned on cash balances. Cash balances were higher in 2017 due to the proceeds of financings completed late in 2016 and early 2017.

A reconciliation of income taxes based on statutory rates and reported taxes is set forth below:

	For the year ended December 31	
	2017	2016
Loss from operations	\$ (2,516,349)	\$ (2,469,528)
Statutory rate	26.75%	27%
Expected income tax recovery	\$ (673,123)	\$ (666,773)
Permanent differences		
Share-based compensation	261,519	224,077
Airesurf acquisition (before transaction costs)	-	95,833
Other	(1,409)	561
Flow-through share renunciation	579,662	636,330
Release of flow-through share premium liability	(199,961)	(214,252)
Deferred income tax expense (recovery)	\$ (33,312)	\$ 75,776

The Company records a deferred tax recovery or expense which is comprised of a recovery on losses recognized in the period, the release of flow-through share premium liability which is offset by the flow-through share renunciation. In the year ended December 31, 2017, this resulted in a recovery of \$33,312 compared to an expense of \$75,776 in the December 2016 Period due primarily to a higher spending on flow-through eligible activities in 2016 which resulted in a higher flow-through share renunciation and release of flow-through share premium liability in 2016.

The Company raises some of its funds through the issuance of flow-through shares. Based on Canadian tax law, the Company is required to spend this amount on eligible exploration expenditures by December 31 of the year after the shares are issued. The premium paid for each flow-through share, which is the price paid for the flow-through share over the market price of an ordinary share, is recorded as a flow-through share premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of flow-through premium is then recorded as a deferred tax benefit.

Financial Position

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

	December 31, 2017	December 31, 2016
Exploration and evaluation assets	\$ 39,065,805	\$ 32,991,814
Total assets	\$ 42,515,778	\$ 39,791,620
Total current liabilities	\$ 247,061	\$ 468,309
Total non-current liabilities	\$ 280,740	\$ 136,588
Working capital ⁽¹⁾	\$ 3,254,131	\$ 6,416,503
Cash dividends declared per share	Nil	Nil

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

During the year ended December 31, 2017 the Company capitalized \$2,775,049 of exploration and evaluation assets compared to \$2,891,814 in the December 2016 Period. See "Discussion of Operations" below.

During the year ended December 31, 2017, the Company capitalized \$6,073,991 of exploration expenditures, of which \$2,383,187 was cash expenditures (see Exploration and Evaluation Spending below) and \$3,298,942 which related to the purchase price paid for the acquisition of the Radio property and the Geiger property (consisting of \$247,988 in cash and the balance in common shares). In addition, the Company received net proceeds of \$1,016,679 from the issuance of common shares and incurred a loss of \$2,483,037, and cash outflows from operations of \$1,536,250 (see discussion above).

DISCUSSION OF OPERATIONS

Corporate

In February 2017, the Company acquired the Mountain Lake uranium deposit in the Hornby Bay Basin, Nunavut. The property consists of five claims totaling 5,625 hectares and was acquired by staking. Mountain Lake is located 100 kilometres southwest of the coastal community of Kugluktuk. The property contains a historical inferred mineral resource estimate of 8.2 million pounds U₃O₈ with an average grade of 0.23% U₃O₈ contained in 1.6 million tonnes of mineralization.

On May 26, 2017, the Company completed a private placement of 999,999 flow-through common shares at a price of \$1.10 per share, raising aggregate gross proceeds of \$1,099,999.

On July 5, 2017, the Company acquired a 100% interest the Radio property in exchange for 3,000,000 common shares in the Company. The Company previously had the right to earn a 70% right, title and interest in the Radio property upon incurring \$10,000,000 of expenditures on the Radio Project by July 5, 2017.

On July 26, 2017, IsoEnergy began trading on the OTCQX under the symbol "ISENF".

On August 8, 2017, IsoEnergy acquired a 100% interest in three mineral claims constituting the 4,188-hectare Geiger property in the Eastern Athabasca Basin of Saskatchewan from Cameco Corporation, AREVA Resources Canada Inc. and JCU (Canada) Exploration Company, Limited in exchange for an aggregate of 1,000,000 common shares in the Company and a cash payment of \$100,000.

