



**ANNUAL INFORMATION FORM  
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017**

**March 1, 2018**

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## INTRODUCTORY NOTES

### Date of Information

In this annual information form (“AIF”), IsoEnergy Ltd., is referred to as the “Corporation” and “IsoEnergy”. All information contained in this AIF is as at December 31, 2017, unless otherwise stated, being the date of the Corporation’s most recently completed financial year.

### Cautionary Note Regarding Forward-Looking Information and Statements

This AIF 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 AIF that address activities, events or developments that IsoEnergy expects or anticipates will or may occur in the future, including, without limitation, statements about future exploration activities at its mineral properties; 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 AIF, the words “estimate”, “plan”, “would”, “could”, “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: negative operating cash flow and dependence on third party financing; the uncertainty of additional financing; the price of uranium and the appeal of alternative sources of energy; the risk of losing entire investment; the speculative nature of mineral exploration; additional exploration risks; the lack of known mineral resources or reserves; pending assay results; reliance on key management and other personnel; title to properties; aboriginal title and consultation issues; permits and licences; environmental and other regulatory requirements; uninsurable risks; influence of a large shareholder; conflicts of interest; limited operating history; volatility of share price; potential dilution; legal proceedings; political regulatory risks and competition; all as more particularly described below under “Risk Factors”. 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.

The forward-looking information and statements contained in this AIF are made as of the date of this AIF and, accordingly, are subject to change after such date. IsoEnergy does not undertake to update or reissue forward looking information as a result of new information or events except as required by applicable securities laws.

## **Scientific and Technical Information**

### ***General***

Unless otherwise indicated, scientific and technical information in this AIF has been reviewed and approved by Steve Blower, IsoEnergy's Vice-President, Exploration. Mr. Blower is considered, by virtue of his education, experience and professional association, to be a "qualified person" for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). Mr. Blower is not independent within the meaning of NI 43-101.

### ***Historical Mineral Resource***

The historical mineral resource estimate in respect of the Mountain Lake property (referred to below) was reported in the technical report entitled "Mountain Lake Property, Nunavut" 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 Corporation 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<sub>3</sub>O<sub>8</sub> 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 Corporation 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 Corporation.

### ***Adjacent Properties***

This AIF refers to properties other than those in which the Corporation has an interest. Mineralization on those other properties is not necessarily indicative of mineralization on the Corporation's properties.

## **CORPORATE STRUCTURE**

IsoEnergy is the product of an amalgamation (the "**IsoEnergy Merger**") 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. ("**NexGen**")), pursuant to section 269 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). Old IsoEnergy was incorporated on February 2, 2016 under the BCBCA. IsoEnergy does not have any subsidiaries.

The registered office of IsoEnergy is located at 2500 – 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3. The head office of IsoEnergy is located at 970 – 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9. IsoEnergy's website is [www.isoenergy.ca](http://www.isoenergy.ca). IsoEnergy is a reporting issuer in the provinces of Alberta and British Columbia.

## GENERAL DEVELOPMENT OF THE BUSINESS

### Overview

The principal business activity of IsoEnergy is the acquisition and exploration of early stage mineral properties, principally in the Athabasca Basin of Saskatchewan.

IsoEnergy's principal assets are: (i) a 100% interest in an early stage exploration project in respect of the Radio property in Northern Saskatchewan (the "**Radio Project**"); and (ii) a 100% interest in an early stage exploration project in respect of the Thorburn Lake property in Northern Saskatchewan (the "**Thorburn Lake Project**").

IsoEnergy also hold a 100% interest in each of the Madison, 2Z, Carlson Creek, North Thorburn, Geiger, Fox, East Rim, Full Moon and Whitewater properties, all early stage exploration properties located elsewhere in the Athabasca Basin, Saskatchewan. In addition, IsoEnergy holds a 100% interest in the Mountain Lake property, an early stage exploration property located in Nunavut with a historical mineral resource estimate.

IsoEnergy does not anticipate any changes in its business in 2018 and intends to continue exploring its portfolio of mineral properties to the extent its financial resources permit and evaluating and acquiring additional mineral properties, or an interest therein.

### History

Old IsoEnergy was incorporated as a wholly-owned subsidiary of 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 approximately 63.9% of the outstanding common shares of the Corporation (the "**Common Shares**").

### 2016

#### *Corporate*

Effective June 17, 2016, and pursuant to a transfer agreement (the "**Transfer Agreement**") between Old IsoEnergy and NexGen, Old IsoEnergy acquired all of NexGen's interest in the Radio Project, the Thorburn Lake Project and each of the Madison, 2Z and Carlson Creek properties (collectively, the "**Acquired Properties**") on a tax deferred basis. As consideration for the Acquired Properties, Old IsoEnergy issued 29 million common shares of Old IsoEnergy to NexGen at a price of \$1.00 per common share.

On June 21, 2016, Old IsoEnergy completed the first tranche of a non-brokered private placement and issued 55,000 common shares of Old IsoEnergy at a price of \$1.00 per share for gross proceeds of \$55,000.

On June 30, 2016, Old IsoEnergy acquired a 100% interest in the Thorburn North Property from 877384 Alberta Ltd. and Jody Dahrouge in exchange for a cash payment of \$100,000 and 1,000,000 common shares of Old IsoEnergy at a price of \$1.00 per share. On June 30, 2016, Old IsoEnergy also completed the second tranche of a non-brokered private placement and issued 1,978,000 common shares of Old IsoEnergy at a price of \$1.00 per share for gross proceeds of \$1,978,000.

On August 4 and 5, 2016, Old IsoEnergy completed the third and final tranche of a non-brokered private placement and a brokered (best efforts) private placement, respectively. Pursuant to the third tranche, Old IsoEnergy issued 2,106,000 common shares of Old IsoEnergy at a price of \$1.00 per share for gross proceeds of \$2,106,000. Pursuant to the brokered private placement, Old IsoEnergy issued 1,818,200 “flow-through” common shares of Old IsoEnergy at a price of \$1.10 per share and 2,092,500 common shares of Old IsoEnergy at a price of \$1.00 per share for aggregate gross proceeds of \$4,092,520. The brokered private placement was completed pursuant to an agency agreement dated August 5, 2016, between IsoEnergy and Dundee Securities Ltd.

In the period between incorporation and completion of the brokered and non-brokered private placements described above, IsoEnergy’s operational expenses were financed by NexGen. As at August 15, 2016, Old IsoEnergy owed \$458,400 to NexGen in that regard (the “**NXE Payable**”). On August 16, 2016, NexGen converted \$450,000 of the NXE Payable into 450,000 common shares of Old IsoEnergy at a price of \$1.00 per share.

On October 12, 2016, Old IsoEnergy completed a non-brokered private placement, pursuant to which Old IsoEnergy issued 132,950 common shares of Old IsoEnergy at a price of \$1.00 per share for gross proceeds of \$132,950.

Also effective October 12, 2016, Old IsoEnergy completed the IsoEnergy Merger. Pursuant to the IsoEnergy Merger, all of the issued and outstanding common shares of Old IsoEnergy were exchanged for an equivalent number of Common Shares of the Corporation.

On October 13, 2016, pursuant to the terms of an amalgamation agreement (the “**Amalgamation Agreement**”) among the Corporation, Airesurf Network Holdings Inc. (“**Airesurf**”) and 2532314 Ontario Ltd., (a wholly-owned subsidiary of the Corporation, created for this transaction):

- the Corporation acquired all of the issued and outstanding common shares of Airesurf;
- 2532314 Ontario Ltd. and Airesurf were amalgamated (the “**Amalgamation**”) under the provisions of the *Business Corporations Act* (Ontario) to form IsoOre Ltd.;
- each issued and outstanding common share of Airesurf was cancelled and each shareholder of Airesurf received 0.020833 Common Shares of the Corporation for each common share of Airesurf held immediately prior to the effective time of the amalgamation;
- the Corporation issued an aggregate of 302,881 Common Shares to shareholders of Airesurf; and
- IsoEnergy became a reporting issuer in the province of Alberta.

On October 19, 2016, IsoEnergy was listed on the TSX Venture Exchange (the “**TSXV**”), as a Tier 2 Mining Issuer.

On November 7, 2016, IsoEnergy completed a non-brokered private placement pursuant to which IsoEnergy issued 2,116,436 “flow-through” Common Shares at a price of \$1.10 per share for gross proceeds of \$2,328,079.

## *Exploration*

### Radio Project

In October 2016, the Corporation completed a drill program at the Radio Project consisting of 13 drill holes totaling 4,946 metres. 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).

Also in October 2016, the Corporation completed a soil geochemistry survey. The survey consisted of 324 B1 horizon soil samples collected at a 100 metres station spacing along grid lines spaced 200 metres apart. The grid lines were established in 2012 to support DC-Resistivity surveying across the property. Samples were dried and sent for analysis. All samples were analyzed with a ME-MS41L package, which provided concentrations for 53 analytes. In general, the survey indicated that southeast half of the property contains broadly elevated soil geochemistry levels compared to the northwest half.

### Thorburn Lake Project

Also in October 2016, the Corporation completed a direct current resistivity (“**DC-Res**”) at the Thorburn Lake Property consisting of approximately 84 line-kilometres of surveying 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 study confirmed that graphitic structures observed in drilling in 2008 and 2011 are coincident with conductive features and that other local areas of low resistivity may indicate the presence of clay alteration zones.

In November 2016, the Corporation completed a program of core drilling at the Thorburn Lake Project. 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<sub>3</sub>O<sub>8</sub> over 0.5 metres.

### North Thorburn Property

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 in November 2016. The study identified three zones of low resistivity, all of which are located in the northeast part of the survey area.

## **2017**

### *Corporate*

In February 2017, the Corporation acquired the Mountain Lake property 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 U<sub>3</sub>O<sub>8</sub> with an average grade of 0.23% U<sub>3</sub>O<sub>8</sub> contained in 1.6 million tonnes of mineralization.

On May 26, 2017, the Corporation 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 Corporation acquired a 100% interest the Radio Project in exchange for 3,000,000 Common Shares. The Corporation previously had the right to earn a 70% right, title and interest in the Radio Project upon incurring \$10,000,000 of expenditures on the Radio Project by July 5, 2017.

On July 26, 2017, IsoEnergy began trading on the OTC Markets Group Inc. OTCQX® Best Market 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 and a cash payment of \$100,000.

In November, 2017, the Corporation staked three new 100% owned uranium exploration properties called Fox, East Rim and Full Moon in the Eastern Athabasca Basin of Saskatchewan and staked additional claims that have been consolidated into the Geiger property discussed above.

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

### *Exploration*

#### Radio Project

In February 2017, the Corporation completed a 10 hole drill program at the Radio Project, totaling 3,913 metres. Eight of the 10 drill holes targeted a zone of basement clay alteration identified in 2016, 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.

Drill hole RD17-27, a 50-metre step-out up-dip of drill hole RD16-21A, is the first drill hole at the Radio Project to encounter elevated uranium geochemistry, intersecting 143 parts per million (“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 decreased in volume and intensity in that direction. In addition, no significant basement alteration was observed in step-outs to the southwest.

