

ATOM ENERGY INC.
Suite 830 – 1100 Melville Street
Vancouver, British Columbia, V6E 4A6
Telephone: (604) 562-6915 / Fax: (888) 691-0529

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Take notice that the annual general and special meeting (the “Meeting”) of Shareholders of **Atom Energy Inc.** (the “Company”) will be held at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, on May 2, 2017 at 11:00 a.m., Vancouver time, for the following purposes:

1. to table the audited consolidated financial statements of the Company for its fiscal years ending August 31, 2014, August 31, 2015 and August 31, 2016, the reports of the auditor thereon and related management’s discussion and analysis;
2. to fix the number of directors at three (3);
3. to elect directors of the Company for the ensuing year;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as auditor for the ensuing year; and
5. to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution approving, ratifying and confirming certain amendments to the Company’s 10% “rolling” share option plan, as previously approved by the Board, as more particularly described in the Information Circular prepared for the Meeting.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

The audited consolidated financial statements for the fiscal years ended August 31, 2014, August 31, 2015 and August 31, 2016, the reports of the auditor thereon, and the related management’s discussion and analysis will be made available at the Meeting and are available at www.sedar.com

Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are asked to complete, date and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.

Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure their shares will be voted at the Meeting. If you hold your shares in a brokerage account you are not a registered shareholder.

Dated at Vancouver, British Columbia, March 29 , 2017.

BY ORDER OF THE BOARD

“John Veltheer”

John Veltheer
Chief Executive Officer

ATOM ENERGY INC.
Suite 830 – 1100 Melville Street
Vancouver, British Columbia, V6E 4A6
Telephone Number (604) 562-6915 Fax Number (888) 691-0529

INFORMATION CIRCULAR
as at March 27, 2017 (except as otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of ATOM ENERGY INC. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on May 2, 2017 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to “the Company”, “we” and “our” refer to Atom Energy Inc. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249- 7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor (3rd Floor as of April 10, 2017), 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (b) using a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) using the internet through the website of the Company's transfer agent at www.investorvote.com.

Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number; in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "OBOs" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of National Instrument 54-101 "Communication with Beneficial Owners of Securities of a Reporting Issuer" that permit it to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from our transfer agent, Computershare Trust Company of Canada ("Computershare"). The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the *United States Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been

prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare Investor Services Inc. or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the fiscal years ended August 31, 2016, August 31, 2015 and August 31, 2014, with related Management Discussion and Analysis and the report of the auditor over the periods, will be tabled at the Meeting and will be available at the Meeting. These documents are also available under the Company's profile on SEDAR at www.sedar.com.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

To the best of our knowledge, except as otherwise disclosed herein, no director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, and the Company's share compensation plan as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "Board") of the Company has fixed March 27, 2017, as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

Effective June 14, 2016, the Common Shares of the Company were listed for trading on the NEX Board (AGY.H) of the TSX Venture Exchange (the "NEX").

The Company effected two share consolidations: 1) Effective September 19, 2014, the Company's common shares were consolidated at a ratio of 10 pre-consolidation common shares for one new post-consolidated common share; and 2) Effective September 22, 2016, the Company's common shares were consolidated at a ratio of 7.5 pre-consolidation common shares for one new post-consolidated common share.

As of March 27, 2017, there were 2,133,357 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares. The Company is also authorized to issue an unlimited number of Preferred Shares. There were no Preferred Shares issued and outstanding as at March 27, 2017.

To the knowledge of the directors and executive officers of the Company, there are no persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at March 27, 2017.

Certain corporate actions made since August 31, 2014 year-end and current to the date of this Information Circular:

2014:

- * Peter Born resigned as Vice President, Exploration on July 9, 2014
- * O. Kim Goheen resigned as director July 18, 2014
- * Paula Rogers resigned as director September 5, 2014
- * Richard Ko was appointed as a director on September 5, 2014
- * D. Barry Lee resigned as corporate secretary on October 21, 2014
- * Gilbert G. Schneider resigned as Chief Executive Office ("CEO") on October 21, 2014
- * Clive Massey was appointed as CEO on October 21, 2014
- * Teresa Rzepczyk was appointed as corporate secretary on October 21, 2014

2015:

- * Marco Parente was appointed a director on February 4, 2015
- * Clive Massey resigned as CEO on April 25, 2015
- * Gilbert G. Schneider was appointed as Interim CEO on April 25, 2015

2016:

- * Marco Parente resigned as director on January 9, 2016
- * Richard Ko resigned as director on May 15, 2016
- * Gilbert G. Schneider resigned as Interim CEO on August 26, 2016
- * John Veltheer was appointed as CEO on August 26, 2016
- * Gilbert G. Schneider resigned as President on August 26, 2016
- * Teresa Rzepczyk resigned as corporate secretary on August 26, 2016
- * D. Barry Lee was appointed as corporate secretary on August 26, 2016

ELECTION OF DIRECTORS

The size of the Board of the Company is currently determined at three (3). The board proposes that the number of directors be set at three (3). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at three (3).

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("BCA"), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following disclosure sets out the names of management's three (3) nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date:

Name of Nominee; Position with the Company; Province & Country of Residence	Principal Occupation	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
D. Barry Lee Chief Financial Officer, Corporate Secretary and Director <i>British Columbia, Canada</i>	<i>Business Consultant</i> CFO of the Company since 2008; President of Equity One Capital Corp., a private business consulting firm	Since June, 2007	58,469
John Veltheer Chief Executive Officer and Director <i>British Columbia, Canada</i>	<i>Business Consultant</i> - Refer to New Director Biography below	Since August 26, 2016	50,000
Gilbert G. Schneider Director <i>British Columbia, Canada</i>	<i>Business Consultant</i> Director of the Company since 2010; President of VentureCorp2 Capital Inc., a private consulting firm	Since May 2010	0

Note:

The information in the table above as to Common Shares beneficially owned or controlled and the following information as to principal occupation, business or employment is not necessarily within the knowledge of management of the Company and has been furnished by the respective nominees.

