SMITHWEEKLY RESEARCH | Discussions

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►**SmithWeekly:** Welcome to SmithWeekly Discussions an occasional program for our readers and listeners of SmithWeekly Research, please note this program is a private discussion and everything contained herein is for entertainment and educational purposes only. With that, we hope you're in a comfortable position along with your favorite beverage to enjoy the discussion. We want to thank our audience for questions coming from @feedsexplores, Cindi W., Mike P., and Todd A. We have Craig Parry on the line today. Craig is President, CEO and Director of IsoEnergy Limited. The company is listed on the Toronto Venture Exchange under the symbol ISO and on the U.S. OTC Markets under the symbol ISENF. Craig. Thanks for coming on.

►**Craig:** Thanks for having me, Andrew.

►**SmithWeekly:** So Craig give us your background and then tell us about your past successes and failures in the business.

►**Craig:** Well, unfortunately more failures than successes, but we've had a couple of successes that we can talk about. So my background look, I'm an exploration geologist. I spent nine years with Rio Tinto in various different locations kicked off in Pilbara, Australia looking for iron ore and diamonds. Spent a couple of years in Chile, couple of years in China, the usual sort of global exploration role looking for, you know, project generation for iron ore before leaving to start a number of my own companies with a few partners, you know, some of your listeners might be familiar with the Owen Hegarty, EMR Capital. He was one of my partners at the Tigers Realm group of companies own. He ran Oxiana Limited from 2000 up to 2006, $10 million dollar market capitalization up to $6 billion market cap during that last resource boom. In the Tigers Realm group of companies where I was we started a number of companies with a few things listed here in Canada on the TSX. My main baby there was Tigers Realm Coal where we rebuilt coking coal mines out in far eastern Russia of all places. One of the other things that I helped start at that time, and co-founded, was Nexgen Energy, Leigh Curyer who is the CEO of Nexgen. Leigh is also my chairman at IsoEnergy and you know we were very fortunate there to make a discovery, the Arrow deposit in the Athabasca Basin and we started that company with initial capital raised in that company at five cents and it's now trading around three dollars a share. So that's been a tremendous win for investors. I'm also involved as a shareholder and co-founder of a company called EMR Capital which is now I think the second product biggest private equity fund in the world for resources. We've got about 2 billion under management there so that's going very well. Some of

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the failures well there's plenty of those. Tigers Realm Coal is, you know, I think we did well there to acquire an odd number of assets in far eastern Russia that really were tier one in nature. But of course, unfortunately, with the Ukrainian situation with Russia became very difficult to raise capital and an advance that project as quickly as we can so I think you know shareholders still suffering there a little bit but we hope that in turn around one day soon and then you know of Nexgen Energy. I should say we spun out IsoEnergy. That was Nexgen, we had a bunch of properties out in the eastern Athabasca area and some very very good targets. Nexgen spun out all the properties to focus on Arrow. Of course our largest shareholder is Nexgen. So we thought it made sense to move those assets out into IsoEnergy, you know, staff the company up from the company and give those projects the attention they deserve in a different group. We've got the full might of Nexgen, they're behind us next now going to a billion dollar market capitalization. They've got a hundred and thirty million in the bank. So you know having that expertise experience and financial might behind us is very good for our company at IsoEnergy as well.

►**SmithWeekly:** Okay. Well before we get into Iso, a little bit more on EMR?

►**Craig:** I should say that I'm a shareholder and helped start the company. I'm no longer formally involved on a day-to-day basis. Tremendous success there. Management, Owen of course, then Jason Chang the CEO, Tony Manini, Director, who was one of my partners at Tigers Realm. Those guys have now got the fund. $2 billion Canadian under management. There is more of a focus on very much advanced stage or operating assets bigger types of projects. So as an example, we had the Martabe mine project in Indonesia, which we sold recently for I think about $1.2 billion. Recently they bought the Kestrel coking coal mine in Australia off Rio Tinto for $2.2 billion. So much bigger transactions. The focus is very much for those guys on the key commodities. We really know and love gold to a lesser extent potash and coking coal. One of the things that the fund hasn't invested in really is uranium for whatever reason. Really, I think it is, their concern there has been timeline, lead times to production, for most projects around the world which is sort of telling and leading them to a bit of discussion about what we see on that front.

