

**SIXTH WAVE INNOVATIONS INC.**  
(Formerly Atom Energy Inc.)

**MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2019**

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**DATE OF REPORT**

The effective date of this report is December 30, 2019.

The following Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the Sixth Wave Innovations Inc. (formerly Atom Energy Inc.) (the "Company") financial statements. The information provided herein should be read in conjunction with the Company's audited financial statements and notes for the years ended August 31, 2019 and 2018. All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See the "Forward-Looking Statements" section of the report.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management on a quarterly basis to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review Company statutory filings on [www.sedar.com](http://www.sedar.com).

**DESCRIPTION OF BUSINESS AND OVERVIEW**

Sixth Wave Innovations Inc. (formerly Atom Energy Inc.) is a Canadian-based company currently evaluating potential acquisition opportunities. The Company's common shares traded on the NEX board of the TSX Venture Exchange ("NEX") with the ticker symbol 'AGY.H' until May 29, 2018 after which it voluntarily delisted from the NEX.

The Company had suspended its exploration plans due to lack of funding as challenges in the capital markets for junior exploration companies continued through 2016 and 2017. The Company has reduced its exploration commitments and overall liabilities by initially terminating its non-core property agreements to preserve cash and reduce expenses. As no adequate funding had been available for exploration, no recent work has been conducted on the Company's exploration projects.

While the Company had been able to maintain some of its exploration properties in good standing for the past few years, no funding has been available to advance exploration. Lack of funding for development forced the Company to give up its final mineral claim. This, and the continuation of the global economic downturn for junior resource exploration companies and overall market volatility, combined with the Company's cumulative operating losses and its significant working capital deficiency casts significant doubt upon the Company's ability to continue as a going concern. Additionally, these factors led to Company commencing evaluation of acquisition opportunities in other sectors.

On September 11, 2018, the Company entered into an agreement and plan of merger with 6<sup>th</sup> Wave Innovations Corp. ("6<sup>th</sup> Wave"). Upon completion of the proposed acquisition of 100% of the outstanding shares of 6<sup>th</sup> Wave, the Company intends to apply to list its common shares on the Canadian Securities Exchange ("CSE") in the technology sector. Further details on this proposed transaction can be found below.

The address of the Company's head office and principal place of business is 830 – 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6, and the registered and records office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7. The Company maintains a website at [www.atomenergyinc.com](http://www.atomenergyinc.com).

**Share Consolidation**

On September 21, 2016 the Company consolidated its share capital on the basis of one post-consolidation common share for each seven and one-half pre-consolidation common shares. All references to the number of common shares and per share amounts have been retroactively restated to give effect to the consolidation.

## Changes in Issued Share Capital

On July 26, 2019, the Company closed a brokered private placement of 3,463,000 subscription receipts (the "Subscription Receipts") of the Company at an issue price of \$0.75 per Subscription Receipt for gross proceeds of \$2,597,250. Each Subscription Receipt will automatically be exchanged for one common share of the Company (a "Common Share") upon the satisfaction of certain escrow release conditions (the "Release Date"), including the closing of the Merger Transaction as described in note 7 and the approval of the Canadian Securities Exchange. In connection with this private placement, the Company incurred issuance fees of \$410,779 (netted with subscription receipts), consisting of \$15,000 issuance cost paid in cash during fiscal 2019, \$80,250 to be settled through the issuance of 107,000 Subscription Receipts in-lieu of cash, \$91,900 included in accounts payable as August 31, 2019 and the issuance of 242,210 broker warrants of the Company (the "Broker Warrants") with a value of \$96,706 with the remaining balance paid in cash. Each Broker Warrant gives the holder the right to purchase one Common Share at an exercise price of \$0.75 for a period of 24 months following the Release Date. If the escrow release conditions are not satisfied, then the Subscription Receipts will immediately become null and void and the escrow agent will distribute the escrowed proceeds to the holders of the Subscription Receipts, together with their pro rata share of interest earned thereon.

On May 27, 2019, the Company completed the second tranche of a private placement and issued 2,946,663 common shares at a price of \$0.75 per common share for total proceeds of \$2,209,997.

On May 6, 2019, the Company completed the first tranche of a private placement and issued 1,333,333 common shares at a price of \$0.75 per common share for total proceeds of \$1,000,000.