New Director Biography

John Veltheer is a veteran business consultant who has served as an officer or director of a number of private and public companies since 1998. Mr. Veltheer obtained a Bachelor of Science degree in Chemistry (Honours) from Queen's University in 1988 and his Ph.D. (Inorganic Chemistry) from the University of British Columbia in 1993.

Advance Notice Provision

At the Company's annual general and special meeting held on July 16, 2013, the shareholders of the Company approved the alteration of the Company's articles for the purpose of adopting advance

notice provisions (the “**Advance Notice Provision**”). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board of directors of the Company are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) or (ii) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (British Columbia).

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person’s term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision which is available under the Company’s profile on SEDAR at www.sedar.com.

The Company did not receive notice of a nomination in compliance with the Advance Notice Provision, and as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

Cease Trade Orders

Other than as set out herein, within the last 10 years before the date of this Information Circular no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Information Circular is prepared) or acted in that capacity for a company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) 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 has 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 proposed director;

- (d) subject to 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
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Gilbert Schneider was a director of Kinetex Resources Corporation (“Kinetex”), which was subject to a cease trade order issued by the British Columbia Securities Commission on July 22, 2010 and the Alberta Securities Commission on November 3, 2010 for failure to file required financial disclosure within the prescribed time period. On December 20, 2010, Kinetex was the subject of a Receivership Order from the Court of Queen’s Bench of Alberta. A receiver and manager of the property assets of Kinetex and its subsidiary, Kintex Multi- Component Services Inc., was appointed pursuant to an order of the Court of Queen’s Bench of Alberta dated on December 20, 2010. On January 20, 2014, the Court of Queen’s Bench of Alberta pronounced the Order of Discharge of the Receiver of Kinetex Multi-Component Services Inc. and Kintex Resources Corporation. Effective March 1, 2011, the share listing for Kinetex Resources Corporation was moved to the NEX board and on July 29, 2013, Kinetex was dissolved by the BC Registrar of Companies. Mr. Schneider resigned as a director of Kintex on July 29, 2013.

John Veltheer was a director of Echelon Petroleum Corp. (now named Trenchant Capital Corp.) (“Trenchant”). In August 2015, the British Columbia Securities Commission issued a cease trade order against the Company for failure to file its annual audited financial statements and management’s discussion and analysis for the year ended March 31, 2015, and trading in the Shares was halted by the TSX Venture Exchange. In November 2015, the Company’s listing was transferred to the NEX board of the TSX Venture Exchange. In January 2016, the British Columbia Securities Commission issued a partial revocation order in respect of the cease trade order, pursuant to which the Company was permitted to undertake a \$600,000 private placement, in order to enable the Company to complete its delinquent filings, as well as a debt settlement. The British Columbia Securities Commission revoked the cease trade order on April 25, 2016, when the outstanding filings were completed, and the TSX Venture Exchange reinstated trading in the Shares on the NEX on May 3, 2016. Mr. Veltheer resigned as a director of Trenchant on October 27, 2016.

John Veltheer was a director of European Ferro Metals Ltd. (“EFM”) until July, 2015. On September 11, 2015, EFM received a cease trade order issued by the British Columbia Securities Commission for failure to file audited financial statements and Management’s Discussion and Analysis within the prescribed deadline. The financial statements were filed and the cease trade order was subsequently revoked by the British Columbia Securities Commission on December 1, 2015.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.

APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Professional Accountants, 1200 – 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, British Columbia, will be nominated at the Meeting for appointment as auditor of the Company.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators – *Audit Committees* (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Audit Committee’s Charter

The Company has adopted a new audit committee charter. A copy of the new audit committee charter is attached as Schedule “A” to this Information Circular.

Composition of the Audit Committee

The members of the audit committee are D. Barry Lee (Chair), Gilbert G. Schneider and John Veltheer. Gilbert G. Schneider is an independent member of the audit committee. John Veltheer is Chief Executive Officer and D. Barry Lee is Chief Financial Officer and Corporate Secretary of the Company and accordingly are not independent members of the audit committee. All members of the audit committee are considered to be financially literate.

Relevant Education and Experience

See heading “*Election of Directors – Occupation, Business or Employment of Director Nominee*” concerning disclosure on relevant education and experience.

Each member of the audit committee has:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer’s financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

D. Barry Lee

Mr. Lee is a business consultant and a founding partner of First Merit Group Inc., a private consulting company providing senior management and strategic advisory services since 1999. He is a director and member of the audit committee and/or holds senior management positions in several Canadian and US-based public and private companies in the resource, technology and merchant banking sectors.

Gilbert G. Schneider

From 1986 to 1992 Mr. Schneider held the position of Vice President of a public company with over \$500 million in sales. During that time he developed numerous business financial pro formas. He has attended advanced executive management courses at the University of Guelph and University of British Columbia which included financial management. Mr. Schneider founded and operated his own business from 1993 to 2000. He worked as a management consultant from 2000 to 2004 for Aramark Corporation, during which that time he developed numerous business financial pro formas.

John Veltheer

Refer to New Director Biography above.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than Davidson & Company LLP.