### Thorburn Lake Project

In the first quarter of 2017, a total of 4,512 metres of drilling was completed in 10 drill holes at the Thorburn Lake Project. 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. 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 suggest that they may have over-shot their optimal targets.

In the fourth quarter of 2017, a program of ground geophysics was completed at the Thorburn Lake Project. The program consisted of 49.5 line-kilometres of DC-Resistivity surveying on grid lines spaced 200 metres apart. This program 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 several target areas.

### Madison Property

In March and April 2017, a total of 20 line-kilometres of DC-resistivity geophysical surveying was completed at the Madison property. 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 Property

In the fourth quarter of 2017, targeting and drill program planning activities were completed at the Geiger property in preparation for a 2018 drill program. The program identified targets for the 2018 winter drill program currently in process.

## **DESCRIPTION OF THE BUSINESS**

### **General**

The principal business activity of the Corporation has been, and continues to be, the exploration of its portfolio of early stage uranium properties, principally the Radio and Thorburn properties, located in the Athabasca Basin of Saskatchewan.

### **Principal Products**

The Corporation is in the mineral exploration business. It does not have any marketable products at this time and is not distributing any products at this time. In addition, the Corporation does not know when or if its properties will reach the development stage and if so, what the estimated costs would be to reach commercial production.

## **Competitive Conditions**

The mineral exploration business is a competitive business. The Corporation competes with numerous other companies and individuals who may have greater financial resources in the search for and the acquisition of personnel, contractors, funding and attractive mineral properties. As a result of this competition, the Corporation may be unable to obtain additional capital or other types of financing on acceptable terms or at all, acquire properties of interest or retain qualified personnel and/or contractors. See “Risk Factors – Competition” below.

## **Environmental Protection**

The Corporation’s exploration activities are subject to various levels of federal and provincial laws and regulations relating to the protection of the environment. Due to the early stage of the Corporation’s activities, environmental protection requirements have had a minimal impact on the Corporation’s capital expenditures and competitive position. If needed, the Corporation will make and will continue to make expenditures to ensure compliance with applicable laws and regulations. New environmental laws and regulations, amendments to existing laws and regulations, or more stringent implementations of existing laws and regulations could have a material adverse effect on the Corporation by potentially increasing capital and/or operating costs. See “Risk Factors – Environmental and Other Regulatory Requirements” below.

## **Employees**

As at December 31, 2017, the Corporation had five (5) employees. The operations of the Corporation are managed by its directors and officers. IsoEnergy engages consultants from time to time in the areas of mineral exploration, geology and business negotiations and management. See “Risk Factors – Reliance upon Key Management and Other Personnel” below.

## **Specialized Skill and Knowledge**

The Corporation’s business requires specialized skill and knowledge in the areas of geology, mineral exploration, business negotiations, accounting, law and management. To date, the Corporation has been able to locate and retain such employees and consultants and believes it will continue to be able to do so. See “Risk Factors – Reliance upon Key Management and Other Personnel” below.

## **Foreign Operations**

The Corporation is incorporated pursuant to the laws of the Province of British Columbia and is a reporting issuer in the provinces of Alberta and British Columbia. The Corporation’s assets are located in Saskatchewan and Nunavut. Accordingly, the Corporation is not dependent on nor does it have any foreign operations.

## RADIO PROJECT

Information in this section of a scientific or technical nature regarding the Radio Project is based upon or derived from the technical report entitled "Technical Report for the Radio Project, Northern Saskatchewan" dated effective August 19, 2016 prepared in accordance with NI 43-101 by Tim Maunula (the "**Radio Technical Report**"). The Radio Technical Report has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and may be accessed electronically under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). For further information on any scientific or technical disclosure included in this AIF relating to the Radio Project, please refer to the Radio Technical Report.

### Project Description and Location

The Radio Project is located in the Athabasca Basin of Northern Saskatchewan and approximately 400 kilometres north of La Ronge, Saskatchewan, the nearest major community and 700 kilometres north of Saskatoon. Air access to the Radio Project is by helicopter with the nearest air base being at Points North, less than 10 kilometres from the Corporation's claim. Points North is also serviced by regular commercial flights from Saskatoon. An access road from highway 905 to the Roughrider property provides truck, ATV or snowmobile access to within one kilometre of the Radio Project. Points North is on highway 905, which is open year-round.

The Radio Project is 847 hectares in size and consists of mineral claim S-113997, which has an effective date of September 1, 2009 and is in good standing until November 29, 2036, subject to making the annual expenditures discussed below.

Air access to the Radio Project is by helicopter with the nearest air base being at Points North Landing. An access road from Highway 905 provides truck, ATV or snowmobile access to within one kilometer of the property. Points North Landing is on Highway 905 and is open year round.

To maintain the property in good standing, exploration on the property is required, with annual expenditures of \$15/hectare until the claim's 10th anniversary in 2019, after which annual expenditures increase to \$25/hectare.

Any surface facilities and mine workings constructed would be located on provincial lands. The right to use and occupy provincial lands is acquired under a surface lease from the province of Saskatchewan. A surface lease is for a maximum of 33 years and can be renewed. Annual expenditures for a lease are \$25/hectare for the first 10 years, \$50 for the next 10 years, and \$75 thereafter.

There are no known royalties, back-in rights, payments, or other agreements or encumbrances to which the Radio Project is subject except a 2% net smelter royalty and a 2% gross over-riding royalty on gems and diamonds.

### History

The area of and around the Radio Project has seen exploration for uranium since the 1960s with the first recorded work in the area by Numac Oil and Gas Limited (now Numac Energy Inc.) ("**Numac Energy**") and partner Esso Minerals Canada in 1969.

Numac Energy carried out an airborne radiometric survey on Permit 8, including ground now covered by S-113997 and a hydrogeochemical survey analyzing for uranium and radon in lake waters. Most of the results for lakes on S-113997 returned low values but Midwest Lake returned high radon values (3 to 10 times background values). Further prospecting in the area of Midwest Lake in 1969 and 1970 did not locate any anomalous radioactivity. The airborne radiometric survey however outlined a swath of higher radioactivity along the southeastern boundary or just to the southeast of the property which was thought to be related to till with a higher concentration of basement (rather than sandstone) material. The

subsequent discovery of uranium mineralized sandstone boulders at Midwest Lake in the early 1970s by Numac Energy caused it to focus its exploration activity on that area and the permit covering what is now the S-113997 area lapsed.

In 1976, Kelvin Energy Inc. staked a large land package and optioned it to Asamera Oil Corp. Ltd. (“**Asamera**”). Claim 4728 of this package included what is now S-113997. Asamera was the operator of the large land package, which subsequently became a joint venture with Saskatchewan Mining Development Corp. (now Cameco Corp.) (“**SMDC**”).

Work completed in 1976, which covered S-113997, included an airborne radiometric – magnetic - VLF-EM survey which detected a radiometric pattern similar to previously detected by Numac Energy in 1969. Limited prospecting discovered nothing of interest. Several VLF-EM conductors were identified in the area but none appeared to extend to S-113997.

In 1977, Asamera completed, on and in the vicinity of S-113997, an INPUT EM survey which detected no conductors on S-113997, a surficial geology study, lake sediment and water sampling, prospecting and radon in water surveys, radon in soils and ground radiometric surveys. The lake sediment sampling returned above background levels of uranium in many lakes of the project area. Radon in lake, bog and stream waters on the property identified several areas with above background to anomalous values with no discernable pattern. One lake, just at the southern tip of the property boundary produced anomalous uranium in lake sediments (5.0 ppm, background of 2.0 ppm) and anomalous radon in lake and bog waters. Approximately 1,500 metres to the north, samples identified a small area (100mX100m) with anomalous radon in soils. No radioactive boulders were discovered in the area. Also in 1977, a surficial geology study was completed which determined that S-113997 is covered by muskeg, and hummocky and ground moraines.

The discovery in 1977 of mineralization on the Dawn Lake 11 Zone resulted in Asamera concentrating exploration in the Dawn Lake area (a few kilometres to the east of S-113997) and in areas with airborne EM anomalies.

In 1978, a regional gravity survey was completed and S-113997 was interpreted to be in an area of northerly trending basement structures within NE trending gravity gradients.

In 1979, Asamera completed an airborne VLF-EM, radiometric and magnetic survey over its property, including the area of S-113997. Results were similar to those from previous surveys.

Between 1979 and 1982 little work was recorded on the area of S-113997. A Barringer experimental airborne COTRAN test survey was carried out in 1982. Geochemical and other geophysical test work was also completed. The only results of note were two weak EM anomalies detected by the COTRAN System and anomalous nickel and copper values in lake sediments in the area covered by S-113997.

SMDC became operator of the Dawn Lake joint venture in 1983 and little exploration work has been recorded on S-113997 since 1983.

In 1992, boulder geochemical sampling showed high (>60%) illite in sandstone at four of 10 sampling sites in the south corner of the property (the only part of the property that was sampled), and above background lead values at two sites in the same area.

In 2002, AeroTEM and Step loop EM were completed and covered part of S-113997. The Step loop EM survey showed an unexplained early channel anomalous response in the southern part of the property. The AeroTEM consisted of four lines spaced 1000 metres apart. While no basement EM conductors were defined on the Radio Project, the airborne survey results showed large areas of higher conductivity (lower resistivity) which are continuous from line to line along the southeastern boundary.

No additional information on exploration work conducted after 2005 on S-113997 is recorded in the non-confidential assessment files.

In 2011, an airborne VTEM, magnetic survey and an airborne magnetic gradiometer survey was completed. The magnetic surveys indicated that the north half of the property is underlain by basement Archean orthogneisses that are strongly magnetic and very resistive while the remainder of the property is underlain by weakly magnetic and variably conductive rocks, probably Wollaston Supergroup metasediments. While no strong EM anomalies (basement graphitic conductors) were defined on the property, the VTEM survey did confirm and extend the weakly conductive basement anomaly detected by the 2002 AeroTEM survey.

In the spring and summer of 2012, NexGen completed ground gravity and DC-Resistivity/Chargeability surveys on the property. Gravity readings were made at 50 metres intervals on cut lines spaced 200 metres apart, with 1,261 gravity measurements made. Eight areas of exploration interest were defined by resistivity lows, often with coincident gravity lows, suggestive of clay alteration, which is often found with unconformity-type uranium mineralization.

A nine hole (3,473 metres) exploration program was also completed in 2013. This diamond drill program is discussed below under "Drilling".

## **Geological Setting, Mineralization and Deposit Types**

### *Geological Setting*

The Radio Project lies at the eastern edge of the Athabasca Basin, a middle Proterozoic clastic basin containing a relatively undeformed sequence of unmetamorphosed clastic rocks, predominantly sandstones, named the Athabasca Group.

The Athabasca Group consists of eight formations with provenance, at different times, from the east, south, and northwest. In the Cluff Lake area, almost all of the sequence consists of fine to coarse-grained sandstones; mudstones and dolostones. In the eastern half of the basin only one formation is present, the Manitou Falls Formation, consisting of four units of fluvial sandstones with interbedded pebbly beds and conglomerates.

The Athabasca sandstones on the Radio Project have a thickness of 150 metres to 200 metres and all are a part of the Manitou Falls Formation. There are fine- to medium-grained quartz sandstones with pebbly and conglomeratic beds.