The Geiger property is located adjacent to the Wollaston-Mudjatik transition zone - a major crustal suture in the eastern Athabasca Basin. Sandstone cover at the Geiger property is relatively thin and ranges between 101 metres and 358 metres in previous drilling. A total of 56 historic drill holes have been completed at the Geiger property along 20 kilometres of graphitic conductors. High grade basement hosted uranium mineralization is present on the Geiger property. Drill hole HL-50 intersected 2.74% U₃O₈ over 1.2 metres in the basement on the H11 South conductor. Follow-up efforts were focused primarily on locating mineralization at the sub-Athabasca unconformity. Consequently, opportunities for additional basement hosted mineralization proximal to HL-50 are considered to be excellent. Additionally, drill hole HL-48 intersected 0.18% U₃O₈ over 0.6 metres above the unconformity along the H11 North conductor. Numerous untested gaps up to 1,000 metres long are present on the majority of the conductors on the property.

In November, 2017, the Company staked three new 100% owned uranium exploration properties called Fox, East Rim and Full Moon in the Eastern Athabasca Basin of Saskatchewan. IsoEnergy has also staked additional claims that have been consolidated into the Geiger property discussed above. The aggregate area of all new claims is 14,554 hectares.

Effective December 21, 2017, the Company sold its interest in IsoOre, for nominal consideration and as of December 31, 2017, the Company does not have any subsidiaries.

Recent Developments

On January 16th, 2018 the Company staked the 25,966-hectare Whitewater property along the north rim of the Athabasca basin.

Also in January 2018, the Company commenced a program of 2,800 metres of core drilling in 8 drill holes focused on two target areas which surround the mineralization identified in drill holes HL-50 and HL-76. The objective of the program is to evaluate the area for potential extensions of previously drilled, basement hosted mineralization. The results will be used to determine the orientation and morphology of the mineralization and alteration, allowing the Company's technical team to vector into the core of the systems.

Exploration and Evaluation Spending

During the year ended December 31, 2017, IsoEnergy actively explored three of its nine properties, Radio, Thorburn Lake and Madison, and prepared for a winter drill program in the first quarter of 2018 at the Geiger property.

During the year ended December 31, 2017, IsoEnergy incurred an aggregate of \$2,775,049 of deferred exploration expenditures on its properties as set forth below.

2017	Radio	Thorburn Lake	Madison	Other	Total
Drilling	\$ 554,119	\$ 595,549	\$ 383	\$ 18,045	\$ 1,168,096
Geological and geophysical	-	274,683	103,994	(180)	378,497
Labour and wages	114,222	141,320	31,179	223,677	510,398
Geochemistry and assays	74,410	68,725	-	-	143,135
Camp costs	45,678	58,314	22	6,589	110,603
Travel and other	11,168	17,612	2,189	41,429	72,398
Cash expenditures	799,597	1,156,203	137,767	289,560	2,383,127
Stock-based compensation	85,007	105,788	19,920	146,760	357,475
Depreciation	14,526	19,921	-	-	34,447
Total expenditures	\$ 899,130	\$ 1,281,912	\$ 157,687	\$ 436,320	\$ 2,775,049

During the period between incorporation to December 31, 2016, IsoEnergy actively explored three of its six properties, Radio, Thorburn Lake, and North Thorburn. A description of these exploration activities is set forth below.

During the period from incorporation (February 2, 2016) to December 31, 2016, IsoEnergy incurred an aggregate of \$2,891,814 on deferred exploration on its properties as set forth below

2016	Radio	Thorburn Lake	North Thorburn	Other	Total
Drilling	\$ 862,468	\$ 334,694	\$ -	\$ -	\$ 1,197,162
Geological and geophysical	5,178	429,839	284,160	-	719,177
Geochemistry and assays	106,232	44,959	-	-	151,191
Labour and wages	189,377	167,803	14,327	4,417	375,924
Camp costs	86,496	32,964	-	-	119,460
Travel and other	30,004	16,607	3,333	290	50,234
Cash expenditures	1,279,755	1,026,866	301,820	4,707	2,613,148
Share-based compensation	171,801	84,619	-	-	256,420
Depreciation	14,905	7,341	-	-	22,246
Total expenditures	\$ 1,466,461	\$ 1,118,826	\$ 301,820	\$ 4,707	\$ 2,891,814

A description of these exploration activities during the year ended December 31, 2017 and 2016 is set forth below.