Reliance on Certain Exemptions

The Company’s auditor, Davidson & Company LLP, has not provided any material non-audit services.

Pre-Approval Policies and Procedures

Refer to the Company’s audit committee charter concerning policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The audit committee has reviewed the nature and amount of all non-audit services provided by Davidson & Company LLP to the Company to ensure auditor independence. Fees incurred with Davidson & Company LLP for audit and non-audit services for the Company’s four financial years ended August 31 are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended			
	August 31, 2016	August 31, 2015	August 31, 2014	August 31, 2013
Audit Fees ⁽¹⁾	\$10,200	\$10,200	\$15,300	\$23,500
Audit-Related Fees ⁽²⁾	Nil	Nil	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil	Nil	\$2,500
All Other Fees ⁽⁴⁾	Nil	Nil	Nil	Nil
Total	\$10,200	\$10,200	\$15,300	\$26,000

Notes:

(1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) “All Other Fees” include all other non-audit services.

Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its audit committee and in respect of its reporting obligations under NI 52-110 for the years ended August 31, 2016, August 31, 2015 and August 31, 2014. This exemption exempts a “venture issuer” from the

requirement to have 100% of the members of its audit committee independent, as would otherwise be required by NI 52-110.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure recognition of the principles of good management. The Board of the Company is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Company’s activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Company’s Board is responsible for monitoring the Company’s officers who, in turn, are responsible for the maintenance of internal controls and management information systems.

Gilbert G. Schneider is the sole independent director on the Board. As D. Barry Lee and John Veltheer are officers of the Company, they are not considered independent.

Directorships

The following table sets out the directors of the Company that are currently directors of other reporting companies:

Name	Name of Reporting Issuer	Name of Exchange or Market
Gilbert G. Schneider	Aldever Resources Inc.	TSXV
	Unity Energy Corp.	TSXV
D. Barry Lee	Arco Resources Corp.	TSXV
	Buccaneer Gold Corp.	TSXV
	Gainey Capital Corp.	TSXV
	Velocity Minerals Ltd.	NEX
	Worldwide Resources Corp.	NEX
John Veltheer	Atlas Cloud Enterprises Inc.	CSE
	Mezzi Holdings Inc.	TSXV

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board, as a whole, determines compensation for the directors and Chief Executive Officer.

Other Board Committees

The Company has no committees other than the Audit Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

EXECUTIVE COMPENSATION

In this section "Named Executive Officer" means (a) the Chief Executive Officer (or an individual who acted in a similar capacity) (the "CEO"), (b) the Chief Financial Officer (or an individual who acted in a similar capacity) (the "CFO"), (c) each of the Company's three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed \$150,000), and (d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

The current Named Executive Officers (the "NEOs") of the Company are John Veltheer, Chief Executive Officer and D. Barry Lee, Chief Financial Officer, Corporate Secretary.

The NEOs during financial year ended August 31, 2015 were: D. Barry Lee, Chairman, Chief Financial Officer, Clive Massey, Chief Executive Officer and Gilbert G. Schneider, Interim Chief Executive Officer.

The NEOs during the financial year ended August 31, 2014 were: D. Barry Lee, Chairman, Chief Financial Officer and Corporate Secretary and Gilbert G. Schneider, President and Chief Executive Officer.

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

Compensation Discussion and Analysis

The Board has not appointed a compensation committee and the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation program, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board reviews the compensation of senior management on a semi-annual basis taking into account compensation paid by other issuers of similar size and activity.

Philosophy and Objectives

The Company is a small junior resource company with limited financial resources. The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its stock option plan. Recommendations for senior management compensation are presented to the Board of Directors for review.

Base Salary or Consulting Fees

Base salary ranges for executive officers were initially determined upon a review of companies within the mining industry, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) The particular responsibilities related to the position;
- (b) Salaries paid by other companies in the mining industry which were similar in size as the Company;
- (c) The experience level of the executive officer;

- (d) The amount of time and commitment which the executive officer devotes to the Company; and
- (e) The executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the CEO. Due to the Company's limited financial resources, the Company emphasises the provisions of option grants to maintain executive motivation.

Actions, Decisions or Policy Changes

Given the evolving nature of the Company's business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

Risks Associated with the Company's Compensation Practices

At the time of preparation of this Information Circular, the Company's directors had not considered the implications of any risks to the Company associated with decisions regarding the Company's compensation program. The Company intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks.

Benefits and Perquisites

The Company does not, as of the date of this Information Circular, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options as otherwise disclosed and discussed herein.

Hedging by Named Executive Officers or Directors

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Information Circular, entitlement to grants of incentive stock options under the Company's share option plan is the only equity security element awarded by the

Company to its executive officers and directors (see “PARTICULARS OF MATTERS TO BE ACTED UPON” for a description of the Company's share option plan).

Option-based Awards

The Company has a share option plan in place dated for reference May 27, 2010 as amended August 15, 2011, wherein an aggregate of 10% of the issued and outstanding Common Shares at the time an option is granted, less any outstanding options, are available for issuance to eligible optionees. The share option plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the board of directors based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the board of directors. The stock option plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. Options to purchase an aggregate Nil Common Shares were outstanding as at August 31, 2016. Refer to “PARTICULARS OF MATTERS TO BE ACTED UPON – Approval of Amendments to 10% “rolling” Share Option Plan” below.

