

**ATOM ENERGY INC.**

**(the “Company”)**

**Form 51-102F6V**

***Statement of Executive Compensation – Venture Issuers  
(for financial years ended August 31, 2018 and 2017)***

**GENERAL**

The following information, dated as of February 27, 2019, is provided as required under Form 51-102F6V – *Statement of Executive Compensation*, for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102.

For the purposes of this Statement of Executive Compensation:

“**Company**” means Atom Energy Inc.;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

**DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

**Director and NEO Compensation, Excluding Options and Compensation Securities**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended August 31, 2018 and 2017. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” of this Form.

During the financial year ended August 31, 2018, based on the definition above, the NEOs of the Company were: John Veltheer, Chief Executive Officer and D. Barry Lee, Chief Financial Officer, Corporate Secretary.

During the financial year ended August 31, 2017, based on the definition above, the NEOs of the Company were: John Veltheer, Chief Executive Officer, D. Barry Lee, Chief Financial Officer, Corporate Secretary and Gilbert G. Schneider, former CEO and former interim CEO. The director of the Company at August 31, 2017 financial year end was Marco Parente.

**Table of Compensation, Excluding Compensation Securities in Financial Years ended  
August 31, 2018 and 2017**

Table of compensation excluding compensation securities							
Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>John Veltheer</b> <sup>(1)</sup> CEO and Director	2018	90,000	Nil	Nil	Nil	Nil	90,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil
<b>D. Barry Lee</b> <sup>(2)</sup> Chairman, CFO and Corporate Secretary and Director	2018	25,000	Nil	Nil	Nil	Nil	25,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil
<b>Gilbert G. Schneider</b> <sup>(3)</sup> Director former CEO, former interim CEO and director and former President	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
<b>Marco Parente</b> <sup>(4)</sup> former director	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A

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. D. Barry Lee was appointed corporate secretary on August 26, 2016. \$Nil was paid to Equity One Capital Corp. (a company controlled by D. Barry Lee), as compensation for services relating to his role as Chief Financial Officer.
- (3) 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. Gilbert G. Schneider is currently a director of the Company. He was appointed a director of the Company on May, 2010.
- (4) Marco Parente served as director of the Company from February 4, 2015 to January 9, 2016.

Other than set out in this Statement of Executive Compensation, there were no other arrangements under which directors were compensated by the Company and its subsidiaries during the completed financial years ended August 31, 2018 and August 31, 2017 for their services in their capacity as directors or consultants.

## Stock Options and Other Compensation Securities

### 10% “rolling” share Option Plan

The Company adopted a 10% “rolling” share option plan dated for reference May 27, 2010, as amended August 15, 2011, and as further amended on March 23, 2017 (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.

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:
  - (1) 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
  - (2) 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.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Plan may be made by the Board

without further shareholder approval. Accordingly, the Plan also provides that the Board may, without shareholder approval:

- a) make amendments which are of a typographical, grammatical, clerical nature only;
- b) amendments of a housekeeping nature;
- c) change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- d) 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) 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) make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

### **Stock Options and Other Compensation Securities**

#### Outstanding Incentive Stock Options during financial year ended August 31, 2018

There were no outstanding incentive stock options to any Director or NEO of the Company during financial year ended August 31, 2018. The Company did not grant or issue any option-based awards to an NEO or director of the Company during financial year ended August 31, 2018.

#### Outstanding Incentive Stock Options during financial year ended August 31, 2017

There were no outstanding incentive stock options to any Director or NEO of the Company during financial year ended August 31, 2017. The Company did not grant or issue any option-based awards to an NEO or director of the Company during financial year ended August 31, 2017.

### **Exercise of Compensation Securities by NEOs and Directors**

#### Financial Year Ended August 31, 2018

There were no options exercised by any Director or NEO of the Company during the Company's financial year ended August 31, 2018.

#### Financial Year Ended August 31, 2017

There were no options exercised by any Director or NEO of the Company during the Company's financial year ended August 31, 2017.

### **Oversight and description of Director and Named Executive Officer Compensation**

#### Elements of the Compensation Program

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 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.

**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:

- the particular responsibilities related to the position;
- salaries paid by other companies in the mining industry which were similar in size as the Company;
- the experience level of the executive officer;
- the amount of time and commitment which the executive officer devotes to the Company; and
- the executive officer’s overall performance and performance in relation to the achievement of corporate milestones and objectives.

**Financial Year ended August 31, 2018 and August 31, 2017**

Transactions with related parties are incurred in the normal course of business. During the year ended August 31, 2018, the Company incurred the following charges with related parties that include officers, directors or companies with common directors of the Company:

	<b>Year Ended</b>	
	<b>August 31, 2018</b>	<b>August 31, 2017</b>
Fees paid or accrued to a company controlled by the CFO <sup>(1)</sup>	\$25,000	\$---
Fees paid or accrued to the CEO <sup>(1)</sup>	\$90,000	\$---

<sup>(1)</sup> Included in Management and Consulting Fees

As at August 31, 2018, \$Nil (August 31, 2017: \$69,761) is due to D. Barry Lee, CFO or to Equity One Capital Corp. (a company controlled by D. Barry Lee, CFO), which is unsecured, has no stated terms of repayment and is non-interest bearing. The amount is included in accounts payable and accrued liabilities in the Company’s August 31, 2018 year end financial statements.

### **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.

### **Compensation Review Process**

#### **Risks Associated with the Company's Compensation Program**

Due to the small size of the Company and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular meetings of the Board during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

#### **Benefits and Perquisites**

The Company does not, as of the date of this Form, 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 Form, entitlement to grants of incentive stock options under the Company's Plan is the only equity security element awarded by the Company to its executive officers and directors.

#### **Option-Based Awards**

The Company has a share option plan in place dated for reference May 27, 2010 as amended August 15, 2011, and as further amended March 23, 2017 (the "Plan") 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.

**Pension disclosure**

The Company does not have any pension plan that provides for payments or benefits to NEOs at, following, or in connection with retirement nor does the Company have a pension plan that provides for payments or benefits to the non-executive directors at, following, or in connection with retirement.