Radio - 2017

At the Radio property, drilling was carried out between January 17 and February 9, 2017 with two core rigs completing 10 drill holes totaling 3,913 metres. Eight of the 10 drill holes targeted a zone of basement clay alteration identified in 2016. Some of the drilling infilled gaps on sections tested in 2016, but most consisted of 200 metre step-outs along-strike or 50-100 metre step-outs up-dip and down-dip. Drill hole RD17-27, a 50-metre step-out up-dip of 2016 drill hole RD16-21A, is the first drill hole at Radio to encounter elevated uranium geochemistry. It intersected 143 ppm uranium over 0.2 metres (240.5-240.7 metres) in a clay altered graphitic fault within the broader zone of basement clay alteration. Although the alteration zone was extended along strike to the northeast, it is waning in volume and intensity in that direction. As well, no significant basement alteration was observed in step-outs to the southwest. Additionally, one hole was drilled to complete a 2013 drill fence along the Roughrider trend, and another was completed on a DC-resistivity anomaly in the northern part of the property.

Radio - 2016

At the Radio property, a program of core drilling was started on September 19, 2016. The program consisted of 13 drill holes totalling 4,946 metres and was completed on October 14, 2016. The program evaluated three metasedimentary corridors for the presence of features indicative of nearby uranium mineralization. Results from several drill holes in the southern corridor were positive, as they encountered a large volume of basement clay alteration associated with graphitic fault zones. Samples of the graphitic fault zones are elevated in common uranium pathfinder elements such as molybdenum (up to 184 ppm), nickel (up to 274 ppm), cobalt (up to 45 ppm) and vanadium (up to 270 ppm). Systematic sampling through the alteration zones for shortwave infrared (SWIR) reflectance analysis indicates that the clay alteration zone is illitic, similar to the clay alteration zone that surrounds the nearby Roughrider deposit.

Thorburn Lake - 2017

In the first quarter of 2017, a total of 4,512 metres of drilling was completed in 10 drill holes at Thorburn Lake. The focus of the program was to evaluate extensions of the weakly mineralized zone drilled in 2016 along-strike to the northeast beneath lake ice, and to evaluate geophysical anomalies generated by a DC-resistivity geophysical program also completed in 2016. Depth to the sub-Athabasca unconformity at Thorburn Lake ranges from 290 to 350 metres. Although no significant mineralization was intersected, drill holes TBN17-21 and TBN17-28 extended favourable structure and graphitic units to the northeast. Additionally, coincident structure, alteration and anomalous uranium pathfinder element geochemistry in the sandstone of drill holes TBN-17-23 and TBN-17-27 suggests that they may have over-shot their optimal targets.

In the fourth quarter of 2017, a program of ground geophysics was completed. The program consisted of 49.5 line-kilometres of DC-Resistivity surveying on grid lines spaced 200 metres apart. This work extended coverage to the southwest of the area surveyed with DC-Resistivity in 2016 and was designed to initiate exploration on the western half of the property. Compilation and interpretation of the data with prior geophysical surveys has resulted in the identification of target areas that warrant drilling. The target areas are discrete resistivity low anomalies in the basement that coincide with magnetic lineaments. These features may represent areas of hydrothermal alteration along major structures that could be related to basement hosted uranium mineralization.

Thorburn Lake - 2016

Work at the Thorburn Lake property consisted of a direct current resistivity (“**DC-Res**”) survey that began on August 31, 2016 and was completed on October 12, 2016. Approximately 84 line-kilometres of surveying was completed on grid lines spaced 200 metres apart. The survey was designed to locate areas of basement conductivity that may be related to graphitic structures, and other areas of low resistivity that might indicate clay alteration zones in the sandstone or basement. The Company believes the results are encouraging, as graphitic structures observed in drilling in 2008 and 2011 are coincident with conductive features in the survey results. Also, other local areas of low resistivity are observed in the data that may indicate the presence of clay alteration zones.