Summary of Compensation

The compensation paid to the NEOs during the Company’s three most recently completed financial years ended August 31 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
John Veltheer ⁽¹⁾ CEO	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
D. Barry Lee ⁽²⁾ Chairman, CFO and Corporate Secretary	2016	36,000	Nil	Nil	Nil	Nil	Nil	Nil	36,000
	2015	48,000	Nil	Nil	Nil	Nil	Nil	Nil	48,000
	2014	72,500	Nil	Nil	Nil	Nil	Nil	Nil	72,500
Clive Massey ⁽³⁾ Chief Executive Officer	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gilbert G. Schneider ⁽⁴⁾ CEO, interim CEO	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	5,400	Nil	Nil	Nil	Nil	Nil	Nil	5,400
	2014	48,500	Nil	Nil	Nil	Nil	Nil	Nil	48,500

Notes:

- (1) John Veltheer was appointed as CEO on August 26, 2016
- (2) D. Barry Lee resigned as Chairman effective August 26, 2016, but remains as Chief Financial Officer and Corporate Secretary.
- (3) Clive Massey served as Chief Executive Officer from October 21, 2014 to April 25, 2015.
- (4) Gilbert G. Schneider served as Chief Executive Officer from July 8, 2010 to October 21, 2014. Mr. Schneider also served as President from July 8, 2010 to August 26, 2016. He was appointed interim Chief Executive Officer on April 25, 2015. Mr. Schneider resigned as interim Chief Executive Officer on August 26, 2016.

Incentive Plan Awards

Outstanding Option-based Awards at year ended August 31, 2016

There were no option-based awards outstanding to NEOs as at August 31, 2016.

Outstanding Option-based Awards at year ended August 31, 2015

There were no option-based awards outstanding to NEOs as at August 31, 2015. All stock options outstanding at May 25, 2015 were forfeited by the option holders on May 25, 2015.

Outstanding Option-based Awards at year ended August 31, 2014

The following table sets out all option-based awards outstanding to NEOs as at August 31, 2014:

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Gilbert G. Schneider	400,000 pre consolidation	0.25 pre-consolidation	August 4, 2015	0.00
	40,000 post-consolidated	2.50 post-consolidated		
	250,000 pre consolidation	0.26 pre consolidation	January 20, 2016	0.00
	25,000 post-consolidated	2.60 post-consolidated		
	100,000 pre consolidation	0.20 pre-consolidation	August 22, 2016	0.00
	10,000 post-consolidated	2.00 post-consolidated		
	50,000 pre consolidation	0.15 pre consolidation	July 10, 2017	0.00
	5,000 post-consolidated	1.50 post-consolidated		
D. Barry Lee	200,000 pre-consolidation	0.10 pre-consolidation	May 28, 2018	0.00
	20,000 post-consolidated	1.00 post-consolidated		
	100,000 pre consolidation	0.25 pre consolidation	August 4, 2015	0.00
	10,000 post-consolidated	2.50 post-consolidated		
	250,000 pre consolidation	0.26 pre consolidation	January 20, 2016	0.00
	25,000 post-consolidated	2.60 post consolidated		
	100,000 pre consolidation	0.20 pre consolidation	August 22, 2016	0.00
	10,000 post-consolidated	2.00 post-consolidated		
	50,000 pre-consolidation	0.15 pre consolidation	July 10, 2017	0.00
	5,000 post-consolidated	1.50 post-consolidated		
	200,000 pre-consolidation	0.10 pre consolidation	May 28, 2018	0.00
	20,000 post-consolidated	1.00 post-consolidated		

Notes:

- (1) "In-the-Money Options" means the excess of the market value of the Company's shares of \$0.02 on August 31, 2014 over the exercise price of the options.
- (2) Effective September 19, 2014 the Company's common shares were consolidated at a ratio of 10 pre-consolidation common shares for one new post-consolidated common share.

Incentive Plan Awards – Value Vested or Earned During the Year ended August 31, 2016

There were no value vested or earned incentive plan awards to the NEOs as at August 31, 2016.

Incentive Plan Awards – Value Vested or Earned During the Year ended August 31, 2015

There were no value vested or earned incentive plan awards to the NEOs as at August 31, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year ended August 31, 2014

There were no value vested or earned incentive plan awards to the NEOs as at August 31, 2014.

Termination and Change of Control Benefits

The Company has contractual arrangements to provide severance payments to each of its NEOs as a result of termination without just cause or a change of control of the Company. In the former case, such payment is equal to up to six months of severance pay, and in the latter case such payment is equal to up to the amount that is double the NEO's annualized salary.

DIRECTOR COMPENSATION

The directors are compensated by the Company for their services in their capacity as directors or for committee participation primarily by the granting from time to time of incentive stock options in accordance with the policies of the TSXV. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

Compensation paid or accrued to directors who are not NEOs in their capacity as directors of the Company or as members of a committee of the Board, or as consultants or experts, during the Company's three completed financial years ended August 31 is as follows:

Name	Years	Fees earned (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Paula Rogers ⁽¹⁾	2014	10,400	Nil	Nil	Nil	Nil	Nil	10,400
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
O. Kim Goheen ⁽²⁾	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Richard Ko ⁽³⁾	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Marco Parente ⁽⁴⁾	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Paula Rogers was appointed a director on July 10, 2012. Ms. Rogers resigned as director on September 5, 2014.
(2) O. Kim Goheen was appointed a director on January 31, 2013. Mr. Goheen resigned as director on July 18, 2014.
(3) Richard Ko was appointed a director on September 5, 2014. Mr. Ko resigned as director on May 15, 2016.
(4) Marco Parente was appointed a director on February 4, 2015. Mr. Parente resigned as director on January 9, 2016.

Incentive Plan Awards

Outstanding Option-based Awards at Year ended August 31, 2016

There were no option-based awards outstanding of directors who were not NEOs during financial year ended August 31, 2016.