Regional high-resolution magnetic information flown in 2009 with 400 metres line spacing, along with the 2011 data (100 metres spacing), suggest that the northern half of the property is underlain by Archean granitic rocks (magnetic high and strong vertical gradient), and the southern half is underlain by corridors of Wollaston Supergroup metasediments.

### *Mineralization*

The Radio Project is located near the north end of the Eastern Athabasca Basin and there is no known mineralization on the Radio Project.

### *Deposits*

The target at the Radio Project is unconformity-associated uranium mineralization as pods, veins, and semi-massive replacements, consisting primarily of uraninite close to basal unconformities, in particular those between Proterozoic conglomerate sandstone basins and metamorphosed basement rocks.

The deposits are not large volumetrically, often only a few hundred metres long (up to 2,000 metres), and a few metres up to 40 metres thick and/or wide. Sandstone and/or unconformity hosted deposits (egress type) tend to be physically larger than ingress type basement hosted deposits.

The faulting associated with mineralization propagates upward and fluid movement into the sandstone results in extensive alteration envelopes above mineralization. Alteration consists of variable chlorite, tourmaline, hematite, illite, silicification, and desilicification. The alteration zone and trace amounts of uranium can extend more than 400 metres vertically from the unconformity.

## Exploration

Except as set forth above under “*General Development of the Business*”, IsoEnergy has not conducted any non-drilling exploration on the Radio Project.

## Drilling

All historic drilling on the property was completed by NexGen. NexGen completed 3,473 metres of diamond drilling in nine drill holes from June 19 to July 22, 2013. The drill holes were designed to test a combination of airborne magnetic and EM anomalies, as well as ground resistivity and gravity anomalies that are considered to have geophysical signatures similar to other uranium deposits in the Athabasca Basin. Diamond drilling was concentrated on two geophysically-defined trends.

The results are set forth below:

DDH	Grid E	Grid N	Casing Depth (m)	Unc. Depth (m)	EOH (m)	Probe Peak (cps)	Depth (m)	Probe Peak Litho
RD-13-01	L800	-1320	3	200.05	391.4	672	372	Pegmatite – BSMT
RD-13-02	L800	-1170	6	204.3	401.0	632	156	Marker Conglomerate – SST
RD-13-03	L800	-1020	4.5	205.8	320.4	1,183	287	Pegmatite – BSMT
RD-13-04	L1600	-1460	9	176.5	335.0	610	235	Pegmatite – BSMT
RD-13-05	L1600	-1460	9	163.7	299.0	661	185	Pegmatite – BSMT
RD-13-06	L000	-2400	9	192.3	350.0	980	72	MFb – SST
RD-13-07	L000	-2400	8	180.1	445.0	787	66.5	MFb – SST
RD-13-08	L400	-3205	7.5	169.65	587.0	1,207	227	Pegmatite – BSMT
RD-13-09	935	-2480	9	~167 <sup>(1)</sup>	344.3	692	303	Pegmatite – BSMT
					3,473.1			

Notes: \*\*All depths are in down hole metres

\*\*Grid coordinates refer to 2012 Ground Geophysics Grid

\*\* Gamma Probe used is model 2PGA (single large NaI crystal probe)

<sup>(1)</sup> Due to massive core loss

No anomalous radioactivity (herein defined as greater than 300 cps as measured with a hand-held scintillometer) was intersected in any of the nine drill holes. Above average radioactivity (herein defined as greater than 150 cps as measured hand-held scintillometer) was observed in holes RD-13-03, and RD-13-08. Encouraging sandstone alteration, including bleaching, desilicification and argillization was intersected in drill hole RD-13-06, immediately south of the projected trend of the Roughrider metasedimentary corridor.

## **Sampling, Analysis and Data Verification**

Representative drill core samples were collected for whole-rock geochemical analysis and spectral analysis in all programs. As well, density measurements and petrographic studies were completed in the NexGen drilling program.

All core was properly aligned and oriented for bottom of hole position. A straight line was marked along the length of core, commencing at the drill helper markings at the bottom of each run and ending at the bottom of the previous run or top of the following run. Run lines were carried onto previous or following runs to determine continuity and/or proper alignment. All core was meter-marked, box 'from and to' were labelled, and boxes were labelled with aluminum identification Dymo "tape."

Geologists logged drill core by recording their observations in a Microsoft Access-based drill database. The previously described geotechnical data (scintilometer readings, magnetic susceptibility and conductivity, and box meterages) were also recorded in the database. All of the summarized drill hole data was then entered as descriptive observations of the core (lithology, structure, alteration, mineralization).

Colour photographs of all drill core were taken using a Nikon D3200 digital camera with Nikon AF-S DX Nikkon 18 mm to 55 mm f/3.5 – 5.6 G lens attached. A maximum of four core boxes were arranged in sequential order on a core logging core rack, the core was sprayed with water, and the core was photographed to include all core boxes within the field of view.

Representative drill core samples were collected for whole-rock geochemical analysis, spectral analysis, density measurements, and petrographic studies.

### *Whole Rock Geochemical Samples*

Three different types of samples were collected for whole-rock geochemical analysis: (i) composite "chip" sampling was used for sedimentary rock types; (ii) "point" samples were taken in basement rock types and (iii) split core samples were collected in basement rock types.

Composite samples, being small (centimetre-scale) chip/disc samples, were collected at the end of each row of sedimentary drill core (~1.5 metres intervals) and combined as a composite sample over a 15.0 metres interval. Each sample comprised approximately 10 chips/discs. Point samples, consisting of whole 10.0 cm pieces of core, were removed at systematic 5.0 metres intervals down to the end of hole. Split core samples were collected for geochemical analysis of alteration styles, structures and other features of interest larger than 10.0 cm. Split core samples were variable with thicknesses ranging from 0.1 metres and 1.1 metres wide intervals. All samples were cut using a cart-mounted wet saw.

All geochemical samples were submitted to Saskatchewan Research Council ("**SRC**") in Saskatoon, Saskatchewan for analysis. SRC is an independent laboratory with ISO/IEC 17025 accreditation.

Samples were shipped from site in rice bags and receipts were provided by SRC and provided to Corporation personnel for database entry.

### *Spectral Analysis Samples*

Representative 1.0 cm thick chips/discs of drill core were collected at 5.0 metres systematic intervals within sandstone and basement rock types, or within selective areas of fractures/structures or clay alteration for Short Wave Infra-Red spectroscopy analysis. A total of 292 samples were collected for spectral analysis from nine drill holes of the drilling program.

### *Density Samples*

Density samples were collected in order to determine density measurements of representative lithologies and alteration styles. Density sample sizes ranged from 8.0 cm to 25.0 cm length. Rock densities were calculated using “weight in air” and “weight in water” measurements. Both dry and wet rock densities were calculated. A total of 54 density samples were collected from all nine drill holes of the drilling program.

### *Petrographic Samples*

Samples for petrographic studies were collected in order to identify modal mineralogy, alteration assemblages, styles and features, and mineral paragenesis. Petrographic samples were the same samples used for density measurements. A total of 54 petrographic samples were collected from nine drill holes of the drilling program. All petrographic studies were interpreted by SRC.

### *Sample Preparation and Analysis*

SRC performed the sample preparation on all samples submitted to them. On arrival at SRC, samples were sorted into their matrix types (sandstone or basement rock) and according to radioactivity level. SRC scans all core samples with a hand-held Exploranium GR-110 scintillometer and considers anything above 600 cps as radioactive. No radioactive samples were sent to SRC.

Sample preparation (drying, crushing, and grinding) was done in separate facilities for sandstone and basement samples to reduce the possibility of sample cross-contamination. All samples are crushed and pulverized using agate balls and mills.

Sample drying was carried out at 80° Celsius with the samples in their original bags in large low temperature ovens. Following drying, the samples were crushed to 60% passing two millimeters using a steel jaw crusher. A 100 g to 200 g split was taken of the crushed material using a riffle splitter. This split was then pulverized to 90% passing 150 mesh using a motorized agate mortar and pestle grinding mill. The resulting pulp was transferred to a clear plastic snap-top vial with the sample number labelled on the top. All grinding mills were cleaned between sample runs using steel wool and compressed air. Between-sample grinds of silica sand were performed in case the samples were clay-rich.

Prior to the primary geochemical analyses, the sample materials were digested into solution using two digestion methods. SRC analyzed the samples by inductively coupled plasma mass spectroscopy and inductively coupled plasma optical emission spectroscopy.

### *Quality Control Measures*

Two types of quality assurance/quality control (“QA/QC”) were “collected” in the field: field duplicate and field blanks. Field duplicate and blank samples were inserted into the sample stream at every 10th sample interval, with each type of sample repeating every 20th sample (i.e., duplicate on sample #10, blank on #20, duplicate on #30, blank on #40, etc.). QA/QC samples were taken regardless of sample type.

All composite, point, point duplicates, and blank whole-rock geochemical samples were inserted into 20.3 cm (8.0 inch) by 33.0 cm (13.0 inch) poly ore bags. All split and split duplicates whole rock geochemical samples were inserted into 30.5 cm (12.0 inch) by 50.8 cm (20.0 inch) poly ore bags. The drill hole, depth the sample was collected from both composite and split core samples, and sandstone or basement rock type were recorded on two sample tags included in sample books. One tag remained attached to the sample book and the other tag was included in the plastic sample bag. A unique number was attributed to each set of tags to avoid sample identification duplication. The sample number was re-written in black marker on the outside of the respective sample bag. All samples were placed within approved white ROPAK IP-1 20 L sample pails and sealed with secure ROPAK U5 lids. The sample numbers included in

each pail were written on the outside of the respective pails, as well as sample shipment dispatch numbers, individual pail number of total pails per dispatch, and shipping from and to addresses.

#### *Data Verification*

The data verification procedures consisted of a review of the drill logs, downhole gamma logs, core photos, sample analyses, geological sections and supplemented by core review during the site visit.

#### **Exploration and Development**

Additional exploration at the Radio Project depend on the Corporation's financial resources and an assessment of the merits of the Corporation's other mineral properties. If warranted, future exploration would consist of up to a 15 hole diamond drill program.

### **THORBURN LAKE PROJECT**

Information in this section of a scientific or technical nature regarding the Thorburn Lake Project is based upon or derived from the technical report entitled "Technical Report for the Thorburn Lake Project, Northern Saskatchewan" dated effective September 26, 2016 prepared in accordance with NI 43-101 by Tim Maunula (the "**Thorburn Lake Technical Report**"). The Thorburn Lake Technical Report has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 on SEDAR and may be accessed electronically under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). For further information on any scientific or technical disclosure included in this AIF relating to the Thorburn Lake Project, please refer to the Thorburn Lake Technical Report.

#### **Project Description, Location and Access**

The Thorburn Lake Project is located near the eastern margin of the Athabasca Basin of Northern Saskatchewan. The Thorburn Lake Project is approximately 400 kilometres north of La Ronge, Saskatchewan, the nearest major community, and 700 kilometres north of Saskatoon, the closest large city in the province.

Access to the Thorburn Lake Property is via all-weather highway 905 from Points North Landing, the closest population centre, and then south 31 kilometres on the Cigar Lake mine road that traverses the property. Points North is serviced by regular commercial flights from Saskatoon. La Ronge, a supply centre for northern Saskatchewan, is 440 kilometres by road to the south.