On January 4, 2019, the Company completed the second tranche of a private placement and issued 2,014,286 common shares at a price of \$0.35 per common share for total proceeds of \$705,000. In connection with the private placement, the Company issued 80,000 common shares to finders with a value of \$28,000.

On December 20, 2018, the Company completed the first tranche of a private placement and issued 5,293,230 common shares at a price of \$0.35 per common share for total proceeds of \$1,852,631. In connection with the private placement, the Company issued 323,429 common shares to finders with a value of \$113,200.

On October 22, 2018 the Company granted a total of 2,650,000 common share purchase options to directors and consultants. The options are exercisable at a price of \$0.40 per share and will expire on October 22, 2023. One third of the options will vest after 6 months, with an additional one third to vest every 6 months thereafter.

On October 22, 2018 the Company amended the terms of certain share purchase warrants of the Company. A total of 1,023,455 warrants were originally issued on November 16, 2017 pursuant to debt settlement agreements and 8,300,000 were issued on November 17, 2017 pursuant to a private placement. Each of the share purchase warrants entitled the holder to purchase one common share of the company at a price of \$0.065 per common share for a term of 12 months. The Company has extended the term of the share purchase warrants such that they now expire on November 16, 2019 and November 17, 2019 respectively.

The Company received proceeds of \$23,975 in connection with the exercise of 95,900 warrants during the fiscal year ended August 31, 2019.

On June 18, 2018, the Company completed a private placement and issued 8,730,000 common shares at a price of \$0.25 per common share for total proceeds of \$2,182,500. In connection with the private placement, the Company paid a cash finder's fee of \$37,975 and issued 151,900 finder's warrants where each warrant entitles the holder to purchase an additional common share at \$0.25 for a period of 12 months.

On January 4, 2018, the Company completed a private placement and issued 6,400,000 common shares at a price of \$0.10 per common share for total proceeds of \$640,000. In connection with the private placement, the Company paid a cash finder's fee of \$60,500 and issued 605,000 finder's warrants where each warrant entitles the holder to purchase an additional common share at \$0.125 for a period of 12 months.

On November 17, 2017, the Company completed a private placement and issued 8,300,000 units at a price of \$0.05 per unit for total proceeds of \$415,000. Each unit consisted of one common share and one common share purchase warrant enabling the holder to purchase an additional common share at \$0.065 for a period of 12 months. The Company paid no finder's fees in connection with the private placement.

On November 16, 2017, the Company completed a debt settlement whereby it issued 1,023,455 units at a price of \$0.05 per unit to settle outstanding debts of \$51,173. Each unit consisted of one common share and one common share purchase warrant enabling the holder to purchase an additional common share at \$0.065 for a period of 12 months.

## Exploration and Development Projects

The Company no longer has any interest in any mineral claims.

## SELECTED ANNUAL INFORMATION

Year ended August 31	2019	2018	2017
Revenues	\$Nil	\$Nil	\$Nil
Net Loss	\$ (7,171,820)	\$ (820,781)	\$ (240,447)
Per Share	(\$ 0.22)	(\$ 0.05)	(\$ 0.14)
Total assets	\$ 5,180,929	\$ 2,051,740	\$ 2,055
Total long-term liabilities	\$ Nil	\$ Nil	\$ Nil

## RESULTS OF OPERATIONS

### Operating Expenses:

*Year ended August 31, 2019*

During the year ended August 31, 2019, the Company incurred a loss of \$7,171,820 compared to a loss of \$820,781 for the year ended August 31, 2018. The significant changes during the current period compared to the comparative period are:

- Consulting fees increased by \$1,233,056 to \$1,529,556 (2018: \$296,500) due to the addition of consultants assisting in the evaluation of the proposed transaction with 6<sup>th</sup> Wave and the merger process between the Company and 6<sup>th</sup> Wave announced September 11, 2018.
- Professional fees increased by \$359,698 to \$551,048 (2018: \$191,350) in relation to legal costs associated with the preparation and negotiation of the 6<sup>th</sup> Wave agreement announced September 11, 2018.
- Research and development increased by \$1,211,368 to \$1,508,653 (2018: \$297,285) as a result of the 6<sup>th</sup> Wave agreement announced September 11, 2018.
- During the fiscal year ended August 31, 2018, the Company settled debt with creditors which resulted in a gain of \$17,137. There was no comparable gain in the fiscal year ended August 31, 2019.
- Share based compensation increased by \$712,147 due to stock options being granted and vesting in the fiscal year ended August 31, 2019. There were no vesting or grants of stock options in the fiscal year ended August 31, 2018.
- Transaction costs totalled \$2,705,154 in the fiscal year ended August 31, 2019 (2018: \$Nil) due to the payment of extension costs in relation to the 6<sup>th</sup> Wave agreement announced September 11, 2018.

