ISOENERGY LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2019

Dated: October 25, 2019

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 nine months ended September 30, 2019 and includes events up to the date of this MD&A. This discussion should be read in conjunction with the unaudited condensed interim financial statements for the three and nine months ended September 30, 2019 and 2018 and the notes thereto (together, the "**Interim Financial Statements**") and other corporate filings, including the audited financial statements for the year ended December 31, 2018 (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 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, Thorburn Lake and Larocque East projects, including its quality assurance and quality control procedures, please see the technical reports entitled "Technical Report for the Radio Project, Northern Saskatchewan" dated effective August 19, 2016,"Technical Report for the Thorburn Lake Project, Northern Saskatchewan" dated effective September 26, 2016, and "Technical Report for the Larocque East Project, Northern Saskatchewan" dated effective May 15, 2019, respectively, in each case, on the Company's profile at www.sedar.com.

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

The historical estimate was prepared with the polygonal method using only intervals greater than 0.1% U_3O_8 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

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 TSXV as a Tier 2 Mining Issuer. 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 53.30% 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*
	Thorburn Lake	2,802	2016	Spun-out from NexGen	1% NSR and 10% CI**
	2Z	354	2016	Spun-out from NexGen	2% NSR*
	Carlson Creek	759	2016	Spun-out from NexGen	1% NSR and 10% CI**
	Madison	1,347	2016	Spun-out from NexGen	2% NSR*
	North Thorburn	1,708	2016	Purchased	None
	Geiger	12,593	2017/8	Purchased	NPI applies to some claims***
	Fox	1,374	2017	Staked	None
	East Rim	6,703	2017	Staked	None
	Full Moon	4,872	2017	Staked	None
	Whitewater	27,529	2018	Staked	None
	Larocque East	8,005	2018/9	Purchased/Staked	None
	Whitewater East	1,147	2018	Staked	None
	Edge	4,218	2019	Staked	None
	Collins Bay Extension	8,577	2019	Staked	None
	subtotal	83,315			
Nunavut	Mountain Lake	5,625	2016	Staked	None
		88,940			

* 2% Net Smelter Royalty ("**NSR**") on minerals other than diamonds, plus a 2% Gross Overriding Royalty on diamonds

** 1% NSR plus a 10% Carried Interest ("**CI**"). The CI can be converted to an additional 1% NSR at the Holder's option.

*** Sliding scale Net Profits Interest ("**NPI**") ranging between 0% and 20% applies to a 7.5% interest in certain claims.

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

Figure 1 – Property Location Map

OVERALL PERFORMANCE

General

In the three months ended September 30, 2019, the Company carried out exploration work on the Larocque East, Full Moon and East Rim properties in the Athabasca Basin as discussed below under "Discussion of Operations".

As an exploration stage company, IsoEnergy does not have revenues and is expected to generate operating losses. As at September 30, 2019, the Company had cash of $988,299, an accumulated deficit of $8,483,014 and working capital (defined as current assets less accounts payable and accrued liabilities and current portion of lease liability) of $1,051,105.

The Interim 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.

DISCUSSION OF OPERATIONS

Corporate Activities in 2018

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

On March 29, 2018, the Company acquired a 100% interest in 33 mineral claims in the Dawn Lake property constituting the 6,800-hectare Dawn Lake North Block in the Eastern Athabasca Basin of Saskatchewan, in exchange for $200,000 in cash and 3,330,000 common shares. Dawn Lake North is contiguous with IsoEnergy's the Geiger property and is located 10 kilometres northwest of IsoEnergy's Radio property and 15 kilometres northwest of Orano Canada's McClean Lake uranium mine and mill. It is treated as an expansion of the Geiger property and the combined set of claims are referred to as Geiger. The total area of the expanded Geiger property is 12,593 hectares.