The Thorburn Lake Project consists of two contiguous mineral claims: S-108047 and S-108048 and covers 2,802 hectares. Mineral dispositions S-108047 and S-108048 were acquired by ground staking in 2005. Each of mineral claim S-108047 and S-108048 has an effective date of February 25, 2025 and expires on May 25, 2034 and May 25, 2031, respectively

Any surface facilities and mine workings constructed on the property would be located on provincial lands. The right to use and occupy provincial lands is acquired under a surface lease from the province of Saskatchewan. A surface lease is for a maximum of 33 years and can be renewed. Annual expenditures for a lease are \$25/hectare for the first 10 years, \$50 for the next 10 years, and \$75 thereafter.

There are no known royalties, back-in rights, payments, or other agreements or encumbrances to which the Thorburn Lake Project is subject except that there is a 1% net smelter royalty and a 10% carried interest on the Thorburn Lake Property. The carried interest can be converted to an additional 1% net smelter royalty at the holder's option upon completion of a bankable feasibility study.

## History

Surface exploration in the area began in 1968, when Numac Mining Ltd. ("**Numac Mining**") acquired Permit No. 8 over the Thorburn Lake area. In 1969, Numac Mining completed an airborne radiometric survey and ground follow-up. From 1976 to 1985 SMDC conducted exploration on the Thorburn Lake Property area including airborne and ground geophysical surveys and diamond drilling.

From 1988 to 2003, Cameco Corporation ("**Cameco**") conducted diamond drilling, ground geophysical surveys and boulder and till sampling surveys on areas overlapping the Thorburn Lake Property.

In 2006, a versatile time domain electromagnetic ("**VTEM**") and a magnetometer survey was completed over the Thorburn Lake Property by Dejour Enterprises Ltd., which identified a basement conductor. The total survey line coverage was 3804.2-line kilometres.

From April 9 to May 3, 2007, Titan Uranium Inc. ("**Titan**") conducted a ground transient EM survey on the Thorburn Lake Property, which identified a weak conductor.

At the end of June 2011, a ground resistivity survey was completed. The survey outlined several targets that are interpreted as alteration chimneys along and cross-cutting the Thorburn Lake electromagnetic (TDEM) conductive trend. The combination of TDEM and DC resistivity surveys are effective in detecting conductors and hydrothermal alteration anomalies. These features are typically found associated with fault zones and unconformity-type uranium deposits in the Athabasca Basin.

In 2008 and 2011, Titan completed diamond drilling to test the conductive targets identified by the geophysical surveys. See "Details of the Thorburn Lake Project – Drilling" below.

There are no known historical mineral resource or mineral reserve estimates in respect of the Thorburn Lake Project and no production from the property.

## Geological Setting, Mineralization and Deposit Types

### *Geological Setting*

The Thorburn Lake Project lies near the eastern edge of the Athabasca Basin, a middle Proterozoic clastic basin containing a relatively undeformed sequence of unmetamorphosed clastic rocks, predominantly sandstones, named the Athabasca Group.

The Athabasca Group consists of eight formations with provenance, at different times, from the east, south, and northwest. In the eastern half of the basin only one formation is present, the Manitou Falls Formation, consisting of four units of fluvial sandstones with interbedded pebbly beds and conglomerates.

The surficial sediments on the Thorburn Lake Project consist of sandy till cover often forming drumlins, glacio-lacustrine deposits, and outwash sand, gravel, and boulders. The depth of this till cover was found to vary during drilling from 2.1 metres to 47.0 metres. Depth to the basement of the Thorburn Lake Project ranged from 285.1 metres to 315.6 metres below surface. Bedrock geology in the region consists of Athabasca sandstones and conglomerates underlain by Paleoproterozoic and Archean metasedimentary rocks and meta-intrusive rocks (pelitic schist or gneiss, graphitic pelite, graphitic schist, amphibolite, graphitic gneiss, altered to unaltered quartzo-feldspathic gneiss, foliated granite, and granitic pegmatite).

Within the property, the Athabasca Group sandstones are characterized as fine to coarse-grained quartz arenite with finer grained clay and silt intervals and conglomeratic layers. The colour varies from white and grey-beige to light-dark pink or purple. Iron staining consists predominantly of light pink to purple or brick red hematite and is most common in coarse intervals within the sandstone and conglomerate. Chlorite, sericite, and clay minerals are present in minor quantities throughout the sandstones and

typically increase close to the base of the sandstone package. Basal sections are typically coarse-grained sandstone inter-bedded with pebbly conglomerate with clasts ranging from 1 mm to 65 mm in diameter. Generally, the basal unit is coarser, contains more clay, and is less competent than the rocks above.

The basement rocks are predominantly quartzo-feldspathic gneiss, graphitic gneiss, graphitic pelite, graphitic pelitic schist, foliated granite, amphibolite, and granitic pegmatite. Alteration related to regolith development in the upper sections consists of a hematitic zone and grades into a green coloured chlorite and sericite alteration zone. Paleoweathering related alteration effects are rarely observed more than 100 metres below the unconformity.

### *Mineralization*

In 2008, uranium enrichment at the Athabasca Group-basement unconformity was identified. Alteration in the basal sandstone, bleaching and clay alteration in the basement rocks, the thick section of sandstone with anomalous uranium values and low-grade uranium mineralization at the unconformity indicate a potential mineralized hydrothermal system. In 2011, several drill holes intersected significant uranium anomalies.

### *Deposit Types*

The target on the property is unconformity-associated uranium mineralization as pods, veins, and semi-massive replacements, consisting primarily of uraninite close to basal unconformities, in particular those between Proterozoic conglomerate sandstone basins and metamorphosed basement rocks.

The deposits are not large volumetrically, often only a few hundred metres long (up to 2,000 metres), and a few metres to 40 metres thick and/or wide. Sandstone and/or unconformity hosted deposits (egress type) tend to be physically larger than ingress type basement hosted deposits.

The faulting associated with mineralization propagates upward and fluid movement into the sandstone results in extensive alteration envelopes above mineralization. Alteration consists of variable chlorite, tourmaline, hematite, illite, silicification, and desilicification. The alteration zone and trace amounts of uranium can extend more than 400 metres vertically from the unconformity.

### **Exploration**

For a description of non-drilling exploration completed at the property please see "General Description of the Business".

### **Drilling**

From April to May 2008, Titan drilled four holes totaling 1,568 metres. All four holes were successfully drilled past the unconformity between the Athabasca sandstone and basement rocks. Down hole gamma probe surveys were completed for all four holes. This program identified uranium enrichment at the Athabasca Group-basement unconformity.

From September 2, 2011 through to October 26, 2011, Titan completed an additional 10-hole diamond drill program, totaling 4,248 metres. The first 2011 hole was abandoned after sand fill caused equipment loss, but following this, all 10 holes were successfully drilled and recovered past the basement unconformity into the underlying Wollaston Domain rocks. Downhole gamma surveys and core sample assays were successfully completed for all ten holes. In holes that featured significant uranium anomalies, it was common to find thick (up to 40 metres to 50 metres) graphitic intervals, containing up to 10% graphite, some of which are high strain zones, as well as trace disseminated pyrite in both graphitic and non-graphitic lithologic units. Of particular note, drill hole TBN-11-05a encountered 0.43% U<sub>3</sub>O<sub>8</sub> over 0.6 m at the unconformity.

## **Sampling, Analysis and Data Verification**

Sampling procedures for drill core varied depending on location of the unconformity in each of the drill holes. The sandstone units were composite sampled over 10 metres intervals starting from the beginning of the hole and continuing to within 1 metre of the basement unconformity. Composite samples consist of equal sized chips taken at the same end of each row in the core boxes over a 10 metre interval.

From a few metres above to a few metres beneath the unconformity, the core was split using a manual core splitter. One-half of the core was returned to the core box as a representative of the material being sampled. The remaining half of the core was collected at short intervals of around 1 metre and the material placed in numbered plastic bags.

Sample tags with the sample number and depth recorded were placed in the bags before they were sealed and shipped to SRC in Saskatoon for analysis. A second set of sample tags with corresponding numbers was stapled in the core box at the start of each sample interval.

More extensive basement sampling with 0.5 metres to 1.0 metre intervals were conducted in the basement where intense alteration or graphite was observed.

All samples were shipped to SRC in Saskatoon, Saskatchewan for analysis. SRC is independent of IsoEnergy and holds ISO/IEC 17025 2005 accreditation. The samples were then dried, crushed, and pulverized as part of their standard multi-element exploration package for uranium.

Typically, SRC reports multi element concentrations following two different digestions—partial and total. Partial digestions do not liberate metals from the more refractory minerals, and detection limits are generally lower. Partial uranium values therefore usually report only oxide uranium from hydrothermal sources, while total uranium values can include primary uranium contained for example in heavy minerals from basal conglomerates.

Multi-element analyses were performed with ICP-OES and ICP-MS. Partial uranium was determined by fluorimetry. Boron was fused in a pressed pellet and then analyzed by ICP-OES.

At SRC, quality control measures included:

- in an average set of 40 samples, at least two standards and one replicate pulp analysis;
- monitoring the limits for the quality control parameters and flagging all samples that do not meet requirements for repeat preparation and analysis; and
- deferring report results until all quality controls are passed.

Data verification was conducted for those drill holes in respect of which significant uranium anomalies were present to confirm the anomalous uranium mineralization. The data verification procedures included a review of drill logs, downhole gamma logs, core photos and sample analyses and these were supplemented by core review and scintillometer scanning during a site visit.

## **Exploration and Development**

Additional exploration at the Thorburn Lake Project depend on the Corporation's financial resources and an assessment of the merits of the Corporation's other mineral properties. If warranted, future exploration would consist of an eight to ten diamond drilling program.

## OTHER PROPERTY INTERESTS

In addition to the Radio Project and the Thorburn Lake Project, the Corporation holds other early stage properties in its exploration portfolio, which are further described below.

### **Madison Property**

The Madison property is located 14 kilometres east from the Sand Lake uranium deposit and only 6.5 kilometres west of Highway 905. The Madison property has 11 historic drill holes completed by Eldorado Gold Limited, Denison Mines Corp., and Cameco, with only one occurring after 1989. Historic drilling has returned intersections of up to 217 ppm  $U_3O_8$ . Sandstone cover is very thin at the Madison property at only 60 metres. See "Description of the Business – History – 2017 – Exploration – Madison Property" for a description of exploration work conducted by IsoEnergy at the Madison property.

### **2Z Property**

The 2Z property is located 12 kilometres southeast of the Sand Lake uranium deposit. Historic drilling on the 2Z Lake property has intersected up to 5200 ppm  $U_3O$  immediately below the unconformity. The property is characterized by thin (100 metres) sandstone cover, and all drill holes except one were terminated immediately below the unconformity. As a result, the basement-hosted uranium potential is untested. All drilling was done in the 1970s with the exception of one hole in 1987, which was the only one to be drilled past 120 metres.