Outstanding Option-based Awards at Year ended August 31, 2015

There were no option-based awards outstanding of directors who were not NEOs during financial year ended August 31, 2015.

Outstanding Option-based Awards at Year ended August 31, 2014

The following table sets out all option-based awards outstanding of directors who were not NEOs during financial year ended August 31, 2014:

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Paula Rogers ⁽²⁾	250,000 pre-consolidation 25,000 post-consolidated	0.15 pre consolidation 1.50 post-consolidated	July 10, 2017	0.00

Notes:

- (1) "In-the-Money Options" means the excess of the market value of the Company's shares of \$0.02 on August 31, 2014 over the exercise price of the options.
(2) Paula Rogers resigned as director on September 5, 2014. Effective September 19, 2014, the Company's common shares were consolidated at a ratio of 10 pre-consolidation common shares for one new post-consolidated common share. Ms. Rogers' stock options expired without having been exercised.

Incentive Plan Awards – Value Vested or Earned at Year ended August 31, 2016

There were no value vested or earned incentive plan awards for directors during financial year ended August 31, 2016.

Incentive Plan Awards – Value Vested or Earned at Year ended August 31, 2015

There were no value vested or earned incentive plan awards for directors during financial year ended August 31, 2015.

Incentive Plan Awards – Value Vested or Earned at Year ended August 31, 2014

There were no value vested or earned incentive plan awards for directors during financial year ended August 31, 2014.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has a 10% rolling share option plan in place dated for reference August 15, 2011, as amended May 27, 2010 – Refer to “PARTICULARS OF MATTERS TO BE ACTED UPON –Approval of Amendments to 10% “rolling” Share Option Plan” below.

Equity Compensation Plan Information

The following tables set out equity compensation plan information as at the end of the financial years ended August 31, 2016, August 31, 2015 and August 31, 2014:

For financial year ended August 31, 2016

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders (“Share Option Plan”)	Nil	Nil	685,296
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	Nil		685,296

Note: Effective September 22, 2016 the Company’s Common Shares were consolidated at a ratio of 7.5 pre-consolidation common shares for one post-consolidated common share.

For financial year ended August 31, 2015

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders ("Share Option Plan")	Nil	Nil	685,296
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	Nil	Nil	685,296

Note: Effective September 19, 2014 the Company's Common Shares were consolidated at a ratio of 10 pre-consolidation common shares for one new post-consolidated common share.

For financial year ended August 31, 2014

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders ("Share Option Plan")	432,500	2.36	6,420,458
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	432,500	2.36	6,420,458

Note: Effective September 19, 2014, the Company's Common Shares were consolidated at a ratio of 10 pre-consolidation common shares for one new post-consolidated common share.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, to the knowledge of management of the Company, no informed person of the Company, proposed director of the Company, or any associate or affiliate of any informed person or proposed director of the Company has any material interest, direct or indirect, in any transaction since the commencement of the Company's three financial years ended August 31, 2014, August 31, 2015 and August 31, 2016 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

"Informed Person" means:

- (a) a director or executive officer of the Company;

- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

During the Company's financial year ended August 31, 2014,

- (a) Management fees of \$72,500 (2013: \$60,000) was paid or accrued to Equity One Capital Corp. (a company controlled by D. Barry Lee – CFO);
- (b) Management fees of \$48,000 (2013: 90,000) was paid or accrued to VentureCorp 2 Capital Inc. (a company controlled by Gil Schneider – former CEO) and
- (c) Fees of \$10,400 (2013: \$15,000) were paid to a director of the Company.

During the Company's financial year ended August 31, 2015,

- (a) Fees of \$48,000 (2014: \$72,500) was paid to or accrued to Equity One Capital Corp. (a company controlled by D. Barry Lee, CFO); and
- (b) Fees of \$5,400 (2014: \$48,500) was paid or accrued to VentureCorp 2 Capital Inc. (a company controlled by Gil Schneider – former CEO);

As at August 31, 2015 \$52,066 (2014: \$nil) was due to the CFO or a company controlled by the CFO of the Company, which is non-interest bearing and unsecured, and has no stated terms of repayment.

During the Company's financial year ended August 31, 2016,

Fees of \$36,000 (2014: \$48,000) was paid or accrued to Equity One Capital Corp. (a company controlled by D. Barry Lee, CFO).

MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of Amendments to 10% “rolling” Share Option Plan

Although the NEX does not require listed companies to adopt a stock option plan, the board of directors feels that it is appropriate that the Company be prepared by possessing the necessary tools to attract and retain qualified personnel. One such tool is an incentive stock option plan.

In order to provide incentive to directors, officers, employees, management and others who provide services to the Company or any subsidiary to act in the best interests of the Company, the shareholders of the Company adopted the Share Option Plan on May 27, 2010, as amended on August 15, 2011 (the

“Plan”). A number of Common Shares equal to 10% of the issued and outstanding Common Shares in the capital stock of the Company are reserved for issuance as options pursuant to the Plan. During the Company's financial year ended August 31, 2016 options had been granted and were outstanding to purchase an aggregate of NIL Common Shares. At the date of mailing of this Information Circular, no options are granted and outstanding.

The following is a summary of material terms in the Plan:

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (c) For options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) An Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) If an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) In the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) The exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) Vesting of options shall be at the discretion of the Board, and will generally be subject to:
 - (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or
 - (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period;
- (i) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

So long as the Company is listed on the NEX Board, in accordance with NEX Policy, the grant and exercise of any issued and outstanding incentive stock options will be limited to 10% in any 12 month period, and no additional reservations or issuance of stock options may be made in excess of the required limits.