On April 19, 2018, the Company closed a flow-through and non-flow-through non-brokered private placement. The Company issued 1,675,000 flow-through units (the "**FT Units**") at $0.54 per FT Unit and 3,125,520 non-flow-through units (the "**Units**") at $0.40 per Unit raising aggregate gross proceeds of $2,154,708. Each FT Unit consisted of one flow-through common share and one-half of a share purchase warrant (each whole warrant, a "**Warrant**"), with each Warrant entitling the holder to purchase an additional common share for a period of three years at an exercise price of $0.60. Each Unit consisted of one non-flow-through common share and one-half of a Warrant.

On May 3, 2018, the Company entered into an agreement to acquire a 100% interest in 6 mineral claims constituting the 3,200-hectare Larocque East uranium exploration property in the Eastern Athabasca Basin of Saskatchewan, in exchange for $20,000 in cash and 1,000,000 common shares (the "**Transaction**"). The Transaction closed May 9, 2018.

Additional staking was carried out to extend the Whitewater property on May 14, 2018. The total area of the Whitewater property is now 27,529 hectares. On the same day a new property called Whitewater East (1,147 hectares) was also acquired through staking.

On December 20, 2018, the Company issued 9,173,200 flow-through shares of the Company (the "**FT Shares**") at a price of $0.44 per FT Share for aggregate gross proceeds of approximately $4,036,208 and 3,999,600 non flow-through common shares at a price of $0.38 per common share for gross proceeds of approximately $1,519,848. Share issuance costs were $396,772, net of $104,618 of tax. Share issuance costs includes 553,548 brokers' warrants which were valued using the Black-Scholes model.

Corporate Activities in 2019

In the nine months ended September 30, 2019 the Company was focused primarily on exploration activities at the Hurricane Zone on the Larocque East property in the Eastern Athabasca as discussed below.

Exploration and Evaluation Spending

During the nine months ended September 30, 2019, IsoEnergy established a camp at the Larocque East property, completed a winter drilling program and then completed a summer drilling program. During the nine months ended September 30, 2019 the Company incurred the following exploration and evaluation expenditures:

	Larocque East	Other properties	Total
Drilling	$ 1,868,644	$ 8,687	$ 1,877,331
Geological and geophysical	352,925	228,701	581,626
Labour and wages	446,448	18,889	465,337
Geochemistry and assays	244,933	-	244,933
Camp costs	653,098	8,970	662,068
Travel and other	80,733	15	80,748
Cash expenditures	$ 3,646,781	$ 265,262	$ 3,912,043
Share-based compensation	78,675	-	78,675
Depreciation	6,604	-	6,604
Total expenditures	$ 3,732,060	$ 265,262	$ 3,997,322

During the year ended December 31, 2018, IsoEnergy completed a winter drill program at the Geiger property and then completed a summer drill program at the Geiger property, which included one drill hole on the newly acquired Larocque East property. Additionally, a program of airborne radiometric/magnetic geophysical surveying was completed at the Whitewater property. The Company incurred the following exploration and evaluation expenditures:

	Geiger	Larocque East	Whitewater	Other	Total
Drilling	$ 970,350	$112,199	$ -	$ 21,412	$1,103,961
Geological and geophysical	1,475	14,640	132,994	2,898	152,007
Labour and wages	305,717	308,065	39,643	40,184	693,609
Geochemistry and assays	92,035	12,181	-	-	104,216
Camp costs	126,829	15,241	-	-	142,070
Travel and other	42,314	15,992	10,907	2,995	72,208
Cash expenditures	1,538,720	478,318	183,544	67,489	2,268,071
Stock-based compensation	110,348	111,195	14,309	-	235,852
Depreciation	11,295	6,322	-	-	17,617
Total expenditures	$1,660,363	$595,835	$ 197,853	$ 67,489	$2,521,540

A description of exploration activities during the nine months ended September 30, 2019 and the year ended December 31, 2018 is set forth below.