### **Carlson Creek**

The Carlson Creek property is located 19 kilometres northeast of McArthur River and is contiguous with the Christie Lake project which hosts the Paul Bay and Ken Pen basement hosted uranium deposits. Only six drill holes have ever been completed on the Carlson Creek property and confirmed the presence of graphitic metasediments on the property.

### **North Thorburn Property**

The North Thorburn property is located one kilometre northeast of the Thorburn Lake Project and 12 kilometres northeast of the Cigar Lake mine along the same geological trend. North Thorburn has excellent infrastructure and can be easily accessed year round. The North Thorburn property is almost unexplored, with no previous drilling completed within the current claim boundary.

### **Geiger Property**

The Geiger property is located 13 kilometres northwest of the Radio Project near several uranium deposits, mines and mills. Geiger is adjacent to the Wollaston-Mudjatik transition zone, a major crustal-scale structural zone. Sandstone cover at the property is thin and ranges between 101 metres and 358 metres. Drill hole HL-50 intersected 2.74%  $U_3O_8$  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 excellent. Additionally, drill hole HL-76 was completed 1.6 kilometres along strike to the northeast along the same conductor as HL-50 and intersected 0.65%  $U_3O_8$  over 0.1 metres. Mineralization in HL-76 is located in the basement and is part of a broader 27 metres thick zone of strong alteration and elevated geochemistry.

## **Fox Property**

The Fox property consists of two contiguous claims totaling 1,374 hectares located 15 kilometres north of Cameco's Key Lake uranium mill. Infrastructure in the area is excellent, with the southern edge of the claims being within one kilometre of Fox Lake road which provides year-round exploration access. According to Saskatchewan government records, no exploration drill holes have ever been completed within the boundary of the Fox property, despite the presence of a 4.5-kilometre-long zone of low magnetic susceptibility that spans the property in a north-south direction and may indicate the presence of prospective metasedimentary basement rocks. Depth to the sub-Athabasca unconformity, based on drill holes on nearby properties, is estimated to be between 205 and 400 metres.

## **East Rim Property**

The East Rim property was staked on November 2, 2017 and consists of seven contiguous claims totaling 6,703 hectares. The East Rim property is located along the east margin of the Athabasca Basin, nine kilometres southwest of UEX Corp.'s West Bear uranium deposit and nine kilometres west of Highway 905. The property encompasses over 15 kilometres of a northeast trending magnetic low feature that may represent prospective metasedimentary stratigraphy. A large offset in the basin margin is observed in Saskatchewan government data and appears spatially related to the magnetic low feature, suggesting the presence of a major structural zone. According to Saskatchewan government records, only four exploration drill holes have ever been completed within the East Rim property boundary, none of which are located in the prospective magnetic low feature.

## **Full Moon Property**

Consisting of 4,872 hectares in 12 contiguous claims, the Full Moon property was staked on November 7, 2017. Full Moon is located within four kilometres of Areva's Moonlight uranium occurrence and six kilometres east of the Geiger property. Full Moon is proximal to existing infrastructure, being within 18 kilometres of the McClean Lake uranium mill. Several prominent magnetic low trends with historic conductors are present on the Full Moon property, including a portion of the Tuning Fork conductor system that extends on to the property from Denison Mining Corp.'s Hatchet Lake project. Previous drilling at Tuning Fork has intersected intense basement clay alteration with weak uranium mineralization and strong uranium pathfinder mineralization. Similar to the Fox and East Rim properties, the Full Moon property is underexplored with only 17 historic drill holes within the property boundary.

## **Whitewater Property**

The Whitewater property consists of 15 contiguous claims totaling 25,966 hectares located along the northern rim of the Athabasca basin. The entire Whitewater property is located just off-basin, therefore there is no sandstone cover. At its closest point, the Whitewater property boundary is within 5 kilometres of the edge of the Athabasca basin. The property covers over 26 kilometres of the Grease River shear zone which separates the Beaverlodge, Train and Dodge domains to the northwest from the Tantato domain to the southeast. This prominent, long-lived, crustal-scale structure is known to host Athabasca basin related uranium mineralization at the nearby Fond du Lac deposit 26 kilometres along-strike to the southwest. Uranium mineralization is also present on the property. The Saskatchewan government's Mineral Deposits Index lists a total of 25 uranium occurrences located within the Whitewater property boundary.

## **Mountain Lake Property**

The Mountain Lake property is located 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. Discovered in 1976, the property area was the subject of intense exploration during the 1970s and 1980's. Pitchstone Exploration Ltd. and Triex Minerals Corp. carried out additional exploration during the period 2005 to 2008, including the completion of 30 drill holes.

in the area, 15 of which were located within or immediately adjacent to the Mountain Lake deposit itself. Uranium mineralization at Mountain Lake is hosted within sandstone of the mid-Proterozoic Dismal Lakes Group within the Hornby Bay Basin. The deposit is a shallow-dipping (5-10 degrees) tabular zone of stratabound mineralization that extends from the top of the bedrock (10-30 metres below surface) down to approximately 180 metres below surface at its deepest point. Overall, the mineralization covers an area measuring 1,300 metres long and up to 320 metres wide. The thickness ranges from 1.0 to 6.5 metres. High grade mineralization is locally present, with drill intersections returning up to 5.19% U3O8 over 0.9 metres.

These properties remain prospective and the Corporation has only completed limited, if any, exploration of these properties.

## **RISK FACTORS**

The operations of the Corporation are speculative due to the high-risk nature of its business which is the exploration of mining properties. These are not the only risks and uncertainties that the Corporation faces. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently considers immaterial may also impair its business operations. These risk factors could materially affect the Corporation's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Corporation.

### **Negative Operating Cash Flow and Dependence on Third Party Financing**

The Corporation has no source of operating cash flow and there can be no assurance that the Corporation will ever achieve profitability. Accordingly, the Corporation is dependent on third party financing to continue exploration activities on the Corporation's properties, maintain capacity and satisfy contractual obligations. Accordingly, the amount and timing of expenditures depends on the Corporation'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 Corporation's properties or require the Corporation to sell one or more of its properties (or an interest therein).

### **Uncertainty of Additional Financing**

As stated above, the Corporation is dependent on third party financing, whether through debt, equity, or other means. Although the Corporation has been successful in raising funds to date, there is no assurance that the Corporation will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Corporation. The Corporation'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 Corporation, a significant event disrupting the Corporation'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 Corporation's properties or require the Corporation 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 Corporation'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 Corporation'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 Corporation's ability to obtain the required financing in the future or to obtain such financing on terms acceptable to the Corporation, 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 Corporation.

### **Mineral Exploration is Speculative**

The Corporation 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 Corporation'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 Corporation 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 Corporation'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 Corporation 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, governmental 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 Corporation'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 Corporation and may result in the Corporation not receiving adequate return on investment capital.

## **No Known Mineral Resources or Reserves**

There are no known bodies of commercial minerals on the Corporation'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 Corporation will be successful in its search for mineral resources and mineral reserves.

## **Reliance upon Key Management and Other Personnel**

The Corporation relies on the specialized skills of management and consultants in the areas of mineral exploration, geology and business negotiations and management. The loss of any of these individuals could have an adverse effect on the Corporation. The Corporation does not currently maintain key-man life insurance on any of its key employees. As the Corporation's business activity grows, it will require additional key financial, administrative and qualified technical personnel. Although the Corporation believes that it will be successful in attracting, retaining and training qualified personnel, there can be no assurance of such success. If it is not successful in attracting, retaining and training qualified personnel, the efficiency of the Corporation's business could be affected, which could have an adverse impact on its future cash flows, earnings, results of operation and financial condition.

## **Title to Properties**

The Corporation has diligently investigated all title matters concerning the ownership of all mineral claims and plans to do so for all new claims and rights to be acquired. While to the best of its knowledge, title to the Corporation's mineral properties are in good standing, this should not be construed as a guarantee of title. The Corporation's mineral properties may be affected by undetected defects in title, such as the reduction in size of the mineral titles and other third party claims affecting the Corporation's interests. Maintenance of such interests is subject to ongoing compliance with the terms governing such mineral titles. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Corporation does not have title to any or some of its mineral properties could cause the Corporation to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

## **Aboriginal Title and Consultation Issues**

First Nations and Métis claims to aboriginal title, as well as related consultation issues, may impact the Corporation's ability to conduct exploration, development and mining activities at its mineral properties in Saskatchewan. Pursuant to historical treaties, First Nations bands in northern Saskatchewan ceded title to most traditional lands but continue to assert title to the minerals within those lands. Managing relations with First Nations bands is a matter of paramount importance to the Corporation. However, there can be no assurance that aboriginal title claims and related consultation issues will not arise on or with respect to the Corporation's mineral properties. The Corporation's properties are located in Northern Saskatchewan in areas which are covered by treaty and not subject to current Aboriginal title claims.

## **Permits and Licences**

The Corporation's operations will require licences and permits from various governmental and non-governmental authorities. The Corporation has obtained, or will obtain, all necessary licences and permits required to carry on with activities which it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Corporation will be able to obtain all necessary licences and permits required to carry out planned exploration, development and mining operations at any of its projects.

## **Environmental and Other Regulatory Requirements**

Environmental and other regulatory requirements affect the current and future operations of the Corporation, including exploration and development activities, require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Corporation believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. Companies engaged in the development and operation of mines and related facilities often experience increased costs, along with delays in production and other schedules, as a result of the need to comply with applicable laws, regulations and permits.

Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the Corporation's mineral properties. There can be no assurance that the Corporation will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at the Corporation's mineral properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

## **Uninsurable Risks**

Exploration, development and production of mineral properties are subject to certain risks, and in particular, unexpected or unusually geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on the Corporation's operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

## **Influence of Large Shareholder**

NexGen holds approximately 63.9% of the issued and outstanding Common Shares. As a result, NexGen will have majority control of the Corporation and will be in a position to exercise significant influence over all matters submitted to shareholders of the Corporation for approval, including the election and removal of directors, determination of significant corporate actions, amendments to the Corporation's constating documents and the approval of any business combinations, mergers or takeover attempts, in a manner that could conflict with the interests of other shareholders of the Corporation. As a result of NexGen having majority control of the Corporation, the market value of the Common Shares may be less than would otherwise prevail absent such significant shareholder to reflect the potentially reduced liquidity of the Common Shares.

In addition, the concentration of the Corporation's issued and outstanding Common Shares in the hands of one shareholder may discourage an unsolicited bid for the Common Shares, and this may adversely impact the value and trading price of the Common Shares. Further, if NexGen sells a substantial amount of the Common Shares in the public market, the market price of the Common Shares could fall. The perception among the public that these sales will occur could also produce the same effect.

### **Conflicts of Interest**

Directors of the Corporation are or may become directors of other public companies or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Corporation and its directors will attempt to minimize such conflicts.

### **Limited Operating History**

The Corporation is subject to many risks common to enterprises with a limited operating history, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and absence of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. All of the Corporation's properties are in the exploration stage. There can be no assurance that the Corporation will be able to develop any of its projects profitably or that any of its activities will generate positive cash flow.