## SUMMARY OF QUARTERLY RESULTS

Selected financial indicators for the past eight quarterly periods are shown below:

Three Months Ended	August 31, 2019	May 31, 2019	February 28, 2019	November 30, 2018
Net loss	(2,144,056)	(2,203,073)	(2,154,386)	(670,305)
Loss per share – basic and diluted	(0.06)	(0.06)	(0.07)	(0.03)
Total assets	5,180,929	3,111,007	2,699,738	1,443,754
Working capital (deficit)	1,493,718	2,610,796	1,579,192	1,365,934

  

Three Months Ended	August 31, 2018	May 31, 2018	February 28, 2018	November 30, 2017
Net loss	(514,803)	(69,022)	(206,753)	(30,203)
Loss per share – basic and diluted	(0.03)	(0.00)	(0.01)	(0.01)
Total assets	2,051,740	1,725,805	432,026	11,457
Working capital deficit	1,846,252	1,704,529	403,551	(87,195)

Expenses for the quarters ended February 28, 2019, November 30, 2018 and August 31, 2018 were higher than previous quarters as the Company incurred \$509,295, \$197,810 and \$297,285 respectively of research and development costs in connection with the transaction announced September 11, 2018 with 6<sup>th</sup> Wave Innovations Corp (“6<sup>th</sup> Wave”). Additionally, during the quarter ended February 28, 2019 and November 30, 2018, the Company engaged additional consultants in connection with this transaction. This contributed to an overall net loss of \$2,203,073 in the quarter ended May 31, 2019, \$2,154,386 in the quarter ended February 28, 2019 and \$670,305 for the quarter ended November 30, 2018. Other fluctuations occur in the Company’s expenditures reflecting the variations in the timing of research, general operations, and the ability of the Company to raise capital for its projects, including share-based payments during certain quarters. See also the Results of Operations section above for additional information. Transaction costs related to the extension of the 6<sup>th</sup> Wave transaction caused a significant increase in losses during Q2, Q3, and Q4 of fiscal year ended August 31, 2019.

## LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2019, the Company had a cash balance of \$610,425 (August 31, 2018: \$1,874,003) to settle current liabilities of \$894,320 (August 31, 2018: \$205,488). During the year ended August 31, 2019 the Company extended a bridge loan of \$1,250,000 to 6<sup>th</sup> Wave in order to fund operations until the closing of the proposed transaction. During the same period, the Company extended a \$390,706 (USD \$285,000) bridge loan to Affinity Farms Inc. (“Affinity”) (bearing 10% interest compounded annually, due on May 31, 2022 and secured by the assets of Affinity) and a \$135,970 (USD\$100,000) loan to a consultant (bearing 3% interest per annum, due October 31, 2019).

The Company expects to fund its liabilities and its exploration and operational activities through cash on hand and through the issuance of capital stock over the upcoming fiscal year ending August 31, 2020.

Net cash used in operating activities for the year ended August 31, 2019 was \$5,889,005 (2018: \$1,265,256). The cash was primarily used for the payment of current and non-current general and administrative expenses, net of non-cash expenditures, 6<sup>th</sup> Wave related transaction costs as further detailed in the detailed in the statement of cash flows.

During the year ended August 31, 2019, cash gained in financing activities was \$6,536,603 (2018: \$3,139,025). Financing related cash transactions consisted of proceeds from private placements (\$5,791,603) and subscriptions received of \$745,000 (2018: \$Nil). In 2018, financing related cash transactions consisted of proceeds from a private placement (\$3,139,025).

During the year ended August 31, 2019, the Company issued loans receivable totaling \$1,911,176 (2018: \$Nil).

## OFF-BALANCE SHEET ARRANGEMENTS

As at August 31, 2019, the Company does not have any off-balance sheet arrangements.

## 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. Key management includes the Company’s board of directors and executive officers.