New Staking – September 2019

In September 2019, two new uranium exploration properties were staked in the eastern Athabasca basin of northern Saskatchewan. An 8,577-hectare property named Collins Bay Extension was staked along trend seven km to the northeast of the Eagle Point – Collins Bay – Rabbit Lake uranium mine and mill complex. Also, a 4,218-hectare property named Edge was staked nine kilometre northeast of the Company's Larocque East property to cover a large area of low magnetic susceptibility that is likely caused by the presence of prospective metasedimentary rocks in the basement.

Larocque East Drilling – Summer 2019

IsoEnergy completed a 17 hole, 7,600 metre program of core drilling at the Hurricane Zone in Larocque East to follow up on the positive results from the Winter 2019 drilling program.

Several of the drill holes intersected high-grade uranium mineralization including LE19-14B, LE19-16A, LE19-18, LE19-18C1, LE19-23, LE19-28 and LE19-29. The program successfully expanded the Hurricane zone to 500 metre long, 40 metre wide and up to 10m thick. The zone is still open in both strike directions and on most cross sections. Further, drill hole LE19-26 was completed as an under-cutting step-out hole 200 metre east of the zone. It intersected significant sandstone alteration and elevated uranium geochemistry on the western edge of a large DC-resistivity anomaly that extends for several kilometres to the east of the current footprint of the Hurricane zone.

A program of core drilling is being planned for the winter 2020 drilling season. The program will have two main objectives – infill large gaps (up to 250-metre-long) in the current drilling pattern and extend mineralization to the east beyond the current zone outline.

East Rim and Full Moon Airborne Geophysical Surveying – Summer 2019

Two Versatile Time Domain Electromagnetic (VTEM-Plus) airborne geophysical surveys were carried out during the quarter ended September 30, 2019, one each at the East Rim and Full Moon properties. The surveying totaled 1,291 line-kilometres; 547 line-kilometres at Full Moon and 744 line-kilometres at East Rim. Data processing and interpretation is underway.

Larocque East DC-Resistivity Geophysical Surveying – Spring 2019

A program of DC-Resistivity ground geophysical surveying was completed during the period April to June, 2019. Approximately 54 line-km of surveying was completed on 20 survey lines spaced 200 metre apart covering the western half of the Larocque conductor system on the Larocque East property. The survey successfully tracks the Larocque conductor system east of the Hurricane zone and highlights several areas with apparent sandstone breaches that may be indicative of enhanced sandstone alteration.

Larocque East Drilling – Winter 2019

During the period January to March 2019, IsoEnergy completed a 5,046 metre, 12-hole drilling campaign on the Larocque East property. The program was designed to evaluate the potential for expansion of the Hurricane Zone mineralization discovered in the summer of 2018. The program was successful, as 11 of the 12 drill holes intersected significant uranium mineralization. Results include several high-grade intersections, including 3.5 metres @ 10.4% U_3O_8 in drill hole LE19-02, 4.0 metres @ 3.8% U_3O_8 in drill hole LE19-06, 4.5 metres @ 4.2% U_3O_8 in drill hole LE19-09 and 8.5 metres @ 3.2% U_3O_8 in drill hole LE19-12. The zone now extends at least 150 metres long and 38 metres wide and is up to 8.5 metres thick. Additional drilling to determine the size and grade of the mineralized body is warranted.

Geiger and Larocque East Drilling – Summer 2018

IsoEnergy completed a summer helicopter supported drilling program at the Geiger and Larocque East properties in July, 2018. The program consisted of 2,366 metres of core drilling in seven drill holes at Geiger, followed by 550 metres of core drilling in one drill hole at Larocque East. At the Geiger property there were two main target areas in the general vicinity of the mineralization observed in winter 2018 drill holes GG18-08 and GG18-09, discussed below under *Geiger – Winter 2018*. None of the Geiger property summer 2018 drill holes were significantly mineralized.