►**SmithWeekly:** It would be interesting to see what the folks at EMR now are starting to think about the potential value proposition that exists. So tell us a bit about Iso, the share structure management compensation, cash on hand and what are the key projects?

►**Craig:** Yeah. Absolutely. We've only really been around since 2016 and that means we haven't got too many shares out of the moment. We've got 55 million shares out, Nexgen is the biggest shareholder with ~59% at the moment. We've done a number of transactions with some of the other major uranium players including Cameco, Areva, Japan-Canada Uranium Co. Ltd., the Japanese uranium conglomerate. So we see those guys heavily on the register as well. So Cameco around seven percent, Orano formerly called Areva, the French giant, they're with three percent and JCU with a couple of percent. We're in a very fortunate position and quite a good day to be speaking to you Andrew in that we've just in the process of closing a financing for $4.5 million. I think, you know, we'll probably close on $5.5 million at some point in the next few days. So that seems very well funded and we will have about seven million dollars in the bank come the New Year and that allows us to focus on our key projects out in the eastern Athabasca.

Compensation and that side of things I should say, you know, we run a pretty lean shop here. The four full-time employees that we've got in Iso are all exploration geologists, myself included. So we, you know, on that basis, there isn't much that goes into administrative costs in that sense. Everyone's boots on the ground type geologists and thereby spending a lot of time on the actual exploration work. So that we think is a real bonus in the benefit of shareholders that we're all focused on the exploration programs that we're doing. Just on the projects as I say eastern Athabasca focused and as you know, well Andrew, if you want quality projects, you've got to go where there are quality deposits and certainly that eastern Athabasca. It produces all of Canada's uranium at the moment. It's the area of the world where there are the highest grade uranium deposits, you know, the major mines out there owned by Cameco being the McArthur River and Cigar Lake, their head grades are typically around 20 percent uranium, which is two orders of magnitude greater than a number of the other mine around the world. So, you know, astonishing great huge projects in that sense, you know, McArthur until it closed recently, was the biggest uranium mine in the world around 13% of world production. So McArthur alone was equivalent of Saudi Arabia in oil terms. So there's so much exploration potential out there and one of the things that we're doing so, you know, a little bit of geology, the Athabasca Basin, it's a Sandstone Basin sits above an unconformity as they say that in geological terms and below that you've got the basement rock. Now these deposits, McArthur and Cigar Lake, for example, sit at the unconformity and in the sandstone and the alteration in those deposits can be very intense. It means that the rocks are very weakly consolidated, you know, often having a consistency like toothpaste or sort of wet concrete and that means that you know, the mining costs associated with those deposits are really very very high and hence. You've seen the closure of the McArthur River.

What we found at Arrow is a very different beast in that in the basement in that course competent crystalline basement rock and what that means is that the deposit lends itself to conventional low cost underground mining and it turns out, you know, historically the exploration model for these deposits has been that you don't get deposits of the Arrow size down in the basement would now turn that theory on its head and proven that you know, I think at Nexgen there, we've got a source of 360 million pounds of uranium in a basement hosted deposit. Now, that's a very big deposit, you know, so those things that turns out are the best things to have, the best things to look for now, you see Nexgen's PEA, we've got an NPV on that project at $50 uranium price of about three and a half billion dollars. So it turns out the jewels in the crown of the Athabasca Basin and that's what you've got to go after and low and behold the eastern Athabasca probably the most respected part of the world for uranium deposits has never ever been effectively and systematically explored for that type of mineralization. So our strategy is very simple: Explore the properties that we got that we acquired from Nexgen for that type of mineralization and also put our foot on as much of the eastern as fast as we can and start drilling below the basement into the structure that hosts those Arrow type deposits. To my mind there will almost certainly be other Arrow type deposits worth millions of dollars in that eastern Athabasca. They just haven't been looked for yet. So our strategy is so very simple just to do that.

