



FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 – NAME AND ADDRESS OF COMPANY

IsoEnergy Ltd. (“**IsoEnergy**”)
Suite 200 – 475 2nd Avenue S
Saskatoon, Saskatchewan S7K 1P4

ITEM 2 – Date of Material Change:

December 6, 2022

ITEM 3 – News Release:

A news release relating to the Offering (as defined below) was issued on December 6, 2022, through Newswire. A copy was also filed on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

ITEM 4 – Summary of Material Change:

IsoEnergy announced it had closed a private placement, raising approximately \$18.3 million through the sale of charity “flow through” common shares, common shares and convertible debentures.

ITEM 5(A) – Full Description of Material Change:

On December 6, 2022, IsoEnergy closed a private placement (the “**Offering**”), raising approximately \$18.3 million as follows:

- \$6 million raised through the issuance of 1,801,802 common shares to NexGen Energy Ltd. (“**NexGen**”), at a price of \$3.33 per share;
- US\$4 million (approximately C\$5.3 million) raised through the issuance of an unsecured convertible debenture (the “**Debenture**”) to Queen’s Road Capital Investment Ltd. (“**QRC**”);
- \$5 million raised through the issuance of 940,000 charity “flow through” common shares, at a price of \$5.35 per share, to a syndicate of underwriters led by PI Financial Corp., and including Canaccord Genuity, Haywood Securities Inc., Raymond James Ltd., Sprott Capital Partners LP, and TD Securities Inc. (collectively the “**Underwriters**”), such shares being immediately resold to accredited investors (the “**End Buyers**”), at a price of \$3.33 per share; and
- \$2 million raised through the issuance of 600,000 non-“flow through” common shares to the Underwriters, at a price of \$3.33 per share.

The Debenture carries a 10% coupon (the “**Interest**”) over a 5-year term, with the principal amount (adjusted to Canadian dollars) convertible at the holder’s option into common shares of the Company, at a price of C\$4.33 per share (the “**Conversion Price**”), for a maximum of 1,464,281 shares, with the exact number of shares determined based on the exchange rate at the time of conversion. The Interest is payable semi-annually, with 7.5% payable in cash and 2.5% payable in common shares of the Company, subject to the approval of the TSX Venture Exchange (the “**TSXV**”), at a price equal to the 20-day volume-weighted average trading price of the Company’s common shares on the TSXV (the “**VWAP**”) on the day prior to the date such Interest is due. The Company is entitled, on or after the third anniversary of the issuance of the Debenture, at any time the 20-day VWAP exceeds 130% of the Conversion Price, to redeem the Debenture at par plus accrued and unpaid Interest. In connection with the issuance of the Debenture, the Company paid QRC an establishment fee of US\$120,000 in cash.

IsoEnergy paid a fee to the Underwriters, in cash, equal to 5.5% of the gross proceeds raised from the sale of charity flow through shares and non-flow through shares made via the Underwriters.

Including the proceeds from the Offering, IsoEnergy now has cash reserves of approximately C\$20.7 million. Proceeds from the Offering will be used for exploration and development of the Company’s properties in the Athabasca Basin, Saskatchewan, potential future acquisitions and for general corporate purposes.

Pursuant to applicable securities laws, all securities issued in connection with the Offering have a four-month hold period expiring on April 7, 2023.

ITEM 5(B) – MI 61-101 Supplementary Information

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”).

(a) a description of the transaction and its material terms:

Please see Item 5(A) above.

(b) purpose and business reasons for the transaction:

To allow IsoEnergy to improve its financial position and to assist in financing exploration of IsoEnergy’s Canadian mineral projects.

(c) the anticipated effect of the transaction on NexGen’s business and affairs:

Please see Item 5(A) above.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Please see Item 5(A) above. In addition to NexGen, the following directors and/or officers of IsoEnergy purchased common shares as End Buyers:

- Mr. Peter Netupsky, a Director of IsoEnergy, purchased 45,000 common shares;

- Mr. Tim Gabruch, the Chief Executive Officer and a Director of IsoEnergy, purchased 10,000 common shares; and
- Mr. Graham du Preez, the Chief Financial Officer of IsoEnergy, purchased 10,000 common shares.

(ii) the anticipated effect of the transaction on the percentage of securities of IsoEnergy, or of an affiliated entity of IsoEnergy, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

The Offering did not result in a material change in the percentage ownership of securities of IsoEnergy by those persons referred to in subparagraph (i) above.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of IsoEnergy for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

A resolution of the board of directors of IsoEnergy was passed on December 6, 2022, in accordance with the *Business Corporations Act* (British Columbia), approving the Offering, with those directors noted in Item 5(B)(d)(i) having abstained from voting. No special committee was established in connection with the Offering, and no materially contrary view or abstention was expressed or made by any director.

(f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of IsoEnergy that relates to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable enquiry, to IsoEnergy or to any director or officer of IsoEnergy:

Not applicable.

(h) the general nature and material terms of any agreement entered into by IsoEnergy, or a related party of IsoEnergy, with an interested party or a joint actor with an interested party, in connection with the transaction:

Other than an investment agreement entered into between IsoEnergy and NexGen with respect to the Offering, IsoEnergy did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. In particular, no agreement was entered into by IsoEnergy or a related party of IsoEnergy with the individuals noted in Item 5(B)(d)(i), as they were End Buyers (having acquired shares from the subscribers of charity flow through shares).

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which IsoEnergy is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

IsoEnergy is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by all related parties does not exceed 25% of the market capitalization of IsoEnergy, as determined in accordance with MI 61-101. IsoEnergy did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which IsoEnergy deems reasonable in the circumstances in order to complete the Offering in an expeditious manner, as noted in its initial news release of November 16, 2022.

ITEM 6 – Reliance on subsection 7.1(2) of National Instrument 51-102:

Not applicable.

ITEM 7 – Omitted Information:

No significant facts otherwise required to be disclosed in this report have been omitted.

ITEM 8 – Executive Officer:

The following executive officer of IsoEnergy is knowledgeable about the material change and may be contacted respecting the change:

Graham du Preez
Chief Financial Officer
Phone: (306) 653-6255
Email: info@isoenergy.ca

ITEM 9 – Date of Report

December 16, 2022