One drill hole (the final drill hole of the summer program), LE18-01A, was completed near the western boundary of the Larocque East property and was significantly mineralized. This new discovery was named the Hurricane Zone. Mineralization within a broad 8.5-metre-long interval of elevated radioactivity straddles the sub-Athabasca unconformity and consists of fracture controlled and disseminated pitchblende with hematite and clay from 338.5-347.0 metres. An off-scale subinterval from 345.0-346.0 metres that includes semi-massive pitchblende averages 6.45% U_3O_8 over 1.0 metre. The highest assay was 0.5 metres of 8.20% U_3O_8 from 345.0-345.5 metres.

Geiger – Winter 2018

During the period January to March, 2018, IsoEnergy completed a program of core drilling at the Geiger property. Drilling totalled 3,411 metres in nine drill holes. A narrow zone of elevated radioactivity was intersected in drill hole GG18-08 and a thicker zone of weakly elevated radioactivity was intersected in drill hole GG18-09.

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, the Company's exploration priorities are the Larocque East, Geiger, Thorburn Lake and Radio properties.

Several exploration activities are planned in the future, but are not currently scheduled due to the Company's current focus on the Hurricane Zone drilling at Larocque East. These activities include additional exploration drilling on several target areas at the 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. At Radio, additional drilling is required to continue to evaluate high priority geophysical targets on the property.

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 and approve the Interim Financial Statements and MD&A.

The Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and should be read in conjunction with IsoEnergy's Annual Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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 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, which represents a material uncertainty.

Results of Operations

During the nine months ended September 30, 2019, the Company capitalized $3,997,322 of exploration costs to exploration and evaluation assets compared to $2,521,540 in the year ended December 31, 2018. The costs of these activities are capitalized to exploration and evaluation assets and 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 IsoEnergy's Interim Financial Statements.

	For the three months ended September 30		For the nine months ended September 30	
	2019	**2018**	**2019**	**2018**
General and administrative costs				
Share-based compensation	**$ 63,397**	$ 158,863	**$ 189,782**	$ 275,759
Administrative salaries, contract and director fees	**139,304**	155,737	**445,071**	479,031
Investor relations	**207,799**	261,313	**416,055**	353,409
Office and administrative	**28,948**	36,117	**110,838**	107,679
Professional fees	**38,509**	12,545	**128,353**	126,653
Travel	**48,618**	13,375	**119,822**	81,654
Public company costs	**19,050**	14,961	**65,278**	83,545
Depreciation expense	**15,173**	918	**45,519**	3,070
Total general and administrative costs	**(560,798)**	(653,829)	**(1,520,718)**	(1,510,800)
Interest income	**8,975**	7,972	**46,093**	21,250
Interest on lease liability	**(3,045)**	-	**(9,363)**	-
Rental income	**7,576**	-	**22,729**	-
Loss from operations	**(547,292)**	(645,857)	**(1,461,259)**	(1,489,550)
Deferred income tax recovery (expense)	**(71,718)**	128,856	**(161,133)**	182,429
Loss and comprehensive loss	**$ (619,010)**	$ (517,001)	**$ (1,622,392)**	$ (1,307,121)

During the three and nine months ended September 30, 2019, the Company recorded a loss of $619,010 and $1,622,392, respectively compared to $517,001 and $1,307,121 in the three and nine months ended September 30, 2018. The loss in the three months ended September 30, 2019 was $102,009 higher than in the three months September 30, 2018 due to a negative movement in the deferred tax recovery (expense) and partially offset by lower stock-based compensation. The loss in the nine months ended September 30, 2019 was $315,271 higher than in the nine months September 30, 2018 due primarily to negative movement in the deferred tax recovery (expense).

Effective January 1, 2019, the Company adopted IFRS 16 – Leases ("**IFRS 16**") as discussed in "Changes in Accounting Policies" below. As the liability relating to the office rent is now recorded on the balance sheet, with an offsetting right-of-use asset, the impact on the statement of loss is to reduce rent expense and increase depreciation and interest expense. The recorded liability is discounted resulting in interest on the lease liability. In addition, IsoEnergy sub-leases a portion of its office space. Prior to the adoption of IFRS 16, as the leaseholder, it netted the rent received against rent expense. With the adoption of IFRS 16 it is recorded as rental income.