On March 23, 2017, the Board approved certain amendments to the Plan to align with the current policies of the TSXV and other amendments, as follows:

1. Amended subsection 2.6(b) under subheading *Limitations on Issue* to read as follows:

“(b) the aggregate number of Options granted to **all** Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and”
2. Added a subsection (b) to section 2.9 under subheading *Amendment of the Plan by the Board of Directors* to read as follows:

“(b) amendments of a housekeeping nature;”
3. Amended subsection (c) (now (d)) and subsection (d) (now (e)) of section 2.9 under subheading *Amendment of the Plan by the Board of Directors* to read as follows:

(d) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the **lesser of the** original Expiry Date of such Option **or 12 months from termination;**

(e) it may make amendments necessary as a result in changes in securities laws applicable to the Company **or any requested changes by the TSX Venture;**
3. Added a new section 3.9 under new subheading *Acceleration of Vesting on Change of Control* to read as follows:

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a Person engaged in Investor Relations Activities.
4. Amended Section 4.2 (a) under subheading *Manner of Exercise* to read as follows:

4.2 **An Optionee who wishes to exercise his Option may do so by delivering:**

(a) **a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option;**
5. Amended subsections (a) and (b) of Section 4.4 under subheading *Delivery of Optioned Shares and Hold Periods* and add a Section 4.5 under this subheading to read as follows:

4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. **An Exchange Hold Period will be applied from the date of grant for all Options granted to:**

(a) **Insiders** of the Company; or

(b) where Options are granted to any Service Provider, including Insiders, where the Exercise Price is at a discount to the Market Price.

4.5 Pursuant to TSX Venture Policies, where the Exchange Hold Period is applicable, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month **Exchange Hold Period** commencing the date of the Option Commitment.

6. Amended Schedule “A” the Share Option Plan Option Commitment form attached to the Plan by deleting the first sentence under [Note: “A Company may grant stock options without a hold period, provided the exercise price of the options is set at or above the market price of the Company’s shares and as long as the optionee is not a person listed in Sections 4.3(a) or (b) of the share option plan”].

The Board is of the view that the Plan, as further amended on March 23, 2017, provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry.

At the Meeting, shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution to the Company’s Plan, as further amended on March 23, 2017.

An “*ordinary resolution*” is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

Accordingly, Shareholders will be asked to consider, and if deemed advisable to pass, with or without variation, the following ordinary resolution (the “**Amended Stock Option Plan Resolution**”):

RESOLVED THAT:

1. the 10% “rolling” share option plan dated for reference May 27, 2010, amended on August 15, 2011 and further amended on March 23, 2017 (the “Amended Stock Option Plan”) of Atom Energy Inc. (the “Company”), as described in the information circular dated March 29, 2017, is hereby approved, ratified and confirmed;
2. the board of directors of the Company be and are hereby authorized on behalf of the Company to make any amendments to the Amended Stock Option Plan as may be required by regulatory authorities or otherwise made necessary by applicable legislation, without further approval of the Shareholders of the Company, in order to ensure the adoption and efficient function of the Amended Stock Option Plan; and
3. any director or officer of the Company be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the implementation of the Amended Stock Option Plan.”

The Board is of the view that the Plan, as further amended on March 23, 2017, provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry.

A copy of the Plan dated for reference May 27, 2010, amended on August 15, 2011 and further amended on March 23, 2017, is attached as Schedule “B” to this Information Circular.

The Board believes the passing of the Amended Stock Option Plan resolution is in the best interest of the Company and recommends that Shareholders of the Company vote in favour of the amended stock option plan resolution.

The voting rights pertaining to shares represented by duly executed proxies in favor of the persons named in the accompanying form of proxy will be exercised, in the absence of specifications to the contrary, FOR the Amended Stock Option Plan Resolution.

ADDITIONAL INFORMATION

Financial information is provided in the audited financial statements of the Company for the years ended August 31, 2016, August 31, 2015 and August 31, 2014 and the related management discussion and analysis as filed on www.sedar.com.

Additional information relating to the Company is filed on www.sedar.com and upon request from the Chief Financial Officer of the Company at Suite 830, 1100 Melville Street, Vancouver BC V6E 4A6 at telephone no.: (604) 562-6915 or facsimile no.: (888) 691-0529. Copies of documents will be provided free of charge to securityholders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board of the Company.

DATED at Vancouver, British Columbia, March 29, 2017.

BY ORDER OF THE BOARD

“D. Barry Lee”

D. Barry Lee
Chief Financial Officer

Schedule “A”

ATOM ENERGY INC.

CHARTER OF THE AUDIT COMMITTEE

Purpose

The Audit Committee (the “**Committee**”) of Atom Energy Inc. (the “**Company**”) is appointed by the Board of Directors of the Company (the “**Board**”) to assist the Board in fulfilling its oversight responsibilities of the Company. In so doing, the Committee provides an avenue of communication among the independent auditors, management, and the Board.

The Committee’s primary duties and responsibilities are to gain reasonable assurance of the following:

- that the Company complies with the applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure;
- that management of the Company has assessed areas of potential significant financial risk to the Company and taken appropriate measures;
- the independence and satisfactory performance of duties by the Company’s independent auditors;
- that the accounting principles, significant judgments and disclosures that underlie or are incorporated in the Company’s financial statements are the most appropriate in the prevailing circumstances;
- that the Company’s quarterly and annual financial statements present fairly the Company’s financial position and performance in accordance with generally accepted accounting principles (“**IFRS**”); and
- that appropriate information concerning the financial position and performance of the Company is disseminated to the public in a timely manner.