	Year ended	
	August 31, 2019	August 31, 2018
Fees paid or accrued to the CFO (Barry Lee) <sup>(1)</sup>	\$ 35,000	\$ 25,000
Fees paid or accrued to the CEO (John Veltheer) <sup>(1)</sup>	\$ 95,000	\$ 90,000
Fees paid or accrued to a director (Gil Schneider) <sup>(1)</sup>	\$ 2,500	\$ -
Share-based compensation for options granted to the CEO (John Veltheer)	\$ 39,977	\$ -
	\$ 172,477	\$ 115,000

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

As at August 31, 2019, \$5,000 (August 31, 2018: \$Nil) is due to related parties. All amounts are unsecured and non-interest bearing and are due on demand.

There are no management contracts in place for either the CEO or the CFO.

## FOURTH QUARTER

Activities in the quarter ended August 31, 2019 continue to be devoted to the negotiation, due diligence, and preparation of the proposed acquisition announced September 11, 2018.

## PROPOSED TRANSACTIONS

On September 11, 2018, the Company entered into an agreement and plan of merger with 6<sup>th</sup> Wave Innovations Corp. (“6<sup>th</sup> Wave”), pursuant to which the company will acquire 100% of the outstanding shares of 6<sup>th</sup> Wave in exchange for common shares of the Company and cash consideration.

6<sup>th</sup> Wave is a development stage nanotechnology company focused on technologies for extraction and detection of target substances at the molecular level. Their unique technology and products hold potential for significant advantages in cost and performance relative to traditional metal separation methods. These advantages are derived from application of their patented technologies in the highly specialized field of molecularly imprinted polymers.

The closing of the Agreement is contingent upon the Company’s shares becoming listed on the Canadian Securities Exchange and on the Company completing an equity financing concurrent with the listing in an amount not less than \$10 million (the “Concurrent Financing”), and other standard conditions precedent to be fulfilled prior to the closing of the Merger Transaction (the “Closing”).

Following are the significant terms of the Merger Transaction as detailed in the Agreement:

- Aggregate consideration will consist of approximately USD\$7.7 million, to be settled with a mixture of securities of the Company (with an approximate value of USD\$6.5 million) and cash of approximately USD\$1.2 million.
- Securities of the Company issued to 6<sup>th</sup> Wave shareholders to settle the above consideration will be of the same class issued in the Concurrent Financing and will be valued based on the pricing at which the securities are issued in the Concurrent Financing (the “Concurrent Financing Price”), subject to a cap of CDN\$0.60 per unit of securities.
- In the money options and warrants of 6<sup>th</sup> Wave will be settled with securities of the Company, with the amount by which the options and warrants are in the money being paid by the issue of securities of the Company of the same class issued in the Concurrent Financing, valued at the Concurrent Financing Price.
- Out of the money options of 6<sup>th</sup> Wave will be cancelled.
- Out of the money warrants of 6<sup>th</sup> Wave will be converted to warrants at a variety of different strike prices and terms based on the Concurrent Financing Price and the current exercise price of the 6<sup>th</sup> Wave warrants.
- The Company has extended a Bridge Loan to 6<sup>th</sup> Wave in the principal amount of CDN\$1,250,000 in order to fund operations until the closing of the transaction.
- Pursuant to the Merger Agreement, the Company has agreed to repay approximately US\$2.4 million of existing indebtedness of 6<sup>th</sup> Wave on closing, with an additional US\$2.1 million to be repaid over 24 months.
- The closing of the transactions contemplated by the Merger Agreement were subject to an outside date of December 31, 2018, which has been extended by mutual agreement of the parties to January 31, 2020.
- The Merger Transaction is subject to customary regulatory approvals.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company’s financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which by their nature are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### *Carrying value and recoverability of exploration and evaluation assets*

The carrying amount of Company’s exploration and evaluation assets properties does not necessarily represent present or future values, and the Company’s exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of

economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves.

Additionally, there are numerous geological, economic, environmental and regulatory factor and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets properties. To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, operating results and cash flows.

#### *Fair value of stock options and warrants*

Determining the fair value of warrants and stock options requires judgments related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of shareholders' equity.

#### *Income taxes*

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets depends on the generation of future taxable income, which in turn depends on the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

### **FUTURE ACCOUNTING POLICY CHANGES**

Several new standards, amendments to standards and interpretations are not yet effective as of the date of this report and were not applied in preparing the financial statements. None of these are expected to have a material effect on the financial statements of the Company for the year ended August 31, 2019. Refer to Note 3 of the financial statements for further detail of the new standards, interpretations, and amendments issued by the International Accounting Standards Board.