General and administrative costs

Share-based compensation charged to the statement of loss and comprehensive loss was $63,397 and $189,782 in the three and nine months ended September 30, 2019, respectively, compared to $158,863 and $275,759 in the three and nine months ended September 30, 2018, respectively. In the nine months ended September 30, 2018, 235,000 options were forfeited resulting in a reversal of $96,202 of charges recorded in prior periods. 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 the nine months ended September 30, 2019 there were 100,000 options granted compared to 1,560,000 options granted in the nine months ended September 30, 2018.

Administrative salaries and directors' fees at $139,304 and $445,071 for the three and nine months ended September 30, 2019, respectively were lower than the three and nine months ended September 30, 2018 which were $155,737 and $479,031, respectively due to a reduction in the number of directors and employees early in the second quarter of 2018 and a change in allocation of salaried between administrative salaries and exploration and evaluation salaries.

Investor relations expenses were $207,799 and $416,055 for the three and nine months ended September 30, 2019, respectively compared to $261,313 and $353,409 in the three and nine months ended September 30, 2018, respectively and related primarily to costs incurred in communicating with existing and potential shareholders. The costs were generally higher in the nine months ended September 30, 2019 due to increased investor relations activity in an improving uranium market and positive drilling results reported by the Company. The level of expenditures varies on timing of conferences and investor meetings.

Office and administrative expenses were $28,948 and $110,838 for the three and nine months ended September 30, 2019, respectively, compared to $36,117 and $107,679 in the three and nine months ended September 30, 2018, respectively, and consisted of office operating costs, Part XII.6 tax, and other general administrative costs. Other general administrative expenses included communication, professional membership dues, bank charges and staff training. The Part XII.6 tax in the three and nine months ended September 30, 2019 was $2,600 and $24,133, respectively compared to $nil and $2,736 in the three and nine months ended September 30, 2018, respectively and relates to a tax on flow through funds raised in the prior year but not yet spent. This increase was offset by a reduction in the rent expense due to the adoption of IFRS 16, from $11,618 and $43,961 in the three and nine months ended September 30, 2018, respectively, to $5,908 and $21,645 in the three and nine months ended September 30, 2019, respectively.

Professional fees were $38,509 and $128,353 for the three and nine months ended September 30, 2019, respectively compared to $12,545 and $126,653 for the three and nine months ended September 30, 2018, respectively. Professional fees consisted of legal fees related to the Company's business development activities, as well as accounting and tax fees related to regulatory filings. The amounts vary depending on the business development activities.

Travel expenses were $48,618 and $119,822 for the three and nine months ended September 30, 2019, respectively, compared to $13,375 and $81,654 in the three and nine months ended September 30, 2018, respectively. Travel expenses relate to business development and general corporate activities and amounts vary depending on projects and activities being undertaken.

Public company costs were $19,050 and $65,278 for the three and nine months ended September 30, 2019, respectively, compared to $14,961 and $83,545 in the three and nine months ended September 30, 2018, respectively, and consisted primarily of costs associated with the Company's continuous disclosure obligations, listing fees, transfer agent costs, press releases and other shareholder communications. The listing fees were higher in the first quarter of 2018 due to the initial fees associated with allowing IsoEnergy's shares to trade through the Depository Trust Company in the United States which improves liquidity for investors in the United States.

Depreciation expense was $15,173 and $45,519 in the three and nine months ended September 30, 2019, respectively compared to $918 and $3,070 in the three and nine months ended September 30, 2018, respectively. The increase is due to the adoption of IFRS 16 which results in a right-of-use asset which is depreciated. The right-of-use asset is an office lease and was valued at $259,512 on adoption of IFRS 16 and is being depreciated over the life of the lease.

Other items

The Company recorded interest income of $8,975 and $46,093 in the three and nine months ended September 30, 2019, respectively compared to $7,972 and $21,250 in the three and nine months ended September 30, 2018, respectively which represents interest earned on cash balances. The amounts were higher in the three and nine months ended September 30, 2019 due to higher cash balances held.