A program of core drilling at Thorburn Lake began on October 14, 2016 and was completed on November 6, 2016. A total of 2,587 metres was drilled in six drill holes. Several targets were evaluated in an area characterized by widespread elevated uranium geochemistry and local weak uranium mineralization drilled in 2011 by a previous operator. Elevated radioactivity at the sub-Athabasca unconformity was observed in five of the six recently completed drill holes. The highlight was TBN16-19 where radioactivity up to 1,900 counts per second (30-40 times background) was measured with a hand-held SRAT SPP2 scintillometer in an interval straddling the unconformity. Geochemical results from the radioactive interval in TBN16-19 returned 0.10% U_3O_8 over 0.5 metres.

Madison - 2017

A total of 20 line-kilometres of DC-resistivity geophysical surveying was completed at the Madison property during the period from March 28th to April 21st, 2017. Results have been compiled and combined with the results of an airborne electromagnetic (VTEM) survey flown by NexGen in 2014. A preliminary interpretation of the combined datasets has resulted in the identification of several drilling targets, many of which are discrete VTEM anomalies coincident with DC-resistivity lows and/or magnetic lineaments.

Geiger - 2017

Targeting and drill program planning activities were completed at Geiger during the fourth quarter of the fiscal year ended December 31, 2017 in preparation for a 2018 drill program. The objective of the program is to evaluate two areas with historic intersections of basement hosted uranium mineralization. The results will be used to determine the orientation and morphology of the mineralization and alteration, allowing the Company's technical team to vector into the core of the systems.

North Thorburn - 2016

A program of ground gravity geophysical surveying was completed at the North Thorburn property in June, 2016. During the survey, gravity was measured at 380 new stations spaced 50 metres apart along 200 metre spaced grid lines.

Additionally, a 50 line-kilometre DC-Res geophysical survey was completed on November 15, 2016. As with the DC-Res survey described above at the Thorburn Lake property, the objective was to locate areas of basement conductivity that may be related to graphitic structures, and other areas of low resistivity that might indicate clay alteration zones in the sandstone or basement. Three zones of low resistivity are evident in the results, all of which are located in the northeast part of the survey area. Each of the zones coincides with interpreted structures from previous geophysical surveys and thus each represents multiple drill targets.

Outlook

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

As of the date hereof however, the Company's exploration priorities are the Geiger property and its Thorburn Lake property. As stated above, in January 2018, the Company commenced a 2,800 metre, 8-hole program at its Geiger property. Future work on the Thorburn Lake property will include follow-up drilling in the area of TBN17-23 and 27, drill evaluations of other geophysical anomalies generated in 2016 and geophysical anomalies generated by the survey recently completed in 2017.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's financial statements prepared in accordance with IFRS applicable to interim financial reporting including IAS 34. For all quarterly periods other than those ended December 31, the information below should be read in conjunction with the Company's interim financial statements for each of the past seven quarters.

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

	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss	\$ (396,968)	\$ (616,982)	\$ (657,860)	\$ (811,228)	\$ (1,889,543)	\$ (429,496)	\$ (226,265)
Basic loss per share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.05)	\$ (0.01)	\$ (0.05)
Diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.05)	\$ (0.01)	\$ (0.05)

As stated above, the Company was incorporated on February 2, 2016, accordingly the Company has only completed seven financial quarters.

IsoEnergy does not derive any revenue from its operations. Its primary focus is the acquisition, exploration and evaluation of mineral properties. As a result, the loss per period has fluctuated depending on the Company's activity level and periodic variances in certain items. Quarterly periods are therefore not comparable.

LIQUIDITY AND CAPITAL RESOURCES

IsoEnergy has no revenue-producing operations, earns only minimal interest income on cash, and is expected to have recurring operating losses. As at December 31, 2017, the Company had an accumulated deficit of \$5,028,341.