### **FINANCIAL INSTRUMENTS AND 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.

As at August 31, 2019, the carrying values of receivables, accounts payable and accrued liabilities, approximate their fair values due to their short terms to maturity.

#### **Financial Risks**

The Company has exposure to credit, liquidity and market risks from its use of financial instruments, as follows:

##### *Credit risk*

The Company's credit risk is primarily attributable to loan payable, cash and receivables. 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. The Company's primary exposure to credit risk is through its loan receivable which will be very difficult to collect if the proposed transaction with 6<sup>th</sup> Wave is not completed.

##### *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.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company would also consider short term loans to cover operating costs if needed. 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. At August 31, 2019 and August 31, 2018, the Company had \$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 is exposed to foreign currency risk associated with its loans to Affinity and Gluckman (Note 5). A 10% fluctuation in the USD/CDN foreign exchange rate would result in an immaterial change in the Company's net loss and comprehensive loss for the year ended August 31, 2019.

#### 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.

### **Other Risks**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties considered by management to be the most important in the context of the Company's business are not limited to but include risks associated with our dependence on our exploration projects in Canada such as: geological exploration and development; changes in law; continued negative operating cash flow and the availability of additional funding as and when required; infrastructure; inflation; governmental regulation; environmental; hazards, insurance; uninsured risks; competition; currency fluctuations; labour and employment; joint ventures; contract repudiation; dependence on key management personnel and executives; and litigation risks.

### **OTHER MD&A REQUIREMENTS**

#### **Share Capital**

##### ***Common Shares***

As at August 31, 2019 there were 38,693,653 issued and fully paid common shares outstanding. As at the date of this report, there were 44,724,236 issued and fully paid common shares outstanding.

##### ***Stock options***

As at August 31, 2019 there were 2,750,000 stock options outstanding. As at the date of this report, there were 3,930,000 stock options outstanding.

##### ***Warrants***

As at August 31, 2019, there were 9,565,665 warrants outstanding. As at the date of this report, there were 9,015,665 warrants outstanding.

### **FORWARD-LOOKING STATEMENTS**

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, the estimation of mineral reserves and resources, conclusions of economic assessments of projects, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits, the Company's anticipation that it will complete the proposed transaction with 6<sup>th</sup> Wave, and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect”, “budget”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

The statements reflect the current beliefs of management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions and credit availability, uncertainty related to the resolution of legal disputes and lawsuits; actual results of current exploration activities, unanticipated reclamation expenses; fluctuations in commodity price; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in mineral resources, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates.

The Company’s management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its Management Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the above discussions and analysis may not necessarily indicate future results from operations.

## **OTHER INFORMATION**

Additional information relating to the Company can be found on the Company’s website at [www.atomenergyinc.com](http://www.atomenergyinc.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

## **SUBSEQUENT EVENTS**

- On October 21, 2019 the Company closed the third tranche of its previously announced non-brokered private placement and issued 3,480,583 common shares of the Company at \$0.75 per share for gross proceeds of \$2,610,437. The Company issued 550,000 common shares for gross proceeds of \$35,750 in connection with the exercise of warrants.
- The Company amended the terms of certain share purchase warrants of the Company. A total of 1,023,455 warrants were originally issued on November 16, 2017 pursuant to debt settlement agreements and 8,300,000 were issued on November 17, 2017 pursuant to a private placement. Each of the share purchase warrants entitled the holder to purchase one common share of the company at a price of \$0.065 per common share for a term of 12 months. The Company has extended the term of the share purchase warrants such that they now expire on May 16, 2020 and May 17, 2020, respectively.
- The Company granted a total of 1,180,000 options to consultants and directors of the Company. The options are exercisable at a price of \$0.75 per share and will expire on November 15, 2024. One third of the options vest after six months, with an additional one third to vest every six months thereafter.
- On December 6, 2019 the Company closed of the fourth tranche of its previously announced non-brokered private placement and issued 2,000,000 common shares of the Company at \$0.75 per share for gross proceeds of \$1,500,000. In total the Company has raised \$2,702,700 as part of the previously announced brokered private placement and \$7,320,434 as part of non-brokered private placement for total proceeds of \$10,023,134.