

FORM 7
MONTHLY PROGRESS REPORT
For the Month of May, 2019

Name of CSE Issuer: **Atlas Blockchain Group Inc. (the “*Issuer*”)**

Trading Symbol: **AKE**

Number of Outstanding Listed Securities: **114,944,923 common shares**

Date of filing: **June 4, 2019**

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

- **The Company entered into a definitive share exchange agreement dated March 12, 2019 (the “Share Exchange Agreement”), pursuant to which the Company agreed to acquire all of the issued and outstanding common shares in the capital of Isracann Biosciences Inc. a private British Columbia company, from the shareholders of Isracann.**

The company continues to work towards completing the transaction with Isracann and completing the change of business pursuant to the CSE policies.

2. Provide a general overview and discussion of the activities of management.

Please see item 1

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Please see item 1.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

- **The mining operation at the co-location facility has been suspended due to adverse market conditions, increase in bitcoin network mining difficulty and decrease in the price of bitcoin.**

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None.

6. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

7. Describe the acquisition of new customers or loss of customers.

None.

8. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None.

9. Report any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

The company hired a full time employee in a project manager role

10. Report on any labour disputes and resolutions of those disputes if applicable.

None.

11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None.

12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

13. Provide details of any securities issued and options or warrants granted.

- **On May 21, 2019, the Company announced that it closed a second tranche of its recently announced private placement, raising total gross proceeds of \$10.1MM for the entire offering.**

The Company completed its final tranche of a non-brokered offering of subscription receipts of the Company (the "Subscription Receipts") at \$0.17 per Subscription Receipt for gross proceeds of \$4.9 million (the "Offering").

The Offering consists of subscription receipts of the Company (the "Subscription Receipts") at \$0.17 per Subscription Receipt (the "Offering"). Each Subscription Receipt entitles the holder to receive, upon satisfaction of certain escrow release conditions, and without payment of additional consideration, one unit in the capital of the Company (each, a "Unit"). Each Unit will be comprised of one common

share of Atlas (each, a “Atlas Share”) (pre-consolidation basis) and one Atlas Share purchase warrant (each, a “Warrant”) (pre-consolidation basis). Each Warrant will entitle the holder thereof to acquire one Atlas Share at \$0.34 per Atlas Share for two years following the date of issuance. The Company received aggregate gross proceeds of approximately \$10.1MM including gross proceeds from the first tranche closed on January 11, 2019.

The financing efforts are concurrent to a share exchange agreement to acquire all the issued and outstanding common shares of Isracann Biosciences Inc. in exchange for common shares of the Company. The acquisition of Isracann Biosciences Inc. is an arm’s length transaction and is expected to constitute a fundamental change under the policies of the Canadian Securities Exchange (the “CSE”). Upon the successful conclusion of the transaction, the resulting issuer has applied for and anticipates trading under the ticker symbol “IPOT”.

All securities issued in connection with the Offering are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities laws.

The Company will pay eligible finders a cash commission in the aggregate of \$137,822.59 on the Offering upon satisfaction of certain escrow release conditions. In addition, 760,033 non-transferable broker’s warrants will also be issued to eligible finders to purchase an aggregate of 760,033 common shares of the Company.

The aggregate net proceeds from the Offering will be used to complete the acquisition of Isracann Biosciences Inc. and to provide general working capital.

14. Provide details of any loans to or by Related Persons.

None.

15. Provide details of any changes in directors, officers or committee members.

None.

16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

None.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CSE that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CSE Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: June 4, 2019

Yana Popova

Name of Director or Senior
Officer

"Yana Popova"

Signature

Chief Financial Officer

Official Capacity

<i>Issuer Details</i>		
Name of Issuer Atlas Blockchain Group Inc.	For Month End May, 2019	Date of Report YY/MM/DD 2019/06/04
Issuer Address 308 East 5th Avenue		
City/Province/Postal Code Vancouver, BC, V5T 1H4	Issuer Fax No. ()	Issuer Telephone No. (778) 871 0357
Contact Name: Fred Stearman	Contact Position: COO	Contact Telephone No. (778) 871 0357