As at the date of this MD&A, the Company has approximately \$2.8 million in cash. The Company's working capital balance as at the date of this MD&A is approximately \$2.5 million, of which \$0.4 million represents proceeds from the issue of flow-through shares, and is allocated to eligible exploration expenditures which must be incurred by December 31, 2018.

As at the date hereof the Company has sufficient funds to finance its general and administrative costs for at least the next 12 months and, as stated above, incur the balance of its eligible exploration expenditures by December 31, 2018. Pending additional financing, the Company has otherwise reduced its exploration activities.

The Company's properties are in good standing with the applicable governmental authority until between March 20, 2018 and May 25, 2039 and the Company does not have any contractually imposed expenditure requirements.

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

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

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at December 31, 2017 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 consists of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel as a group for the year ended December 31, 2017 is summarized as follows:

Related Party	Relationship	2017			2016		
		Salaries, fees and benefits	Share-based payments	Total	Salaries, fees and benefits	Share-based payments	Total
Leigh Curyer	Director	\$ 60,000	\$ 136,123	\$ 196,123	\$ 30,000	\$ 131,873	\$ 161,873
Richard Patricio	Director	45,000	90,748	135,748	21,250	87,915	109,165
Trevor Thiele	Director	50,000	90,748	140,748	25,000	87,915	112,915
Christopher McFadden	Director	40,000	90,748	130,748	20,000	87,915	107,915
Garrett Ainsworth	Director	40,000	90,748	130,748	20,000	87,915	107,915
Craig Parry	Chief Executive Officer	312,880	444,654	757,534	286,152	293,052	579,204
Janine Richardson	Chief Financial Officer	95,714	30,249	125,963	45,719	29,305	75,024
Steve Blower	Vice-president exploration	242,190	90,748	332,938	125,837	87,915	213,752
Joanna Cameron	Corporate secretary	40,000	60,499	100,499	20,000	58,610	78,610
		\$ 925,784	\$1,125,265	\$2,051,049	\$ 593,958	\$ 952,415	\$1,546,373

The remuneration was allocated as follows:

	2017	2016
Capitalized to exploration and evaluation assets	\$ 691,264	\$ 503,354
Expensed in the statement of loss and comprehensive loss	1,359,785	1,043,019
	\$ 2,051,049	\$ 1,546,373

As of December 31, 2017, \$nil (December 31, 2016 – \$70,012) was included in accounts payable and accrued liabilities owing to directors and officers for compensation.

FOURTH QUARTER

During the fourth quarter of 2017, the Company capitalized \$500,368 of exploration and evaluation costs related primarily to the Thorburn Lake geophysical program as described above under “*Discussion of Operations*”.

During the three months ended December 31, 2017 the Company had a loss of \$396,968 compared to \$1,889,543 in the three months ended December 31, 2016. The loss was higher in the three-months ended December 31, 2016 primarily due to stock-based compensation expense being higher by \$693,030 due to the Company's initial stock option grant of 3,000,000 options in October of 2016 and the costs associated with the Airesurf Transaction (including listing fees). The fourth quarter of 2016 was also adversely impacted by higher investor relations costs and income taxes as discussed below.

Share-based compensation charged to the statement of loss and comprehensive loss was \$139,883 in the three months ended December 31, 2017 compared to \$829,913 in the three months ended December 31, 2016. The stock-based compensation expense is a non-cash charge calculated using the graded vesting method of the Black-Scholes values. Stock options granted to directors and employees vest over two years with the corresponding share-based compensation expense being recognized over this period. Variances in share-based compensation expense are expected from period to period depending on many factors, including whether options are granted in a period and whether options have fully vested or have been cancelled in a period. In October 2016 the Company granted 3,775,000 options with a weighted average fair value per option of \$0.69 and are being recognized over the vesting period, two-thirds of which were fully vested by October 25, 2017. During the first half of 2017, an additional 300,000 stock options were granted with a weighted average fair value per option of \$0.68.

Administrative salaries and directors' fees totalling \$154,321 for the three months ended December 31, 2017 were lower than the \$179,911 for the three months ended December 31, 2016 due to a higher proportionate allocation of salaries being recorded as general and administrative expenses in 2016. In 2016, efforts were focussed on completing the Airesurf Transaction and listing on the TSXV compared to 2017, when exploration activities were a higher priority. Additional salaries and contractor fees are included in exploration and evaluation assets.