►**SmithWeekly:** So give folks just kind of a picture in their mind of where Arrow is in relation to say a Cigar Lake in terms of distance and also where the properties of Iso are in relation to these locations.

►**Craig:** Sure. So the eastern Athabasca, you go about 600 kilometers north of Saskatoon, the capital of Saskatchewan, and I should say, you know, in Saskatchewan that's the place to be exploring as well as it consistently ranks in the Fraser Institute's top one or two jurisdiction in the world, you know, they're used to uranium mines being built there. You've got all of the infrastructure, expertise, and governmental support to develop a project. It is a great place to explore in that sense. So we're out in the eastern part of the Athabasca, you know, some of our projects for example Thorburn Lake is only six kilometers away from that giant Cigar Lake mine. Nexgen is on the southwestern part of the Basin, you know, a couple of hundred kilometres to the Southwest not far from the Alberta border. That's fast becoming a new sort of eastern Athabasca equivalent, if you like, largely driven by the team at Nexgen and what they've discovered at Arrow, a big deposit. Not as much infrastructure, but you still got power and roads in that part of the world. So it's still a great place to be exploring and finding and developing projects.

►**SmithWeekly:** With Nexgen having a large bulk of the shares. What's the methods behind that and how will Nexgen monetize those shares? Is this something that's kind of planned to be, you know, sold in a monetizing kind of a positive uranium price environment moving forward?

►**Craig:** Good question. I look at this strategy there. I should say something interest of full disclosure. I'm on the board of Nexgen, Leigh Curyer, the CEO there is my chairman here. We've got a number of board members in common across the two companies. So we have a good idea of what's going on between the two companies. I suppose as a majority owned associated company in that sense, but you know our strategy there is maintaining a very solid position. I should say also that Nexgen participated substantially in the last couple of capital raises including this one that we're working on at the moment, putting in $1.5 million into that deal. So, you know, our intention there is to keep Nexgen in there as a major shareholder and I think probably, you know, what we're hearing from Nexgen, Cameco and the others on the register is that you know, they're happy with their shareholding. No one selling. None of the corporates are selling and that is if we make a discovery then they're already well-positioned should they want to buy more. So I suppose it's all about positioning in the story.

►**SmithWeekly:** Sure absolutely and I'm sure Nexgen knows the methods in which they'll do what they need to do in a, you know, uranium price environment of you know, $65-$70 uranium and so forth. So with that the companies obviously share efficiencies in management. So there's obviously some joint use between the companies of the management and probably facilities and so forth and you just said that Nexgen supports in private placement type deals. Does Nexgen support financially directly or is it only in, you know, participating in private placement type deals?

►**Craig:** Only participating in private placement deals.

►**SmithWeekly:** So Craig you're involved with Nexgen as you said and you know it really well. Realistically, what is the true time frame for permitting, community outreach, infrastructure, construction, commissioning, and finally actually canning cake?

►**Craig:** I'm recommending that you talk with Travis McPherson, Head of Corporate Development there, on the show and have a chat to him about that because it's you know, I can give you my sort of high-level overview and I think you know we're working on that timeline in the company now, but what I would say to you is that there's a couple of sort of key things. Firstly Nexgen's project is very straightforward and modest-sized mine. The cash flows will be extraordinary to be one of the highest margin mine ever built, but from a very modest mine. So, you know, the environmental impacts of that mine will be very minor so that it's got a lot of pluses that will we think will allow it to be permitted a lot lot faster than anyone expects. I think, you know, also what we see that project if you look at the pre-feasibility study recently put out there a few weeks ago it will throw off about $3 billion in royalties and direct taxes to the Saskatchewan government over a nine-year mine life and about $1.5 billion in royalties to the federal government. So of course and you know Saskatchewan's economy is a little bit depressed at the moment, you see Cameco closed McArthur River and potash businesses there in Saskatchewan aren't going so well. They've got a number of challenges and they are really very keen, both the Saskatchewan government and the federal government, to encourage further development, job creation and growth in Saskatchewan. So, you know, people are highly motivated to help us advance our project is what I would say to you.