### **Volatility of Share Price**

The trading price of the Common Shares may be subject to large fluctuations. The trading price of the Common Shares may increase or decrease in response to a number of events and factors, including: the price of metals and minerals including the price of uranium; the Corporation's operating performance and the performance of competitors and other similar companies; exploration and development of the Corporation's properties; the public's reaction to the Corporation's press releases, other public announcements and the Corporation's filings with the various securities regulatory authorities; changes in earnings estimates or recommendations by research analysts who track the Common Shares or the shares of other companies in the resource sector; changes in general economic conditions; the number of Common Shares to be publicly traded after the Offering; the arrival or departure of key personnel; and acquisitions, strategic alliances or joint ventures involving the Corporation or its competitors.

In addition, the market price of the Common Shares is affected by many variables not directly related to the Corporation's success and not within the Corporation's control, including: developments that affect the market for all resource sector shares; the breadth of the public market for the Common Shares; and the attractiveness of alternative investments. In addition, securities markets have recently experienced an extreme level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. As a result of these and other factors, the Corporation's share price may be volatile in the future and may decline below the price at which an investor acquired its shares. Accordingly, investors may not be able to sell their securities at or above their acquisition cost.

### **Potential Dilution from Future Financings**

Additional financing needed to continue funding the exploration of the Corporation's properties may require the issuance of additional securities of the Corporation. The issuance of additional securities and the exercise of Common Share purchase warrants, stock options and other convertible securities will result in dilution of the equity interests of any persons who are or may become holders of Common Shares.

## **Legal Proceedings and Disputes**

The Corporation is not currently subject to material litigation. However, the Corporation could become involved in disputes with governmental authorities, non-governmental organizations and other private parties in the future which may result in material litigation. The results of litigation cannot be predicted with certainty. If the Corporation were unable to resolve such disputes favorably, the resulting litigation could have a material adverse impact on the Corporation's financial performance, cash flow and results of operations.

## **Political Regulatory Risks**

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital. Any such changes may affect both the Corporation's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, and its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

## **Competition**

The mineral exploration business is a competitive business. The Corporation competes with numerous other companies and individuals who may have greater financial resources in the search for and the acquisition of personnel, funding and attractive mineral properties. As a result of this competition, the Corporation may be unable to obtain additional capital or other types of financing on acceptable terms or at all, acquire properties of interest or retain qualified personnel.

## **DIVIDENDS**

Although not restricted from doing so, the Corporation has not paid any dividends since incorporation and the Corporation does not expect to pay dividends in the foreseeable future. Payment of dividends in the future will be made at the discretion of the Corporation's board of directors based upon, among other things, cash flow, the results of operations and financial condition of the Corporation, the need for funds to finance ongoing operations and such other considerations as the board of directors considers relevant.

## **DESCRIPTION OF CAPITAL STRUCTURE**

The authorized capital of IsoEnergy consists of an unlimited number of Common Shares. As at December 31, 2017, there were 46,060,548 Common Shares issued and outstanding. As of the date hereof, there were also 46,060,548 Common Shares issued and outstanding.

Holder of Common Shares are entitled to receive notice of meetings of shareholders of the Corporation, to attend and to cast one vote per Common Share at all such meetings. Holders of the Common Shares are entitled to receive, on a pro rata basis, such dividends if, as and when declared by the Corporation's board of directors.

In the event of any liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation among holders of Common Shares for the purposes of winding-up its affairs, the holders of Common Shares will be entitled, subject to the rights of the holders of any other class or series of shares ranking senior to the Common Shares, to receive on a pro rata basis the remaining property or assets of the Corporation available for distribution, after the payment of debts and other liabilities.

The Common Shares do not have attached to them any conversion, exchange rights, exercise, redemption or retraction provisions.

### TRADING PRICE AND VOLUME

The Common Shares are listed on the TSXV under the symbol “**ISO**” and are also listed on the OTCQX under the symbol “**ISENF**”. The following tables set forth the high and low trading price and trading volumes of the Common Shares on the TSXV and on the OTCQX for the most recently completed financial year:

#### TSXV:

Period	High (\$)	Low (\$)	Volume
January 2017.....	\$1.70	\$0.80	1,317,470
February 2017.....	\$1.50	\$1.00	513,020
March 2017.....	\$1.25	\$0.95	250,680
April 2017.....	\$1.10	\$0.91	156,240
May 2017.....	\$1.01	\$0.87	44,540
June 2017.....	\$0.86	\$0.65	132,230
July 2017.....	\$0.78	\$0.64	36,460
August 2017.....	\$0.72	\$0.67	24,210
September 2017.....	\$0.68	\$0.53	80,300
October 2017.....	\$0.56	\$0.35	584,930
November 2017.....	\$0.45	\$0.26	5,169,300
December 2017.....	\$0.67	\$0.27	2,786,440

#### OTCQX:

Period <sup>(1)</sup>	High (US\$)	Low (US\$)	Volume
July 2017.....	\$0.00	\$0.00	-
August 2017.....	\$0.00	\$0.00	-
September 2017.....	\$0.00	\$0.00	-
October 2017.....	\$0.00	\$0.00	-
November 2017.....	\$0.24	\$0.23	26,300
December 2017.....	\$1.00	\$0.25	129,250

Note:

(1) OTCQX trading data limited to the July 2017 to December 2017 period as IsoEnergy began trading on the OTCQX on July 27, 2017.

The price of the Common Shares as quoted by the TSXV at the close of business on December 29, 2017 was \$0.59 and at the close of the market on February 28, 2018 was \$0.43. The price of the Common Shares as quoted by the OTCQX at the close of business on December 29, 2017 was US\$0.46 and at the close of the market on February 28, 2018 was US\$0.32.

## PRIOR SALES

The following table summarizes the securities of the Corporation of a class that is not listed or quoted on a market place issued during the most recently completed financial year, the price at which such securities have been issued, the number of securities issued and the date on which such securities were issued.

Date Issued	Type of Security	Price per Security	Number of Securities
January 4, 2017	Stock Options	\$1.00	250,000
May 24, 2017 <sup>(1)</sup>	Common Shares	\$1.10	999,999
May 25, 2017	Stock Options	\$1.00	50,000
July 5, 2017 <sup>(2)</sup>	Common Shares	\$0.78	3,000,000
August 8, 2017 <sup>(3)</sup>	Common Shares	\$0.70	1,000,000

Notes:

- (1) Issued pursuant to a non-brokered private placement of 999,999 "flow-through" Common Shares at a price of \$1.10.
- (2) Issued as consideration for the acquisition of a 100% interest in the Radio Project.
- (3) Issued as consideration for the acquisition of a 100% in the Geiger property.

## DIRECTORS AND OFFICERS

The following table sets forth the name, province/state and country of residence, position held with the Corporation, principal occupation during the five preceding years of each person who is a director and/or an executive officer of the Corporation, and number of voting securities of the Corporation owned or over which control or direction is exercised as at the date hereof.

Name and Province/State and Country of Residence	Position(s) with the Corporation (Director Since)	Principal Occupation <sup>(1)</sup>
<b>Craig Parry</b> British Columbia, Canada	President and CEO / Director (since April 1, 2016)	President and CEO of IsoEnergy (April 2016 to present) and CEO of Tigers Realm Coal (2012 to 2015)
<b>Leigh Curyer</b> British Columbia, Canada	Chairman of the Board and Director (since February 2, 2016)	President, CEO and Director of NexGen (April 2013 to present) and CEO and Director of predecessor of NexGen (2011 to April 2013)
<b>Chris McFadden</b> <sup>(2)</sup> Brighton, Australia	Director (since April 1, 2016)	President and CEO of NxGold Ltd. (February 2017 to present), Business Development Manager, Newcrest Mining Limited (August 2015 to present), Head of Commercial, Strategy and Corporate Development Tigers Realm Coal Limited (2013 to July 2015), General Manager, Business Development of Tigers Realm Minerals Pty Ltd. (resource company) (2010 to 2013)
<b>Trevor Thiele</b> <sup>(2)(3)</sup> Tennyson, Australia	Director (since April 1, 2016)	Director of NexGen (2013 to present), Director or predecessor of NexGen (2011 to April 2013)
<b>Richard Patricio</b> <sup>(2)(3)</sup> Ontario, Canada	Director (since April 1, 2016)	President, CEO of Mega Uranium Ltd. (March 2015 to present) and Executive Vice-President (2005 to 2015), CEO of Pinetree Capital Ltd. (February 2015 to April 2016), and Vice-President, Legal and Corporate Affairs, Pinetree Capital Ltd. (investment firm) (2005 to February 2015)

Name and Province/State and Country of Residence	Position(s) with the Corporation (Director Since)	Principal Occupation <sup>(1)</sup>
<b>Garrett Ainsworth</b> British Columbia, Canada	Director (since April 1, 2016)	Vice-President Exploration & Development of NexGen (June 2014 to present), Vice-President Exploration of Alpha Exploration (2013 to 2014), Vice-President Exploration of Alpha Minerals (2012 to 2013), and Project Manager of the Patterson Lake South (PLS) Project (2007 to 2013)
<b>Janine Richardson</b> British Columbia, Canada	Chief Financial Officer	CFO of NxGold Ltd. (from February 2018 to present), CFO of Hillsborough Resources Limited (February 2010 to 2017), and self-employed mining financial consulting services provider (2006 to present)
<b>Steve Blower</b> British Columbia, Canada	Vice-President, Exploration	Vice-President Exploration of IsoEnergy (July 2016 to present), Consultant to NexGen (2015 to June 2016), and VP Exploration of Denison Mines Corp. (2012 to 2015)
<b>Joanna Cameron</b> British Columbia, Canada	Corporate Secretary	Vice President Legal, General Counsel and Corporate Secretary of NexGen (2015 to present) and Partner at Cassels Brock and Blackwell LLP (2012 to 2015)

Notes:

- (1) The information as to place of residence and principal occupation is not within the knowledge of the management of IsoEnergy and has been furnished by the respective proposed directors and officers of IsoEnergy.
- (2) Member of the Audit Committee of IsoEnergy.
- (3) Member of the Compensation and Governance Committee of IsoEnergy.

Directors are elected at each annual meeting of IsoEnergy's shareholders and serve as such until the next annual meeting or until their successors are elected or appointed.

As at the date hereof, the directors and executive officers of IsoEnergy, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 265,000 Common Shares, representing 0.65% of the total number of Common Shares outstanding before giving effect to the exercise of options held by such directors and executive officers. The statement as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of IsoEnergy as a group is based upon information furnished by the directors and executive officers.

The principal occupations of each of the Corporation's directors and executive officers within the past five years are disclosed in the brief biographies set forth below.

***Craig Parry, President, Chief Executive Officer and Director***

Mr. Parry is a founding member of the Tigers Realm Group and was appointed to the board of directors of each of Tigers Realm Minerals, Tigers Realm Metals and NexGen in 2011. Mr. Parry was appointed to the role of Chief Executive Officer of Tigers Realm Coal in 2012 and acted in that capacity until 2015.

Mr. Parry is an exploration and business development geologist and has been responsible for the business development activities of the Tigers Realm Group since inception in 2008. Prior to joining Tigers Realm, Mr. Parry was the Business Development Manager for G-Resources Limited responsible for mergers and acquisitions and Principal Geologist – New Business at Oxiana Limited responsible for strategy and business development initiatives in bulk and energy commodities. At Rio Tinto he led exploration programs for iron ore, copper, diamonds, coal and bauxite in Australia, Asia and South

America and was Principal Geologist for the Kintyre Uranium project pre-feasibility study. Mr. Parry holds an Honours Degree in Geology and is a Member of the AusIMM.