Investor relations expenses were \$21,906 for the three months ended December 31, 2017 compared to \$171,412 for the three months ended December 31, 2016 and relate primarily to costs incurred in dealing with existing and potential shareholders. The costs were higher in the fourth quarter of 2016 as the Company initiated and completed a comprehensive promotional campaign to introduce the Company to the capital markets, upon it becoming a reporting issuer in October 2016.

Office and administrative expenses were \$36,005 for the three months ended December 31, 2017 compared to \$33,937 in the three months ended December 31, 2016 and consisted of office rent and other general administrative costs.

Professional fees were \$43,663 for the three months ended December 31, 2017 and consisted of legal, technical and accounting fees compared to \$(150,500) for the three months ended December 31, 2016. Professional fees for the three months ended December 31, 2017 included technical and legal fees related to the Company's business development activities, accounting and tax fees related to regulatory filings and legal fees for general corporate matters. In 2016, prior to the completion of the Airesurf Transaction, professional fees consisted of legal fees incurred in connection with the Company's application to list its common shares on the TSXV and the completion of the Airesurf Transaction. Many of these costs were incurred prior to completion of the Airesurf Transaction. Following completion of the Airesurf Transaction, these costs were reclassified from professional fees to Airesurf acquisition and listing expenses to better reflect the one-time nature of the costs.

Travel expenses were \$17,738 for the three months ended December 31, 2017 and related to business development and general corporate activities. In the three months ended December 31, 2016, travel expenses were \$19,010 and related to general corporate travel relating to marketing of private placements and business development activities.

Public company costs were \$5,915 for the three months ended December 31, 2017 and consisted primarily of costs associated with the Company's continuous disclosure obligations and listing fees (including OTCQX), transfer agent costs, press releases and other shareholder communication. The listing fees were higher in 2016 due to initial listing application fees.

The Company recorded interest income of \$10,762 in the three months ended December 31, 2017 earned on cash balances. Cash balances were higher in 2017 due to funds raised late in 2016 and early 2017.

In the three months ended December 31, 2017, the Company recorded a deferred tax recovery of \$8,071 compared to a deferred tax expense of \$147,975 in the three months ended December 31, 2016 due higher spending on eligible flow-through expenditure which results in a higher flow-through share renunciation and release of flow-through share premium liability.

OUTSTANDING SHARE DATA

The authorized capital of IsoEnergy consists of an unlimited number of common shares. As of March 1, 2018, there were 46,060,548 common shares outstanding and 4,515,000 stock options outstanding, each entitling the holder to purchase one common share of IsoEnergy at the prices set forth below.

Stock options outstanding at March 1, 2018 together with the expiry date and exercise price thereof are set forth below:

Number of options	Exercise price per option	Number of options exercisable	Exercise price per option	Expiry date
3,675,000	\$ 1.00	2,450,000	\$1.00	October 25, 2021
100,000	\$ 1.00	100,000	\$1.00	October 24, 2021
250,000	\$ 1.00	166,666	\$1.00	January 4, 2022
50,000	\$ 1.00	16,666	\$1.00	May 25, 2022
440,000	\$ 0.57	146,666	\$0.57	January 8, 2023
4,515,000	\$ 0.96	2,879,998	\$0.98	

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of

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

Information about significant areas of estimation uncertainty considered by management in preparing the Annual Financial Statements is as follows:

i. Impairment

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

ii. Share-based payments

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

CHANGES IN ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 4 to the Annual Financial Statements.

Future Accounting Pronouncements:

The following standards have not been adopted by the Company and are being evaluated to determine their impact:

- IFRS 9 is a new standard that replaced IAS 39 for classification and measurement of financial instruments, effective for annual periods beginning on or after January 1, 2018. The Company does not expect the standard to have a material impact on its financial statements.