►**SmithWeekly:** Okay. Yeah, that sounds good and on that topic, Nexgen. I'm not familiar with and I haven't looked at it recently, with the pre-feasibility study there, what is the all in cost?

►**Craig:** You know the cash cost of the pre-feasibility study will be about $4, around U.S. $4 a pound. The all in sustaining number is around $12 a pound and the total number with a return on capital, I think, with a discount rate of 10%, about $70 dollars a pound. So it's an extraordinary positive deposit. It's like nothing else I've ever seen certainly something that I think, you know, Rio Tinto and BHP would be proud to have it. It will do the most extraordinary thing and that is occupy the first quartile of the cost curve, the cash cost of about a quarter of the next best mine. So it's a disruptive deposit in that sense. It's a bit of a freak of nature and the study was done at a base case of $50 per pound uranium. I think we'll see that, you know long-term contracts over the next year or two will start seeing those get signed and north of that that sort of level right, you know in large part because of the closure of the McArthur River. Cameco needs our uranium price much higher than $50 a pound to bring that back on stream so the world will be in deficit until contracts start getting written that those sorts of prices.

►**SmithWeekly:** So the Nexgen journey has been mostly written so far during the down side of the last uranium cycle. Do you believe that it's extra difficult to realize full value during discovery phases when you are in an extended torture period like what we've seen post-Fukushima?

►**Craig:** Excellent question. I think you know certainly if we discovered Arrow during that last boom, you know, Nexgen would sort of probably be a ten billion dollar plus company. We saw examples of that during that last boom. So you can do much so much better when you get a positive market, but the extraordinary thing about that is and I like to sort of talk to people about that standpoint is that the very first capital raised we did in Nexgen was at five cents a share. I think that was back in late 2011 early 2012. So that was post Fukushima and of course that had a really serious impact on uranium prices and pushing that downward trend for the past six years. So, you know, despite making that discovery starting the company making a discovery post Fukushima we've still managed to take that turn those investors dollars taken from five cents a share up to about three. So that's key to what we're doing and why you know people ask us well, why would you be exploring for uranium in this horrible downturn? Well, firstly we're contrarian secondly we're not doing anything else. We don't do anything else. This is our business, in it for life. But thirdly, a discovery in the Athabasca Basin can really deliver extraordinary returns for investors as the guys have done there at Nexgen.

►**SmithWeekly:** Well, it'll be interesting and entertaining to see how this plays out as we get underway with this new cycle. So you've been around in the Athabasca Basin for some time and of course lots of other places, but in this region, what company do you kind of have respect for and has a respectable situation?

►**Craig:** Yeah, well, there are a few of them. Of course Nexgen's doing something that I think is absolutely extraordinary. You go out to the site and the way they operate I think is actually sort of best in class and certainly, you know, as good if not considerably better than the way some of the majors operate. That project is in such good hands. I think you know there are a number of other players, of course, Cameco on the eastern Athabasca with their mines and mills. They're struggling a little bit at the moment some of the issues around the cost base of those projects, but they do a fantastic job, such a wonderful company to support. Then we see some other guys out there. I caught up with Jordan Trimble from Skyharbor yesterday. He continues to impress me. Greatly. He's got some really good looking projects out there and doing some exciting stuff there. Denison, of course, I should say Steve Blower, my Vice President of Exploration here at Iso, Steve came to us from Denison, he was the head of exploration and he led the team that discovered the Griffin ore body which is another one of these examples, rare example, the basement hosted mineralization. I think you know Denison does a very good job as well. They've got some really good projects and an interest in a mill, but outside of that you start to struggle to come up with names and I think you know for investors that has some serious ramifications, implications in that, you know, when you look at the space and look as to where you're going to put your money, they're aren't many people that you can put it into so I guess one of the very few benefits of this downturn that we've gone through and sort been a natural filtering process occur and so now there aren't many of us left and the ones that are there are serious and managed to survive.

