



August 26 2016

TSXV: AGY.H
US Symbol: ATURF

ATOM ENERGY PROVIDES PROJECT AND CORPORATE UPDATES

Atom Energy Inc. (TSX-V: AGY.H) ("Atom" or "the Company") provides the following project and corporate updates:

Project Update

Further to its July 25, 2016 news release regarding the Company receiving a one-month extension on its earn-in agreement in order to fulfill its exploration and financing commitments on the Keefe Lake Project, the Company reports that it has been unable to secure the requisite funding to exercise its option to earn a working interest in the Project. As a result, the Company's earn-in rights at Keefe Lake have been terminated.

Management and Board Appointment

The Company announces the appointment of Dr. John Veltheer to its Board of Directors. Dr. Veltheer is a seasoned senior executive with twenty years' experience as a senior officer and as a director in both private and public companies in a number of business sectors.

The appointment to the Board is in replacement of Mr. Richard Ko, who has resigned as a director. The Company wishes to thank Mr. Ko for his past service to the Company.

Dr. Veltheer has also been appointed as Chief Executive Officer of the Company, in replacement of Mr. Gil Schneider, who has resigned as President and Chief Executive Officer to concentrate on other ventures. Mr. Schneider will remain as a director of the Company.

Restructuring

Atom also announces that the board of directors is proposing to consolidate the Company's issued and outstanding common shares on the basis of 1 new common share for every 7.5 old common shares outstanding. The consolidation will increase the Company's flexibility and competitiveness in the market place and make the Company's securities more attractive to a wider audience of potential investors. The proposed 1-new-share-for-7.5-old-share consolidation would result in the number of issued and outstanding common shares of the Company being reduced from 6,852,957 common shares without par value to 913,728 common shares without par value.

The consolidation is subject to TSX Venture Exchange (the "Exchange") acceptance. The effective date of the share consolidation will occur immediately after Exchange approval.

About Atom Energy

Atom Energy is a mineral exploration company exploring for uranium in the Athabasca Basin region of northeast Saskatchewan.

ON BEHALF OF THE BOARD OF DIRECTORS

"D. Barry Lee"

D. Barry Lee, Director & CFO

For information, please contact the Company:

Phone: (604) 689-8336

E-mail: info@atomenergyinc.com

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