Composition

The Committee shall be comprised of three or more directors as determined by the Board, a majority of whom must be independent¹ and free from any relationship that would interfere with the exercise of his or her independent judgment. All members of the Committee shall be financially literate². The Committee members shall be appointed by the Board.

Chair

The Board will appoint the Chair of the Committee annually, to be selected from the members of the Committee. If, in any year, the Board does not make an appointment of the Chair, the incumbent Chair will continue in office until that Chair’s successor is appointed.

¹ For the definition of “**independent**”, please see the Glossary of Terms.

² For the definition of “**financially literate**”, please see the Glossary of Terms.

Removal and Vacancies

Any member of the Committee may be removed and replaced at any time by the Board and will automatically cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies in the Committee by election from among the members of the Board. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office.

Meetings and Operating Procedures

- The Committee shall meet at least four times annually, or more frequently as circumstances dictate.
- A quorum shall be a majority of the members of the Committee.
- In the absence of the Chair of the Committee, the members shall appoint an acting Chair.
- A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each director of the Company in a timely fashion.
- Notice of the time and place of each meeting of the Committee will be given by the member calling the meeting to the other members by telephone, electronic mail or facsimile transmission not less than forty-eight (48) hours before the time of the meeting, and, subject to the requirements of applicable law, need not specify the purpose of or the business to be transacted at the meeting. Meetings of the Committee may be held at any time without notice if all members have waived or are deemed to have waived notice of the meeting.
- The Chair of the Committee shall use his or her best efforts to prepare and/or approve an agenda in advance of each meeting.
- The Committee, in consultation with management and the independent auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Company's financial policies and disclosures.
- The Committee shall communicate its expectations to management and the independent auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and, to the extent needed, the independent auditors in advance of meeting dates.
- The Committee should meet privately in executive session at least quarterly with management and as a committee, and at least annually with the independent auditors, to discuss any matters that the Committee or each of these groups believes should be discussed.
- The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.
- The Committee expects that, in discharging their responsibilities to the shareholders, the independent auditors shall be accountable to the Board through the Committee. The independent auditors shall report all material issues or potentially material issues to the Committee.

Reliance on Experts

The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors engaged by it. In so doing, each member of the Committee shall be entitled to rely in good faith upon:

- (a) the financial statements of the Company represented to him or her by an officer of the Company or in a written report of the independent auditors to present fairly the financial position of the Company in accordance with IFRS; and
- (b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

The Committee shall also have the authority to communicate directly with the independent auditors.

Remuneration of Committee Members

No member of the Committee may earn fees from the Company other than directors' fees (which fees may include cash, options or other in-kind consideration ordinarily available to directors). For greater certainty, no member of the Committee shall accept any consulting, advisory or other compensatory fee from the Company.

Limitations on Committee's Duties

In contributing to the Committee's discharging of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject.

Responsibilities and Duties

Review Procedures

- Review and reassess the adequacy of this Charter at least annually, submit any changes to the Board for approval and ensure that it is in compliance with applicable securities laws.
- Review the Company's annual audited financial statements and quarterly unaudited financial statements and the accompanying Management Discussion and Analysis prior to filing or distribution, and, in respect of the annual financial statements, report its findings for approval to the Board. Review should include discussion with management and, in respect of the annual financial statements, independent auditors of significant issues regarding accounting principles, practices and judgments.
- Review news releases and reports to shareholders, prior to distribution, that are to be issued by the Company with respect to the Company's annual and quarterly financial statements and, if appropriate, recommend approval of same to the Board.
- Ensure that 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, other than the disclosure stated above, and periodically assess the adequacy of those procedures.
- In consultation with management and the independent auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures.
- Review and approve the Company's hiring policy regarding the partners, employees and former partners and employees of the present and former external auditor of the Company.

- Review with management and the independent auditors the management certifications of the financial statements and accompanying Management Discussion & Analysis as required under applicable securities laws.
- Review with management and the independent auditors the appropriateness of the Company's accounting policies, disclosures, reserves, key estimates and judgments, including changes or alternatives thereto and to obtain reasonable assurance that they are in compliance with IFRS and fairly present in all material respects the Company's financial condition and results, and report thereon to the Board.
- Review the following with management with the objective of obtaining reasonable assurance that financial risk is being effectively managed and controlled:
 - management's tolerance for financial risks;
 - management's assessment of significant financial risks facing the Company; and
 - the Company's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks.
- On at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, or inquiries received from regulators or governmental agencies.

Independent Auditors

- The independent auditors are ultimately accountable to the Committee and the Board and shall report directly to the Committee. The Committee shall review the independence and performance of the auditors and annually recommend to the Board the appointment and compensation of the independent auditors or approve any discharge of auditors when circumstances warrant.
- Assume direct responsibility for overseeing the work of the independent auditors engaged to prepare or issue an audit report or perform other audit, review or attest services for the Company, including the resolution of disagreements between management and the independent auditors regarding financial reporting.
- Evaluate and recommend to the Board the independent auditors to be nominated to prepare or issue an audit report or perform other audit, review or attest services for the Company, and the compensation of the independent auditors.
- Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by its independent auditors. Authority to pre-approve non-audit services may be delegated to one or more independent members, provided that the pre-approval is presented to the full Committee at its first scheduled meeting following such pre-approval.
- On an annual basis, the Committee should review and discuss with the independent auditors all significant relationships they have with the Company that could impair the auditors' independence.
- Review the independent auditors' audit plan, and discuss scope, staffing, locations, reliance upon management and internal audit and general audit approach.
- Prior to releasing the year-end earnings, discuss the results of the audit with the independent auditors. Discuss certain matters required to be communicated to audit committees.
- Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

- Review the results of independent audits and any change in accounting practices or policies and their impact on the financial statements.
- Where there are unsettled issues raised by the independent auditors that do not have a material effect on the annual audited financial statements, require that there be a written response identifying a course of action that would lead to the resolution of such issues.