Interest on lease liability was $3,045 and $9,363 for the three and nine months ended September 30, 2019, respectively, compared to nil in the three and nine months ended September 30, 2018 and relates to the lease liability which was created on the adoption of IFRS 16.

IsoEnergy has rental income of $7,576 and $22,729 in the three and nine months ended September 30, 2019 compared to nil in the previous period. The Company leases office space; prior to the adoption of IFRS 16, this was netted against rent expense.

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 received for each flow-through share, which is the price received for the flow-through share in excess of 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. As of September 30, 2019, the Company is obligated to spend $260,664 on eligible exploration expenditures by the end of 2019.

The Company records a deferred tax recovery or expense which is comprised of a recovery on losses recognized in the period and the release of flow-through share premium liability which is offset by the renunciation of flow-through share expenditures to shareholders. In the three and nine months ended September 30, 2019, this resulted in an expense of $71,718 and $161,133, respectively, compared to a recovery of $128,856 and $182,429 in the three and nine months ended September 30, 2018, respectively, due primarily to the higher flow-through share renunciation. In the three and nine months ended September 30, 2019 the Company renounced flow-through share expenditures of $1,541,329 and $3,775,544, respectively, compared to $704,882 and $1,823,620 in the three and nine months ended September 30, 2018, respectively.

	For the three months ended September 30		For the nine months ended September 30	
	2019		2019	2018
Deferred income taxes related to operations	**$ 130,892**	**$ 138,659**	**$ 343,539**	**$ 331,917**
Flow-through renunciation	**(408,989)**	**(191,179)**	**(1,019,397)**	**(493,239)**
Release of flow-through share premium liability	**206,379**	**181,376**	**514,725**	**343,751**
	$ (71,718)	**$ 128,856**	**$ (161,133)**	**$ 182,429**

Financial Position

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

	September 30, 2019	December 31, 2018	December 31, 2017
Exploration and evaluation assets	$ 47,484,041	$ 43,473,242	$ 39,065,805
Total assets	$ 48,932,260	$ 50,070,779	$ 42,515,778
Total current liabilities	$ 173,584	$ 816,756	$ 247,061
Total non-current liabilities	$ 1,031,820	$ 199,366	$ 280,740
Working capital(1)	$ 1,051,105	$ 6,293,701	$ 3,254,131
Cash dividends declared per share	Nil	Nil	Nil

(1) Working capital is defined as current assets less accounts payable and accrued liabilities and the current portion of the lease liability. The working capital at September 30, 2019 is after deducting the current lease liability of $66,745 related to the adoption of IFRS 16 which was not on the balance sheet in periods prior to adoption of IFRS 16 on January 1, 2019.

During the nine months ended September 30, 2019 the Company capitalized $3,997,322 of exploration and evaluation costs. See "Discussion of Operations" above.

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 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.

	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss	$ (619,010)	$ (450,514)	$ (552,868)	$ (525,160)	$ (518,694)	$ (255,136)	$ (533,291)	$ (396,968)
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

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 September 30, 2019, the Company had an accumulated deficit of $8,483,014.

The Company has raised 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 year in which the shares were issued. As of September 30, 2019, the Company is obligated to spend $260,664 on eligible exploration expenditures by the end of 2019

As at the date of this MD&A, the Company has approximately $0.8 million in cash and $0.9 million in working capital.

As at the date hereof the Company does not have sufficient funds to finance its general and administrative costs for at least the next 12 months, and it may have to curtail corporate expenses and will have to raise additional funds. This represents a material uncertainty, that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's properties are in good standing with the applicable governmental authority until between January 28, 2020 and May 28, 2040 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 Annual Information Form 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 September 30, 2019 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.