►**SmithWeekly:** Right. Well, you're an Australian and I know you have a presence globally and I know you look beyond just Canada and even in some cases the U.S., I'm sure you're looking at home country and other places as well. So along the same lines what, you know, if you can't share businesses, what are some respectable people in the industry that you've come across globally, what kind of names do you respect across the industry that have made their mark and have a good set of wisdom and experience?

►**Craig:** Yeah, good question. I spent a little bit of time in London with Daniel Major. Daniel runs Goviex and those permitted projects in Africa that could be brought on stream very quickly, you know, he's doing a fantastic job and got some good-looking stuff there. I think you know who else can I talk about down in the U.S. There are a few good operators, George Glasier at Western Uranium, very impressive. The guys at Energy Fuels do a great job of course, and I think you know for your listeners that's probably pretty important with this section 232 petition for uranium that was brought forward by Energy Fuels, you know, they could stand to be a tremendous beneficiary of a positive decision. But again, you know you sort of struggle to find too many names out there. There aren't many companies left in the world at the moment, only about 30 of us, as opposed to a few years ago there was probably about 300 listed. The combined market capitalization of our sector nowadays is only about fifteen billion dollars pre Fukushima it was over a hundred thirty billion. For investors the sort of total market potential is probably five times their money. For myself the way I look at it is when, you know, you don't have to spend too much time thinking about picking actual names and stocks just buy a basket of them all because as the market starts and uranium prices return to the norm the whole tide will lift all boats.

►**SmithWeekly:** Right and you know the combined market cap of the industry is really similarly close to one company in the cannabis sector, Canopy Growth on the TSX. So it's interesting to put such a small industry in perspective and how such a big impact it has on the nuclear power industry. So moving on you're part of management over at Skeena Resources. How are things going over there and give investors an idea of kind of how you split up your time between these companies?

►**Craig:** I'm not on the management but just on the board so that doesn't take up too much of my time at all really and the management team, they're led by Walter Coles, Jr., are doing a tremendous job. So thankfully, you know, I get to be, you know, just a board member but a very happy board member I should say, you know, Walt, he's done a tremendous job of bringing on board firstly that Snip Mine it was one of the highest grade at highest margin gold mines in the world. Then he did the deal to bring on board Eskay Creek, which goes back to Barrick and its predecessors produced of the order of three and a half million ounces there at somewhere around a head graded 46 grams per tonne or an ounce and a half per tonne gold equivalent. So, you know, that's a fantastic deposit and there's so much left there. The challenge at both Snip and Eskay going back 20 years ago was the lack of infrastructure and access meant with the cutoff grades that were employed at those mines were very very high. I think the cutoff grade at Snip for example was about 20 grams per tonne gold nowadays all the infrastructure is caught up both mines. You've got roads within a few kilometers, you've got hydroelectric nearby there that can provide power and good road access all throughout there now. So when it comes to redeveloping those mines the cutoff grades will be that much lower. They are spectacular projects. That's one of the weird anomalies in the market at the moment. In my mind one of the best investment opportunities out there. It's a market cap today of about $35 million just because of the sort of you know gold price and issues going on at the moment in the resource space. The guys aren't being rewarded for what they've achieved there just yet but that will change.

►**SmithWeekly:** Right, it's interesting the projects there and thanks for correcting me, I said management in my ignorance. So switching gears just a little bit, what do you see as the backbreaker catalyst to lift uranium off the ground over the next 12 to 24 months?

►**Craig:** Yeah, it looks like there are a couple of things that are going on at the moment that are playing out at the moment that we've been predicting for a long time. But like anything it takes a little bit longer than you expect to have happen. As an industry we've been predicting and I should say you've got supply and you've got demand. On the demand side, you know, I don't profess to know too much about that aspect of things, you know, really as miners, explorers, developers, we usually are supply side tragic, but we don't have the greatest of visibility through to the demand side. But what we do know is that post Fukushima we saw a couple of things have happened on that front, you know, two months ago we saw global demand finally reach pre Fukushima levels. We know the time is very quickly developing a much larger demand side growth continued steadily and more or less two percent year-on-year. So that's okay that's looking after itself. But really the whole story to my mind is on the supply side, you know, if you direct your listeners to our website, you'll see on our company presentation we put in a cost curve there. Now the cost curve in the uranium sector is a little bit of a tricky thing and you know, there's a fair amount of BS that goes into that cost curve as well.

