



(An Exploration Stage Company)

Condensed Interim Financial Statements

Three months ended November 30, 2015

(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

ATOM ENERGY INC.

(An Exploration Stage Company)

Statements of Financial Position

(Expressed in Canadian dollars)

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	Notes	November 30, 2015	August 31, 2015
ASSETS			
Current assets			
Cash		\$ 246	\$ 226
Receivables	4	2,095	2,672
Prepays		-	-
Total current assets		2,341	2,898
Non-current assets			
Exploration and evaluation assets	5	-	-
TOTAL ASSETS		\$ 2,341	\$ 2,898
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 532,806	\$ 497,579
TOTAL LIABILITIES		532,806	497,579
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	7	10,861,874	10,861,874
Reserves	8	950,784	950,784
Accumulated deficit		(12,343,123)	(12,307,339)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		(530,465)	(494,681)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 2,341	\$ 2,898

Nature and continuance of operations (Note 1)

On behalf of the Board of Directors:

"Gil Schneider"

Director

"D. Barry Lee"

Director

The accompanying notes are an integral part of these condensed interim financial statements.

ATOM ENERGY INC.

(An Exploration Stage Company)

Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

Three months ended November 30

	Notes	2015	2014
EXPENSES			
Consulting		-	12,000
Investor relations		616	1,424
Management fees	10	12,000	22,400
Office and miscellaneous		7,045	8,964
Professional fees		5,033	895
Rent		9,000	9,000
Regulatory and filing fees		1,743	8,850
Travel		347	-
		(35,784)	(63,533)
Write-off of exploration and evaluation assets	5	-	(1,382,453)
Termination costs of exploration and evaluation assets	5	-	(215,959)
		-	(1,598,412)
Loss for the period before income taxes		(35,784)	(1,661,945)
Deferred tax recovery		-	7,000
Net loss and comprehensive loss for the period		\$ (35,784)	\$ (1,654,945)
Basic and diluted loss per common share	6	\$ 0.01	\$ (0.24)
Basic and diluted weighted average number of common shares outstanding		6,852,958	6,852,958

The accompanying notes are an integral part of these condensed interim financial statements.

ATOM ENERGY INC.

(An Exploration Stage Company)

Statement of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian dollars)

Share Capital					
	Number of Shares	Amount	Reserves	Accumulated Deficit	Total
Balance at August 31, 2014	6,852,958	\$ 10,861,874	\$ 950,784	\$ (3,855,795)	\$ 7,956,863
Net loss for the period	-	-	-	(1,654,945)	(1,654,945)
Balance at November 30, 2014	6,852,958	10,861,874	950,784	\$ (5,510,740)	\$ 6,301,918
Net loss for the period	-	-	-	(6,796,599)	(6,796,599)
Balance at August 31, 2015	6,852,958	10,861,874	950,784	(12,307,339)	(494,681)
Net loss for the period	-	-	-	(35,784)	(35,784)
Balance at November 30, 2015	6,852,958	\$ 10,861,874	\$ 950,784	\$ (12,343,123)	\$ (530,465)

The accompanying notes are an integral part of these condensed interim financial statements.

ATOM ENERGY INC.

(An Exploration Stage Company)

Statements of Cash Flows

(Expressed in Canadian dollars)

	Three months ended November 30, 2015	Three months ended November 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (35,784)	\$ (1,654,945)
Items not affecting cash		
Deferred income tax recovery	-	(7,000)
Write-off of exploration and evaluation assets	-	1,382,453
Termination costs of exploration and evaluation assets	-	215,959
Changes in non-cash working capital items:		
Decrease in receivables	577	10,274
Decrease (increase) in prepaids	-	11,992
Increase (decrease) in accounts payable and accrued liabilities	35,227	1,765
Net cash used in operating activities	20	(39,502)
Change in cash during the period	20	(39,502)
Cash, beginning of the period	226	47,922
Cash, end of the period	\$ 246	\$ 8,420

Supplemental disclosure with respect to cash flows (Note 13)

The accompanying notes are an integral part of these condensed interim financial statements.

ATOM ENERGY INC.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

November 30, 2015

1. Nature and continuance of operations

Atom Energy Inc. (the "Company") was incorporated under the Business Corporations Act (BC) on June 6, 2007. On November 18, 2014 the Company changed its name from Athabasca Uranium Inc. to Atom Energy Inc. The Company trades on the TSX Venture Exchange under the symbol 'AGY'. The principal offices of the Company are located at Suite 818 – 700 West Georgia Street, Vancouver, BC V7Y 1B6.