***Leigh Curyer, Chairman of the Board and Director***

Mr. Curyer is President and Chief Executive Officer of NexGen. Mr. Curyer has over 20 years' experience in the resources and corporate sector. Mr. Curyer was previously the Chief Financial Officer and head of corporate development of Southern Cross Resources Inc. (now Uranium One Inc.). In addition, from 2008 to 2011, Mr. Curyer was Head of Corporate Development for Accord Nuclear Resource Management assessing uranium projects worldwide for First Reserve Company, a global energy-focused private equity and infrastructure investment firm.

Mr. Curyer's uranium project assessment experience has been focused on assets located in Canada, Australia, USA, Africa, Central Asia and Europe, incorporating operating mines, advanced development projects and exploration prospects. Mr. Curyer is a member of the Institute of Chartered Accountants Australia.

***Christopher McFadden, Director***

Mr. McFadden is a lawyer with 21 years' experience in exploration and mining and is currently the President and Chief Executive Officer of NxGold Ltd. Mr. McFadden was previously the Manager, Business Development at Newcrest Mining Limited and the Head of Commercial, Strategy and Corporate Development for Tigers Realm Coal Limited, which is listed on the ASX. Additionally, Mr. McFadden was General Manager, Business Development of Tigers Realm Minerals Pty Ltd. Prior to commencing with the Tigers Realm Group of companies in 2010 he was a Commercial General Manager with Rio Tinto's exploration division with responsibility for gaining entry into new projects either by negotiation with government or joint venture partners or through acquisition.

Mr. McFadden has extensive international experience in managing large and complex transactions and has a broad knowledge of all aspects of project evaluation and negotiating project entry in challenging and varied environments. Mr. McFadden holds a combined law/commerce degree from Melbourne University and an MBA from Monash University.

***Trevor Thiele, Director***

Mr. Thiele has over 30 years' experience in senior finance roles in medium to large Australian ASX listed companies. Mr. Thiele has been Chief Financial Officer for companies involved in the Agribusiness sector (Elders and ABB Grain Ltd, Rural Services Division) and the Biotechnology sector (Bionomics Limited). In these roles Mr. Thiele combined his technical accounting and financial skills with commercial expertise thereby substantially contributing to the growth of each of these businesses. During this time, Mr. Thiele was actively involved in IPO's, capital raisings, corporate restructures, mergers and acquisitions, refinancing and joint ventures.

Mr. Thiele is currently a non-executive director of a number of non-listed Australian entities, including acting as Chairman of one of these entities and is a director of NexGen.

Mr. Thiele holds a Bachelor of Arts in Accountancy from the University of South Australia and is a member of the Institute of Chartered Accountants in Australia.

***Richard Patricio, Director***

In March 2015, Mr. Patricio was appointed Chief Executive Officer and President of Mega Uranium Ltd., having been its Executive Vice-President since 2005. Mr. Patricio is also a director of NexGen. From February 2015 to April 2016, Mr. Patricio was the Chief Executive Officer of Pinetree Capital Ltd., having been its Vice-President, Corporate and Legal Affairs since 2005.

Previously, Mr. Patricio worked as in-house General Counsel for a senior TSX-listed manufacturing company. Prior to that, Mr. Patricio practiced law at Osler LLP in Toronto where he focused on mergers and acquisitions, securities law and general corporate law matters.

Mr. Patricio has built a number of mining companies with global operations and holds senior officer and director positions with several publicly listed companies in Canada, Australia, London and New York. Mr. Patricio received his law degree from Osgoode Hall and was called to the Ontario bar in 2000.

***Garrett Ainsworth, Director***

Mr. Ainsworth is a professional geologist and the Vice-President Exploration and Development for NexGen. Mr. Ainsworth has a Diploma of Technology in Mining and Bachelor of Technology in Environmental Engineering with honours from BCIT, as well as a Bachelor of Science in Geology with honours from Birkbeck, University of London.

Mr. Ainsworth was instrumental in the successful progress of the Patterson Lake South (PLS) project, where he was the Project Manager for the Alpha-Fission Joint Venture from 2007 to 2013. During his tenure as Project Manager of PLS, Mr. Ainsworth oversaw the staking of new claims, the discovery of the boulder field, the initial high-grade uranium drill hole discovery (R00E zone), and the discovery of the high grade, near surface, uranium zones R390E and R780E during the winter 2013 drill program.

Mr. Ainsworth was the Vice-President Exploration of Alpha Minerals Inc. from 2012 to 2013 and the Vice-President Exploration of Alpha Exploration Inc. from 2013 to 2014.

In 2013, Mr. Ainsworth was the AMEBC recipient of the Colin Spence Award (For Excellence in Global Mineral Exploration) in recognition of his efforts which led to the discovery of the high-grade uranium mineralized system at the Patterson Lake South project in the Athabasca Basin, Saskatchewan.

Apart from being involved with numerous uranium projects in the Athabasca Basin, Saskatchewan, Mr. Ainsworth also obtained experience as a field geologist on gold projects in British Columbia, Nevada, and Mexico; and a diamond project in West Africa. Mr. Ainsworth worked as an environmental consultant on a variety of industrial and mining projects from 2002 to 2007.

***Janine Richardson, Chief Financial Officer***

Ms. Richardson was appointed as the Chief Financial Officer of IsoEnergy in August 2016.

Since February 2018, Ms. Richardson has served as the Chief Financial Officer of NxGold Ltd. Ms. Richardson was previously the Chief Financial Officer of Hillsborough Resourced Limited, a privately owned coal producer from 2010 to 2017. Between 2006 and present, Ms. Richardson provided financial consulting services to several publicly listed mining companies, primarily in the gold sector, including Atlantic Gold Corporation, Primero Mining Corp., Yukon-Nevada Gold Corp., Rio Alto Mining Ltd. and Goldgroup Mining Inc. From 1991 to 2006, Ms. Richardson was Director of Group Accounting at Placer Dome Inc., which then operated 17 mines across five countries. At Placer Dome Inc., Ms. Richardson was responsible for reporting on the global operations, and integrating new acquisitions into the group. From 1985 to 1991 Ms. Richardson was a manager in the mining audit group of Ernst & Young LLP, Toronto.

Ms. Richardson is a Chartered Professional Accountant, Chartered Accountant and graduated from McMaster University with a Bachelor in Economics and has a Diploma in Accounting from Wilfrid Laurier University.

### ***Steve Blower, Vice-President, Exploration***

Mr. Blower was appointed the Vice-President, Exploration of IsoEnergy in July 2016. Prior to joining IsoEnergy, Mr. Blower acted as a consultant to NexGen (2015 to July 2016) and prior to that Mr. Blower was VP Exploration at Denison Mines Corp. from 2012 to 2015. While at Denison, Mr. Blower led the team that added 75 Mlbs of U3O8 to Denison's mineral resources at the Wheeler River property through the expansion of the Phoenix deposit and the discovery of the basement hosted Gryphon deposit. Prior to Denison, Mr. Blower was President, CEO and a Director of Pitchstone Exploration Ltd., an Athabasca Basin focused uranium exploration company that was sold to Fission Energy Corp. in 2012.

Mr. Blower is a Professional Geoscientist, registered in good standing with the Association of Professional Engineers and Geoscientists of British Columbia. His education includes a M.Sc. in geological sciences from Queen's University in 1993 and a B.Sc. in geological sciences from the University of British Columbia in 1988.

### ***Joanna Cameron, Corporate Secretary***

Ms. Cameron was appointed the Corporate Secretary of IsoEnergy in August 2016. Since September 2015, Ms. Cameron has been the Vice President Legal, General Counsel and Corporate Secretary of NexGen. Prior to joining NexGen, Ms. Cameron was a partner at Cassels, Brock and Blackwell LLP providing corporate, governance and securities and corporate advice to clients, particularly those in the mining sector. Ms. Cameron was also previously a partner at Lawson Lundell LLP and BHT LLP. Ms. Cameron has 19 years' experience as a lawyer.

Ms. Cameron obtained her Bachelor of Laws from the University of Saskatchewan and a Bachelor of Arts, Honours (Economics and History) from Queen's University.

Ms. Cameron was named in the Canadian Legal Lexpert Directory (Mining) for 2015, achieved the Martindale-Hubbell, BV Distinguished rating, named in Best Lawyers in Canada (2013 to 2016) and was a finalist in the Lexpert "Top 40 Under 40" (2009).

### **Cease Trade Orders, Bankruptcies, Penalties and Sanctions**

To the knowledge of the Corporation, no director, executive officer or promoter of the Corporation is, or within 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Corporation, no director, executive officer or promoter of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially control of the Corporation, (i) is, or within 10 years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any

proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of the Corporation, no director, executive officer or promoter of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

To the best of IsoEnergy's knowledge, and other than as disclosed in this AIF, there are no known existing or potential conflicts of interest between IsoEnergy and any director or officer of IsoEnergy, except that certain of the directors and officers serve as directors and officers of other public companies, and therefore it is possible that a conflict may arise between their duties as a director or officer of IsoEnergy and their duties as a director or officer of such other companies. See "Risk Factors — Conflicts of Interest".

## **AUDIT COMMITTEE DISCLOSURE**

The Audit Committee has the responsibility of, among other things: recommending the Corporation's independent auditor to the Corporation's board of directors, determining the extent of involvement of the independent auditor in reviewing unaudited quarterly financial results, evaluating the qualifications, performance and independence of the independent auditor; reviewing and recommending approval to the Corporation's board of directors the Corporation's annual and quarterly financial results and management's discussion and analysis and overseeing the establishment of "whistle-blower" and related procedures. A copy of the Audit Committee Charter is attached hereto as Schedule "A".

### **Composition of the Audit Committee**

The Audit Committee is currently comprised of Messrs. Thiele (Chair), McFadden and Patricio. All of the members of the Audit Committee are independent and financially literate, in each case, as defined under National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). A general description of the education and experience of each Audit Committee member which is relevant to the performance of his responsibilities as an Audit Committee member is contained in their respective biographies set out under "Directors and Officers".

### **Audit Committee Oversight**

At no time since the commencement of IsoEnergy's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of IsoEnergy's external auditors not been adopted by the Corporation's board of directors.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-Audit Services); Section 3.2 of NI 52-110 (Initial Public Offerings); Section 3.4 of NI 52-110 (Events Outside Control of Member); Section 3.5 of NI 52-110 (Death, Disability or Resignation of Audit Committee Member); an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110; the exemption in subsection 3.3(2) (Controlled Companies) or section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances); or section 3.8 (Acquisition of Financial Literacy).

## Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to IsoEnergy by the external auditor.

## External Auditor Service Fees (By Category)

The aggregate fees billed by our external auditors, Ernst & Young LLP, in each of the last financial years are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2017 .....	\$31,200	\$25,200	\$nil	\$nil
2016 .....	\$40,687	\$8,400	\$n/a	\$21,525

Notes:

<sup>(1)</sup> The aggregate audit fees billed.

<sup>(2)</sup> The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements which are not included under the heading "Audit Fees".