One of the things that we haven't gone through as an industry, a sector within the mining industry, is a move to quoting all in sustaining numbers like the gold industry. Gold 10 years ago went through that pain and now everyone understands the all in sustaining numbers as opposed to cash cost. This would give a much better view of the picture for uranium. We don't do that very effectively at all, but what we do know from recent variances that cost of production is much higher than what people are sort of really talking about and hence you've seen some dramatic things happening on the supply side. So you've seen Kazatomprom close 30% of their production or reduce their production by 30%. Cameco shut their U.S. operations then they shut McArthur which was of course the biggest news of all so all of that pain that we had happen in the supply side we will finally see play out and in a really dramatic fashion and it's happened very quickly. The other thing though that we hadn't predicted was that is, you know, sure every action there's an equal and opposite reaction. What we found is that, you know with Cameco closing McArthur they still have long-term supply agreements with their customers particularly those in the U.S. and so they've had to wade into the market and buy physical product and that's what's driven in large part, we think, driven the price rise from about $18 a pound to $29 a pound today. Cameco disclosed on their most recent quarterly call they need to buy two million pounds this year still and then next year it's the order of 14 or 15 million pounds that they need to buy to replace into that long-term contract. So we would expect that this will continue to have a fairly dramatic impact on the market. Then the other thing tapping on the demand side is the emergence of a number of financial entities that are looking to invest in the space. We saw the Yellowcake fund established in London. They raised two hundred million dollars. What's little known at the moment is that come 1st of January they have the right to buy another hundred million dollars worth of product off Kazatomprom. My understanding is that they'll be buying that product. All the sudden a lot of that buying will be in the spot market. So we reckon there is huge upward pressure emerging to drive the spot price up over the next 6 to 12 months.

►**SmithWeekly:** Right and certainly the supply choking that's occurred and these purchases by these holding funds coming into the market and Cameco stepping into the spot market is all good stuff. Another big adder to it is just the timing of long-term contracts that are coming due and need to be redone over the next couple of years. Then of course the section 232 adds a nice little pop to what's going to potentially happen in 2019-2020. So moving on, section 232, what is your view on this and will Canadian based suppliers be a part of the potential deal there?

►**Craig:** Yeah, I think that's an interesting one. I reckon it was a good move to put forward by Energy Fuels and Ur-Energy that you know to me it makes sense that you want to have a strong degree of energy security in your country. I think 80% of or maybe even more 90% of the uranium used in the U.S. is supplied from outside the country and about 40 or 50% of that comes from former soviet union states so less than ideal situation there. So to me it makes sense and I think my prediction is that potentially even for political reasons because of course the sort of that situation, you know, it's probably another opportunity for Trump to sort of sink the slippers into Hillary and Bill. So there's a political element to it as well. I think commercially it makes great sense. So we'll see that go through. I don't know about, you know Trump and Trudeau don't seem to have the best of relationships at the moment. So whether Canada gets to be part of that party, I'm not so sure I sort of wouldn't expect it. You know, possibly Australia, I think Australians you know got a much stronger relationship with the U.S. and we saw with the aluminum and steel tariffs situation Australia was given a free pass there. Canada, not so sure to me it would make sense to include them because of course the Athabasca Basin. So it'll be interesting to see what happens when the decision's handed down by the Department of Commerce to Trump. He then has 90 days to sign off on it and if it goes through as I expect we would then potentially end up with a two tier pricing system. It won't have a big impact on overseas pricing or prices external to the U.S. but what it will have is a dramatic impact on price that's achieved by U.S. producers. So I'm very positive down there.

►**SmithWeekly:** Yeah it'll be some interesting points coming out of this and there's no better circumstances that are lining up with the protectionist administration and the folks that are running these agencies. There's kind of no better. It's a really good situation that setup and you know with Cameco and the infrastructure that Cameco has and the capacity of the U.S. with almost no fuel cycle infrastructure at this point. It'd be tough to keep them excluded. It'll be interesting to see how they manage to get this off the ground and you're going to have some serious capital spend going into the U.S. in order to start meeting some of these minimum quotas that have been asked for so it'll be an interesting couple of years coming ahead here.