The Company is in the business of exploring and developing mineral properties in Canada, particularly uranium. It has not yet determined whether its current suite of exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising of exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

The Company has recently suspended its exploration and development plans due to the lack of funding as the challenges in the capital markets for junior exploration companies continues. The suspension of the exploration program is part of an overall fiscal restraint program instituted by the Company in an effort to reduce all of its expenses, including exploration costs and general and administrative expenditures, while waiting for the current markets to improve. Additionally, the continued low pricing for uranium on the global market has created an environment of uncertainty within the uranium sector as to the viability of economic development of any new uranium projects. The current market conditions and volatility may cast significant doubt upon the Company's ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. Management will continue to monitor the markets and remain vigilant with respect to maintaining the Company's corporate good standing.

The condensed interim financial statements were authorized for issue on January 26, 2016 by the Board of Directors of the Company.

2. Significant accounting policies

Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" ("IAS 34") as issued by the International Financial Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed.

The preparation of condensed interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Basis of measurement

The condensed interim financial statements have been prepared using the same accounting policies and methods as those used in the audited financial statements for the year ended August 31, 2015, except for the impact of the adoption of the accounting standards described below in Note 3. These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit and loss, which are stated at their fair value and are presented in Canadian dollars, which is also the Company's functional currency, unless otherwise indicated. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

ATOM ENERGY INC.*(An Exploration Stage Company)*

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

November 30, 2015

3. New standards, amendments and interpretations not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- i. IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

The Company does not expect the impact of such changes on the financial statements to be material.

4. Receivables

As at November 30, 2015, the Company's amount receivable of \$2,095 (August 31, 2015 - \$2,672) is comprised of Goods and Services Tax / Harmonized Sales Tax ("GST") receivable due from government taxation authorities.

5. Exploration and evaluation assets

The Company has investigated ownership of its mineral interests and, to the best of its knowledge; ownership of its interests is in good standing. Ownership in exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from difficulties in obtaining conveyance in mineral interests.

The recoverability of the amount shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete development, and future profitable production or disposition thereof.

The Company's exploration and evaluation assets consist of:

	McCarthy Lake	Keefe Lake	East Key Lake	Fisher River	McGregor Lake	Total
Balance, August 31, 2013	\$ 1,296,276	\$ 5,825,851	\$ 494,146	\$ 296,610	\$ -	\$ 7,912,883
Less: write-off of exploration and evaluation assets	(1,296,276)	(5,825,851)	(494,146)	(296,610)	-	(7,912,883)
Balance, August 31, 2014 and November 30, 2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

McCarthy Lake Project

The Company owns a 100% interest in and to the mineral rights underlying the prospective uranium property known as the McCarthy Lake Property located in the Athabasca Basin region of northeast Saskatchewan. At year-end 2015, it was determined that the McCarthy Lake property was impaired; as a result, the book value of \$1,296,276 attributed to McCarthy Lake was written-off on the statement of loss and comprehensive loss for the year ended August 31, 2015.

ATOM ENERGY INC.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

November 30, 2015

5. Exploration and evaluation assets (cont'd)***Keefe Lake Project***

The Keefe Lake Project comprises several contiguous claims under option in the Athabasca Basin region as described below. Under agreement, exploration expenditures on Keefe Lake Project area properties are aggregated and credited towards the Project's total exploration commitment.

During the year ended August 31, 2015, option agreements on the Keefe Lake Project properties known as the Volhoffer and Hodges Lake claims were terminated by the Company in order to reduce its exploration commitments and preserve cash. Following those terminations, on October 19, 2015, the Company terminated the agreement on the remaining claims comprising the Keefe Lake Project in exchange for a NSR royalty of 1% on the Keefe Lake claims and the return of its 2.5% NSR on the McCarthy Lake claims, plus an option to earn a reduced working interest in the Keefe Lake property by way of a new Keefe Lake Earn-in Agreement. Subject to the Earn-In Agreement, in addition to the 1% NSR, the Company can earn a 22.5% working interest in the Keefe Lake claims by expending \$292,500 in exploration in a joint operation on the property and making a cash payment of \$337,500 to the vendor by July 16 2016.

As the Company no longer has the ability to earn a 100% interest in the claim group comprising the Keefe Lake Project, the entire book value of \$5,825,851 was written-off on the statement of loss and comprehensive loss for the year ended August 31, 2015.