<sup>(3)</sup> The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

<sup>(4)</sup> The aggregate fees billed for products and services other than as set forth under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

<sup>(5)</sup> All audit and non-audit services performed by the external auditor during our two most recently completed financial years were pre-approved by the Audit Committee, as discussed under the heading "Pre-Approval Policies and Procedures" above.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Neither during the financial year ended December 31, 2017, nor as of the date hereof, has the Corporation been party to, nor have its assets been the subject of, any legal proceeding, nor does the Corporation know of any such legal proceedings to be contemplated.

Neither during the financial year ended December 31, 2017, nor as of the date hereof, has the Corporation: (i) been subject to any penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority or any penalty or sanction imposed by a court or regulatory body against the Corporation that would likely to be considered important to a reasonable investor in making an investment decision; or (ii) entered into any settlement agreement relating to securities legislation or with a securities regulatory authority.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below and elsewhere in this AIF, no director, executive officer or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the common shares of the Corporation or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction either within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares in Canada is Computershare Investor Services Inc. with its principal offices in Vancouver, British Columbia and Toronto, Ontario.

The auditors of the Corporation are Ernst & Young LLP, 700 West Georgia Street, Vancouver, British Columbia V7Y 1C7.

## **MATERIAL CONTRACTS**

IsoEnergy has not entered into any material contracts in the most recent completed financial year, other than contracts entered into in the ordinary course of business.

## **INTERESTS OF EXPERTS**

The following persons have been named in this AIF as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 – *Continuous Disclosure Obligations*, during or relating to, the financial year ended December 31, 2017: Tim Maunula, a “qualified person” as defined under NI 43-101, who holds less than 1% of the Corporation’s securities.

Ernst & Young LLP, chartered accountants, provided an auditor’s report dated March 1, 2018 in respect of the Corporation’s financial statements for the financial year ended December 31, 2017. Ernst & Young LLP has advised the Corporation that they are independent of IsoEnergy in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia and within the meaning of PCAOB Rule 3520, Auditor Independence.

## **ADDITIONAL INFORMATION**

Additional information regarding the Corporation, including directors’ and officers’ remuneration and indebtedness, principal holders of the Corporation’s securities, and securities authorized for issuance under equity compensation plans, is contained in the management information circular of the Corporation dated May 15, 2017 in respect of the Corporation’s most recently held shareholder meeting, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information is provided in the Corporation’s consolidated financial statements and management’s discussion and analysis for the period ended December 31, 2017 and 2016, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Additional information relating to the Corporation may be found under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

## SCHEDULE "A" - AUDIT COMMITTEE CHARTER



**ISOENERGY LTD.**  
(the "Company")

### AUDIT COMMITTEE CHARTER

#### PURPOSE

The primary function of the Audit Committee of the Company is to assist the Board of Directors (the "**Board**") fulfill its oversight responsibilities relating to accounting and financial reporting process and internal controls.

#### COMPOSITION, PROCEDURES AND ORGANIZATION

- (a) The Board shall appoint the members and the Chair of the Committee each year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (b) The Committee shall consist of at least three members of the Board provided that: (i) if at the relevant time the Company is a "venture issuer" a majority of whom shall not be officers, employees, or control persons of the Company or any of its associates or affiliates, as defined under the rules of the TSX Venture Exchange; and (ii) otherwise, each of whom shall be "independent" as determined in accordance with and required by applicable securities laws, rules, regulations and guidelines ("**applicable securities laws**").
- (c) All Committee members shall be "financially literate" within the meaning and to the extent required by applicable securities laws.
- (d) If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.
- (e) The Committee may choose any person, who need not be a member to act as secretary at any meeting of the Committee.
- (f) The Committee shall meet at least four times annually on such dates and at such locations as may be determined by the Chair of the Committee or any two Directors.
- (g) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. The Committee may also act by unanimous written consent of its members.

- (h) If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains in office.
- (i) Notice of the time and place of every meeting of the Committee shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully convened.
- (j) The Chair of the Committee shall set the agenda for meetings of the Committee. At the invitation of the Chair, one or more officers or employees of the Company may, and if required by the Committee shall, attend a meeting of the Committee. The external auditors shall receive notice of and have the right to attend all meetings of the Committee.
- (k) The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board when the Committee deems appropriate.
- (l) The Committee, when it considers it necessary or advisable, may retain, at the Company's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve the fees and other terms for the engagement of such persons.
- (m) In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Company, to the Company's legal counsel and to such other information respecting the Company as it considers necessary or advisable in order to perform its duties and responsibilities.
- (n) The Committee shall periodically review this Charter, and submit any recommended changes thereto for approval by the Board.

## **ROLES AND RESPONSIBILITIES**

The Committee has the following overall duties and responsibilities:

- (a) assist the Board in the discharge of its responsibilities relating to the quality and integrity of the Company's accounting principles, reporting practices and internal controls;
- (b) assist the Board in the discharge of its responsibilities relating to the Company's disclosure obligations under applicable securities laws, including approval of the Company's annual and quarterly consolidated financial statements together with management's discussion and analysis thereon;
- (c) establish and maintain a direct line of communication with the Company's external auditors and periodically assess their performance;
- (d) ensure that management has designed, implemented and is maintaining an effective system of internal controls; and
- (e) report regularly to the Board on the fulfillment of its duties and responsibilities.

## **PUBLIC FILINGS, POLICIES AND PROCEDURES**

The Committee has the following duties and responsibilities in respect of public filings, policies and procedures:

- (a) reviewing and, if appropriate, recommending that the Board approve:
  - (i) all annual audited financial statements together with the report of the external auditors thereon and management's discussion and analysis thereon;
  - (ii) all unaudited financial statements and management's discussion and analysis thereon;
  - (iii) all annual and interim profit and loss press releases; (iv) each annual information form (if applicable);
  - (iv) all prospectuses; and
  - (v) all financial information in other public documents, requiring approval by the Board;

in all cases, prior to their public disclosure or being filed with the appropriate regulatory authority;
- (b) ensuring adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;
- (c) discussing the impact of any significant issues regarding accounting principles, practices and judgements of management with management and the external auditors, as and when appropriate;
- (d) reviewing with management and, if appropriate, the external auditor:
  - (i) significant variances in actual financial results from budgeted or projected results;
  - (ii) any actual or proposed regulatory changes or other changes in accounting, or financial reporting practices or policies;
  - (iii) any significant or unusual events or transactions and, where applicable, alternative methods used to account for significant or unusual transactions;
  - (iv) any actual or potential breaches of debt covenants;
  - (v) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments;
  - (vi) the presentation and impact of significant risks and uncertainties;
  - (vii) the accuracy, completeness and clarity of disclosure of the Company's financial statements;
  - (viii) any tax assessments, changes in tax legislation or any other tax matters that could have a material effect upon the financial position or operating results of the

Company and the manner in which such matters have been disclosed in the financial statements;

- (ix) any litigation, claim or other contingency that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the Company's financial statements;
  - (x) whether all material information is presented in the management's discussion and analysis;
  - (xi) material communications between the external auditor and management, such as any management letter or schedule of unadjusted differences;
  - (xii) with the external auditor only, any fraud, illegal acts, deficiencies in internal control or other similar issues; and
  - (xiii) general accounting trends and issues of auditing policy, standards and practices which affect or may affect the Company; and
- (e) review with management and the external auditors any correspondence with securities regulators or other regulatory or government agencies which raise material issues regarding the Company's financial reporting or accounting policies.

#### **FINANCIAL MANAGEMENT**

The Committee has the following duties and responsibilities with respect to financial management:

- (a) reviewing and if appropriate, recommend for Board approval, all annual capital and operating budgets (and amendments thereto); and
- (b) at regularly scheduled meetings of the Committee: (i) reviewing the Company's financial position as disclosed in the income statement, balance sheet and statement of cash flows; (ii) review the Company's forecast against the approved budget; and (iii) reviewing the Company's cash position, liquidity and capital requirements.

#### **INTERNAL CONTROLS, RISK MANAGEMENT AND COMPLIANCE**

The Committee has the following duties and responsibilities with respect to the internal controls, risk management and compliance:

- (a) reviewing the adequacy, appropriateness and effectiveness of the Company's policies and business practices which impact on the integrity, financial and otherwise, of the Company, including those relating to insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- (b) reviewing compliance with the Company's Code of Business Ethics;
- (c) reviewing any issues between management and the external auditors that could affect the Company's financial reporting or internal controls;
- (d) periodically reviewing the Company's compliance with recommendations made by the external auditors;

- (e) reviewing annually, the adequacy and quality of the Company's financial and accounting resources;
- (f) reviewing annually with the external auditor, any significant matters regarding the Company's internal controls and procedures over financial reporting, including any significant deficiencies or material weaknesses in their design or operation;
- (g) receiving and reviewing reports from management assessing the Company's risk management and assess and identify major risk exposure and mitigation strategies against the guidelines and policies that management implemented to govern the monitoring, controlling and reporting of such risks;
- (h) establishing procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and
- (i) reviewing and approving all related party transactions.

## **EXTERNAL AUDITOR**

The Committee has the following duties and responsibilities as they relate to the external auditor:

- (a) consider and make recommendations to the Board, for approval by the Company's shareholders, the appointment, re-appointment and removal of the Company's external auditor;
- (b) oversee the selection process for a new auditor and, upon resignation of the external auditor, investigate the circumstances surrounding such resignation and determine whether further action is required;
- (c) oversee the relationship between management and the external auditor; review and negotiate and recommend to the Board, for approval, the terms of engagement of the external auditor, including remuneration and scope of services;
- (d) oversee the work of any external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) assess annually, the independence and objectivity of the external auditor, considering relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of, and fees for, any non-audit services;
- (f) meet with the external auditors on a regular basis in the absence of management in order to review accounting practices, internal controls, any difficulties encountered by the external auditors in performing the audit and any other matters it deems appropriate; and
- (g) pre-approve all non-audit services to be provided to the Company by its external auditors (and remuneration therefor). The Committee may satisfy the pre-approval requirement in this subsection (g) if:

- (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the fees paid by the Company (and its subsidiaries) to its external auditors during the fiscal year in which the services are provided;
- (ii) the Company (or its subsidiary) did not recognize the services as non-audit services at the time of engagement; and
- (iii) the services are promptly brought to the attention of the Committee and are approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members the authority to pre-approve non-audit services provided that the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the full Committee at its first scheduled meeting following such pre-approval.

#### **COMMITTEE CHAIR**

Where a vacancy occurs at any time in the position of the Committee Chair, it shall be filled by the Board. The Board may remove and replace the Committee Chair at any time.

The Chair of the Committee shall lead and oversee the Committee to ensure it fulfills its mandate as set out in its terms of reference. In particular, the Chair shall:

- (a) ensure the Committee functions independently of management, including organizing in-camera sessions and other meetings without management;
- (b) provide advice and counsel to the President and Chief Executive Officer and other senior members of management in respect of matters within the scope of the Committee's mandate;
- (c) preside as chair of each meeting of the Committee; and
- (d) communicate with all members of the Committee to co-ordinate their participation, ensure their accountability and otherwise generally provide for the effectiveness of the Committee.