►**Craig:** Absolutely.

►**SmithWeekly:** So on another subject, do you see SMR technology being kind of the direction of the nuclear power industry in the coming decades?

►**Craig:** Look I think long term it's an absolutely. We would have an impact in the next 5-10 years and it will start to but certainly it makes sense to my mind. The safety rating of these things. They're very stable safe things nowadays. Sometimes people sort of probably are concerned about going down that route but as I mentioned I had quite a bit of experience in building a coal mine in far eastern Russia and one of the things that we're looking at to provide power to that coal mine was acquiring a nuclear-powered icebreaker and so we're looking at parking one offshore and powering the mine from what is in essence a small modular reactor. There actually is already present for use of utilization on deployment of those sorts of things. To me it's a logical step and certainly if, you know, I think California is an example that they want to move to zero-carbon energy sources completely by 2040. To my mind the only way you can get there is to employ nuclear technology.

►**SmithWeekly:** It'll be interesting to see if California can actually grow some brains and start to wise up. Yes, but it's certainly interesting to look at these and the technology is impressive, the safety factors are impressive, the money that starting to come into it is impressive, the companies behind it is certainly interesting and it's the fact that you can potentially build these things in a warehouse and ship them by surface roads or rail to the location or by a boat is really impressive. So it'll be interesting to see how the next 10 years how that develops out and maybe even in the near term maybe the next five years we'll start to see some prototypes be deployed. So what other natural resources sectors do you see having very strong fundamentals over the next couple of years?

►**Craig:** Look I like a couple of things I think again this downtown has been so sort of long and deep that not a huge amount of development work and exploration is being done for number of metals. But I really like copper, you know copper's always, there's always a good strong demand for that growing demand particularly with this increasing use of battery technology around the world and you know, the head grade of copper mines in the world was dropped dramatically over the last decade and so, you know having a good copper project is good. The other sort of macro trend that I really like that we're looking at is the move to the battery metals and more battery materials were one of the studies that we sort of look to a fair bit is a Rio Tinto study that they commissioned MIT to do for them to look at who will be the big beneficiaries of this battery EV revolution, but also including in that AI and Robotics. The very surprising finding is that on a sort of semi quantitative basis tin is set to be the biggest beneficiary of all of that because of course tin's used in soldering and the need for tin goes up dramatically. There's been no real exploration for tin in a very very long time and no development projects in on the sidelines. So now I really like the outlook for tin, but lithium, cobalt, graphite and then copper and nickel are also the big beneficiaries of that, what is a transformative fourth leg of the Industrial Revolution. Uranium fits within that of course as well because it provides the cleanest energy possible to feed into those batteries.

►**SmithWeekly:** Good insights, appreciate that. Certainly the value proposition with uranium at this point is by far pretty significant. So back to that kind of subject besides the U.S. and Canada, so you got to pick something else. What other one uranium jurisdiction do you like?

►**Craig:** Good question. Not too bad is Western Australia of course we've got some very good deposits there. Although when they're much higher prices before those things become economic but it seems that you can actually permit and develop a project there nowadays. I mentioned Daniel Major and Goviex before. He's got some good projects in parts of Africa oddly enough. You know, I think Nigeria is really quite interesting because of the grade of the deposit there, tricky jurisdiction, of course, but, you know, for the quality of the assets it's almost worth going there.

►**SmithWeekly:** I figured you would say Australia. Thoughts on Namibia and its status?

►**Craig:** Yeah, that's an interesting one because of course we saw a Chinese conglomerate buy Rossing a couple of weeks ago. I think Rossing has probably been losing money for some time. Incredibly low grade. You know I think they produce uranium from deposits that are about 250ppm. That's our cutoff grade in the Athabasca Basin. You know, I think grade is everything when it comes to finding to developing a project that has a good margin. I'm not the biggest fan of Namibian deposits.