Other

- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Ensure that the Company's annual information form, if one is prepared and filed, contains the required prescribed disclosure regarding the Committee, and, if management solicits proxies from the Company's securityholders for the purpose of electing directors to the Board, ensure that the prescribed disclosure is included in the Company's information circular.

Access to Records

The Committee will be permitted access to all records and corporate information that it determines to be required in order to perform its duties.

Schedule "B"

ATOM ENERGY INC.

SHARE OPTION PLAN

ATOM ENERGY INC.
(the “Company”)

SHARE OPTION PLAN

Dated for Reference May 27, 2010, as amended August 15, 2011 and March 23, 2017

ARTICLE 1
PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Policies (or, if applicable, NEX Policies) will be resolved in favour of the latter.

Definitions

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company’s insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;

(e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

- (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,
- (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

(f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture (or, NEX, as the case may be);

(g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

(h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:

- (i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
- (ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
- (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;

(i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

(j) **Directors** means the directors of the Company as may be elected from time to time;

- (k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;
- (m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (n) **Effective Date** for an Option means the date of grant thereof by the Board;
- (o) **Employee** means:
- (i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (t) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (u) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing

successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;

(v) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

(w) **NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;

(x) **NEX Issuer** means a company listed on NEX;

(y) **NEX Policies** means the rules and policies of NEX as amended from time to time;

(z) **Officer** means a Board appointed officer of the Company;

(aa) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;

(bb) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;

(cc) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;

(dd) **Optionee** means the recipient of an Option hereunder;

(ee) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;

(ff) **Participant** means a Service Provider that becomes an Optionee;

(gg) **Person** includes a company, any unincorporated entity, or an individual;

(hh) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;

(ii) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;

(jj) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;

(kk) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;

(ll) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes

a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

(mm) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;

(nn) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;

(oo) **Take Over Bid** means a take over bid as defined in Multilateral Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;

(pp) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and

(qq) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX Policies).

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2 SHARE OPTION PLAN

Establishment of Share Option Plan

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies (and, if applicable, NEX Policies).

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

Options Granted Under the Plan

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Issue

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and
- (c) the aggregate number of Options granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

Options Not Exercised

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

Powers of the Board

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all

questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of the Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical, clerical nature only;
- (b) amendments of a housekeeping nature;
- (c) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (d) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the lesser of the original Expiry Date of such Option or 12 months from termination;
- (e) it may make amendments necessary as a result in changes in securities laws applicable to the Company or any requested changes by the TSX Venture;
- (f) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (g) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

Amendments Requiring Disinterested Shareholder Approval

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
 - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or,
 - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or
- (b) any reduction in the Exercise Price of an Option previously granted to an Insider.

Options Granted Under the Company's Previous Share Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

Term of Option

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Vesting of Options

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

3.7 Notwithstanding §3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

Effect of Take-Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

Acceleration of Vesting on Change of Control

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a Person engaged in Investor Relations Activities.

Extension of Options Expiring During Blackout Period

3.10 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.8, the tenth Business Day period referred to in this §3.10 may not be extended by the Board.

Optionee Ceasing to be Director, Employee or Service Provider

3.11 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non Assignable

3.12 Subject to §3.11(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

(b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.13;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

Manner of Exercise

- 4.2 An Optionee who wishes to exercise his Option may do so by delivering
- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
 - (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §4.3.

Tax Withholding and Procedures

4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

Delivery of Optioned Shares and Hold Periods

4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. An Exchange Hold Period will be applied from the date of grant for all Options granted to:

- (a) Insiders of the Company; or

- (b) where Options are granted to any Service Provider, including Insiders, where the Exercise Price is at a discount to the Market Price.

4.5 Pursuant to TSX Venture Policies, where the Exchange Hold Period is applicable, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

ARTICLE 5 GENERAL

Employment and Services

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Continuation of Plan

5.4 The Plan will become effective from and after May 27, 2010, and will remain effective provided that the Plan, or any amended version thereof, receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to May 27, 2010.

Amendment of the Plan

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

SCHEDULE A
SHARE OPTION PLAN
OPTION COMMITMENT

Notice is hereby given that, effective this _____ day of _____, _____ (the “Effective Date”) ATOM ENERGY INC. (the “Company”) has granted to _____ (the “Optionee”), an Option to acquire _____ Common Shares (“Optioned Shares”) up to 5:00 p.m. Vancouver Time on the _____ day of _____, _____ (the “Expiry Date”) at an Exercise Price of Cdn\$_____ per share.

Optioned Shares are to vest immediately.

OR

Optioned Shares will vest *[INSERT VESTING SCHEDULE AND TERMS]*

The Option shall expire _____ days after the Optionee ceases to be employed by or provide services to the Company.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price. A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a minimum four month non-transferability legend from the date of this Option Commitment, the text of which is as follows. *[Note: If a four month hold period is applicable, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]*

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 12:00 A.M. (MIDNIGHT) ON *[insert date 4 months from the date of grant]*".

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture (or the NEX, as the case may be) as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture (or the NEX, as the case may be) on the date of this Option Commitment.

ATOM ENERGY INC.

Authorized Signatory

[insert name of optionee]

Signature of Optionee