- IFRS 16 is a new standard that will replace IAS 17 for the accounting and measurement of leases with a term of more than 12 months, effective for annual periods beginning on or after January 1, 2019. The Company does not expect the standard to have a material impact on its financial statements.
- IFRS 2 is an amended standard to clarify how to account for certain types of share-based payment transactions, effective for annual periods beginning on or after January 1, 2018. The amendments provide for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The extent of the impact of adoption of the amended standard has not yet been determined.

CAPITAL MANAGEMENT

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

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

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

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

FINANCIAL INSTRUMENTS

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

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

Financial instrument risk exposure

As at December 31, 2017, the Company's financial instrument risk exposure and impact thereof on the Company's financial instruments is summarized below:

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at December 31, 2017, the Company has cash on deposit with a large Canadian bank. Credit risk is concentrated as a significant amount of the Company's cash and cash equivalents is held at one financial institution. Management believes the risk of loss to be remote. The Company's amounts receivable consists of input tax credits receivable from the Government of Canada and interest accrued on cash equivalents. Accordingly, the Company does not believe it is subject to significant credit risk.

(b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital to meet short-term obligations. As at December 31, 2017, the Company had a working capital balance of \$3,254,131, including cash of \$3,324,582.

(c) Market Risk

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

(i) Interest Rate Risk

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value of the Company's cash and cash equivalent balances as of December 31, 2017.

(ii) Foreign Currency Risk

The functional currency of the Company is the Canadian dollar. Currency transaction risk and currency translation risk is the risk that fluctuations of the Canadian dollar in relation to other currencies may impact the fair value of financial assets, liabilities and operating results. As of December 31, 2017, the Company had no financial assets and liabilities that were subject to currency translation risk. The Company maintains a Canadian dollar bank account in Canada.

(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.

RISK FACTORS

The operations of the Company are speculative due to the high-risk nature of its business which is the exploration of mining properties. The primary risk factors affecting the Company are set forth below. For a comprehensive list of the risks and uncertainties facing the Company, please see "Risk Factors" in the Company's most recent annual information form and above under "Industry and Economic Factors that May Affect the Business".

Negative Operating Cash Flow and Dependence on Third Party Financing

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

Uncertainty of Additional Financing

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

The Price of Uranium Price and Alternate Sources of Energy

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

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

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

Loss of Entire Investment

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

Mineral Exploration is Speculative

The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities, as major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities. Whether income will result from projects undergoing exploration programs depends on the successful establishment of mining operations. Factors including, but not limited to, government regulations (such as those governing prices, taxes, royalties, land tenure, land use and environmental protection), costs, actual mineralization, size and grade of mineral deposits, consistency and reliability of ore grades and commodity prices may affect successful project development. Few properties that are explored are ultimately developed into producing mines.

Additional Exploration Risks

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

No Known Mineral Resources or Reserves

There are no known bodies of commercial minerals on the Company's mineral exploration properties. The exploration programs undertaken and proposed constitute an exploratory search for mineral resources and mineral reserves or programs to qualify identified mineralization as mineral reserves. There is no assurance that the Company will be successful in its search for mineral resources and mineral reserves.

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 in the Company's statement of loss and comprehensive loss contained in its Annual Financial Statements for the years ended December 31, 2017 and 2016, which is available on IsoEnergy 's website or on its profile at www.sedar.com.

NOTE REGARDING FORWARD-LOOKING INFORMATION

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

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

Forward-looking information and statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of IsoEnergy to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks related to the negative operating cash flow and dependence on third party financing; the uncertainty of additional financing; the limited operating history of IsoEnergy ; the lack of known mineral resources or reserves; the influence of a large shareholder; alternate sources of energy and uranium prices; aboriginal title and consultation issues; risks

related to exploration activities generally; reliance upon key management and other personnel; title to properties; uninsurable risks; conflicts of interest; permits and licences; environmental and other regulatory requirements; political regulatory risks; competition; and the volatility of share prices, all as more particularly described in the "Risk Factors" above.

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

APPROVAL

The Audit Committee and the Board of IsoEnergy have approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information, on the Company's profile SEDAR website at www.sedar.com or by contacting the corporate office, located at 970-1055 West Hasting Street Vancouver, BC, V6E 2E9.