►**SmithWeekly:** Okay. So what's up for IsoEnergy in 2019. How will the money be used that you just raised and what specific targets will you be focused on and give us an idea of how much you plan to spend in 2019.

►**Craig:** Yeah, so the plan there. We're in a very fortunate position now that we're very well funded for the next year to two years. Just depending on what we thought our major focus for the moment on our Larocque property. We had a drill rig drilling at our Geiger property and we wanted to drill one hole there to meet some expiration expenditure commitments on that property and we targeted our best target there and then low and behold the team did very well and hit a significant mineralized intercept their discovery of a new high grade zone. We drilled and at one point hit three percent uranium. You know people like to talk in gold equivalent terms it was about eight and a half meters at 0.22 grams per tonne gold equivalent at current prices. We announced a news release today talking about where we'll be drilling. We will be doing some very modest step out surround there to see if we can't find out where that mineralization is going and it's extent. People can expect some very good news from us as we kick off the drilling. I think we'll be drilling come the 10th of January and then that will go on for six weeks or so, you know, one of the great things about exploring for uranium as we get a couple of kicks of the good news releases when you hit mineralization because of course you get your signal on better results as soon as the core comes out of the ground and then you get your assays six weeks further down the road. There will be good strong news for coming out of that project.

Another thing about Athabasca is that during that last boom in 2007 a huge amount of money was raised and a lot of that went into drill holes in the eastern Athabasca, but unfortunately after the Fukushima incident the money dried up. So what that meant was that there are a lot of companies have done the first or second round of drilling typically just the first round of drilling hit mineralization and then they haven't been able to afford to follow that up. We're one of the first companies to come back in this new part of the cycle and be funded to allow us to go and personally acquire that ground and secondly go in and follow up those drill holes. So, you know, we'll be doing more of that. We've got about five mineralized intercepts on the Geiger property that have never been followed up that have tremendous potential. So, you know, one of the things that that allows us to sort of have high-impact exploration. We're not doing all of that initial time-intensive capital-intensive exploration work. We're simply getting in and following up existing drill holes where mineralized intercepts are being made and any one of those could very quickly be turned into a discovery as we're seeing at our Hurricane zone at Larocque East.

►**SmithWeekly:** Okay and is there any JV carry with Cameco or Orano at this point?

►**Craig:** No, what we've done is we managed to do some really very tight clean deals. We bought hundred percent of the projects from them including Geiger and Larocque for shares only. One of the great advantages and few advantages of this downturn has been that people have been willing to do deals at very reasonable prices. So we're very well positioned on that front and we don't have any cumbersome joint venture agreements and things that might take up a lot of management and the advantages is we get another major on the share register with a substantial shareholder.

►**SmithWeekly:** So why should investors look at IsoEnergy now and what would you say to those considering Iso at this point?

►**Craig:** Look we're a fairly rare commodity at the moment. A very active junior explorer, we're cheap, only got a 20 million dollar market capitalization. We've got projects out in that eastern Athabasca in what is an incredibly prospective part of the world, huge number of walk up drill targets that could at any moment be turned into a discovery. Probably the most exciting thing is the fact that will be drilling some in and around that high grade mineralized intercept come January and so we should have some really good news out of that we're all hopeful that turns into a significant discovery, you know, there's all sorts of exploration risk in what we do of course, but the risk-reward equations, right, you know, the potential upside is absolutely enormous.

►**SmithWeekly:** Right and the timing right now in the context of time for these types of vehicles is a pretty good place to be right now. For those who want to learn more about Iso where should they go?

►**Craig:** They can visit the website, isoenergy.ca, that's probably the best way to get in touch with us and you are more than welcome to call the office as well, (778) 379-3211, but you look out for some really good news for all over the next couple of months.

►**SmithWeekly:** Okay, Craig. Well, good luck and we appreciate you taking the time.

►**Craig:** Thanks for the time and really good to speak with you. I love some of the questions that you asked, Andrew.

For more information about Craig Parry and IsoEnergy, visit:

www.ISOENERGY.ca

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