East Key Lake Project

On November 13, 2014 the Company received notice of termination fees due in relation to the McGregor Lake Property Agreement which was terminated, and written-off for accounting purposes in the year ended August 31, 2014. On November 25, 2014 the Company reached an agreement to settle the outstanding fees by forfeiting the rights to the East Key Lake Project, and by making a cash payment of \$323,939. The cash portion of this obligation has been recorded to accounts payable and accrued liabilities, and the book value of the East Key Lake Project of \$494,146 was written-off on the statement of loss and comprehensive loss for the year ended August 31, 2015.

Fisher River Project

On June 25, 2015 the Fisher River property option agreement was terminated by the Company in order to reduce its exploration commitments and preserve cash. In connection with this termination, the Company forfeited the Volhoffer Lake properties, part of the Keefe Lake Project, in order to settle any further obligations on the properties. The book value of the Fisher River Project of \$296,610 was written-off on the statement of loss and comprehensive loss for the year ended August 31, 2015.

6. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three months ended November 30, 2015 and 2014 were based on the loss attributable to common shareholders of \$35,784 (2014 - \$1,654,945) and the weighted average number of common shares outstanding of 6,852,958 (2014 - 6,852,958).

ATOM ENERGY INC.*(An Exploration Stage Company)*

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

November 30, 2015

7. Share capital***Authorized share capital***

Unlimited number of common shares without par value.

Unlimited number of preferred shares without par value.

Issued share capital

At August 31, 2015 and November 30, 2015, there were 6,852,958 issued and fully paid common shares and nil preferred shares.

Please refer to the Statement of Changes in Shareholders' Equity for a summary of changes in share capital and reserves for the three months ended November 30, 2015. Reserves relates to stock options, agent's unit options, and compensation warrants that have been issued by the Company.

Warrants

As at August 31, 2015 and November 30, 2015, there were nil share purchase warrants outstanding.

8. Share-based payments***Stock options***

The Company has adopted a "rolling" stock option plan (the "Plan"), pursuant to which a maximum of 10% of the issued and outstanding common shares of the Company, less any outstanding stock options previously granted, will be reserved for issuance as options and will be granted at the discretion of the Board of Directors to eligible optionees under the Plan. While the Plan is in effect there can never be more than 10% of the Company's issued and outstanding common shares reserved for issuance. Stock options granted vest at the discretion of the Board of Directors. The options can be granted for a maximum term of 5 years.

As at August 31, 2015 and November 30, 2015, there were nil options outstanding.

9. Related party transactions

The Company entered into the following transactions with key management personnel, being those persons determined as having authority and responsibility for planning, directing and controlling the activities of the Company:

	Three months ended	
	November 30, 2015	November 30, 2014
Fees paid or accrued to the CEO	\$ -	\$ 5,000
Fees paid or accrued to a company controlled by the CFO	12,000	12,000
Fees paid to a company controlled by the former CEO	-	5,400
	\$ 12,000	\$ 22,400

The transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at November 30, 2015, \$84,207 (August 31, 2015 - \$52,066) is due to directors and officers of the Company, which is non-interest bearing and unsecured, and has no stated terms of repayment.

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November 30, 2015

10. Management of capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or adjust the amount of cash and equivalents and investments.

At this stage of the Company's development, in order to maximize ongoing development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended November 30, 2015. The Company is not subject to externally imposed capital requirements.

11. Financial risk management

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is classified as Level 1.

As at November 30, 2015, the carrying values of receivables and accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of accounts at a reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances of up to \$100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. The Company limits its exposure to credit loss for cash by placing its cash with a high quality financial institution. At November 30, 2015, the Company's exposure to credit risk is minimal.

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Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

November 30, 2015

11. Financial risk management (cont'd)*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

As at November 30, 2015, the Company had a cash balance of \$246 (August 31, 2015 - \$226) to settle accounts payable and accrued liabilities of \$532,806 (August 31, 2015 - \$497,579).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at August 31, 2015 and November 30, 2015, the Company has \$nil in investment-grade short-term deposit certificates.

b) Foreign currency risk

Foreign currency risk is the risk that variation in exchange rates between the Canadian dollar and a foreign currency will affect the Company's operating and financial results. The Company does not have any balances or transactions denominated in a foreign currency.

c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

12. Segment information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. The Company conducts all of its operations in Canada, and the Company's property is located in Canada.

13. Supplemental disclosure with respect to cash flows

	Three months ended	
	November 30, 2015	November 30, 2014
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -

There were no significant non-cash transactions during the three months ended November 30, 2015 and 2014.