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Remuneration attributed to key management personnel is summarized as follows:

Nine months ended September 30, 2019	**Short term compensation**	**Share-based compensation**	**Total**
Expensed in the statement of loss and comprehensive loss	**$ 379,267**	**$ 161,652**	**$ 540,919**
Capitalized to exploration and evaluation assets	**294,815**	**27,669**	**322,484**
	$ 674,082	**$ 189,321**	**$ 863,403**

Nine months ended September 30, 2018	**Short term compensation**	**Share-based compensation**	**Total**
Expensed in the statement of loss and comprehensive loss	$ 358,611	$ 305,442	$ 664.053
Capitalized to exploration and evaluation assets	279,424	125,576	405,000
	$ 638,035	$ 431,018	$ 1,069,053

As of September 30, 2019, nil (December 31, 2018 – nil) was included in accounts payable and accrued liabilities owing to directors and officers for compensation.

During the nine months ended September 30, 2019, the Company leased equipment from NexGen for $nil (2018 – $6,267).

The Company charges office lease and administrative expenditures to NxGold, a company with officers and directors in common. During the nine months ended September 30, 2019, office lease and administrative expenditures charged to NxGold amounted to $79,600 (2018 – $32,200).

OUTSTANDING SHARE DATA

The authorized capital of IsoEnergy consists of an unlimited number of common shares. As of October 25, 2019, there were 68,432,642 common shares outstanding and 6,420,000 stock options outstanding, each entitling the holder to purchase one common share of IsoEnergy at the prices set forth below.

Stock options outstanding at October 25, 2019 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
3,100,000	$ 1.00	3,100,000	$ 1.00	October 25, 2021
100,000	$ 1.00	100,000	$ 1.00	October 24, 2021
250,000	$ 1.00	250,000	$ 1.00	January 4, 2022
50,000	$ 1.00	50,000	$ 1.00	May 25, 2022
400,000	$ 0.57	266,663	$ 0.57	January 8, 2023
1,120,000	$ 0.36	759,994	$ 0.36	July 30, 2023
1,300,000	$ 0.42	454,162	$ 0.42	December 28, 2023
100,000	$ 0.50	25,000	$ 0.50	June 5, 2024
6,420,000	$ 0.74	5,005,819	$ 0.82	

Warrants outstanding at October 25, 2019 together with the expiry date and exercise price thereof are set forth below:

Expiry Date	**Number of warrants**	**Weighted average exercise price per share**
April 19, 2021	2,400,260	$ 0.60
December 20, 2020	484,774	$ 0.38
	2,885,034	$ 0.56

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 and have been consistently followed in preparation of the Interim Financial Statements except as noted below.

New standards adopted:

The Company has applied IFRS16 - *Leases* using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 *Leases* and IFRIC 4 *Determining whether an arrangement contains a lease.*

For the purpose of applying the modified retrospective approach to its office lease, the Company elected to measure the right-of-use asset at an amount equal to the lease liability at the date of initial application. At January 1, 2019, the Company recognized a right-of-use asset and lease liability of $259,512 in respect of its office lease.

Policy applicable from January 1, 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of the property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method.

The Company presents the right-of-use asset related to its office lease in property and equipment.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Subleased office space

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of the sub-lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

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 initially recorded at fair value and subsequently at amortized cost with accrued interest recorded in accounts receivable.

Financial instrument risk exposure

As at September 30, 2019, 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 September 30, 2019, 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 September 30, 2019, the Company had a working capital balance of $1,051,105, including cash of $988,299.

(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 September 30, 2019.

(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 September 30, 2019, 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 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, 2018 and the "Industry and Economic Factors that May Affect the Business" included above the Overall Performance section of this MD&A. These are not the only risks and uncertainties that IsoEnergy faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

SEGMENT INFORMATION

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

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning IsoEnergy 's general and administrative expenses and exploration and evaluation expenses and assets is set forth above under "*Results of Operations*" and in the Company's statement of loss and comprehensive loss contained in its Interim Financial Statements for the three months ended September 30, 2019 and 2018, 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.