

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: SYPHER RESOURCES LTD. (the "Issuer")

Trading Symbol: SYP

Number of Outstanding Listed Securities: **7,225,000**

Date: **April 3, 2014**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

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 issuer was active preparing for its Annual General Meeting set for April 11, 2014 and also entered into a business agreement that would mark a fundamental change from a mineral exploration company to a technology company. The details are described below.

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

In March the Issuer entered into a share exchange agreement with Atlas Cloud Enterprises Ltd., an arm's length private BC Corporation, and the shareholders of Atlas, whereby the Issuer will acquire 100% of the issued and outstanding shares of Atlas in exchange for five million common shares of the Issuer. The payment shares are to be held pursuant to an escrow agreement and released to the shareholders of Atlas in accordance with Canadian Securities Exchange policies. Following the Issuer's acquisition of Atlas, Atlas will become a wholly owned subsidiary of the Issuer.

Atlas is a start-up company that currently has no revenue but aims to offer tailored co-location and flexible cloud computing options for small and medium businesses in Western Canada. Atlas's target market is primarily those small- and medium-sized businesses requiring co-location for their information technology and telecom equipment. This involves providing power, cooling and bandwidth and providing clients with off-site computer data storage as a redundant form of backup.

The transaction and subsequent change of control represent a fundamental change for the Issuer under CSE Policy 8. The Issuer is currently an exploration-stage resource company with option rights to the McBride gold property located in Manitoba. Upon closing of the transaction, the Issuer will become a technology company under CSE policies. The transaction is subject to requisite regulatory approval, including the approval of the CSE and approval from the shareholders of the Issuer representing at least 51% of the issued and outstanding shares of the Issuer, which is anticipated to be obtained by written consent. The Issuer has scheduled an annual general and special meeting of shareholders for April 11, 2014, to approve, amongst other things, a name change to Atlas Cloud Enterprises Ltd. The shareholders of Atlas have agreed that, until completion of the transaction or termination of the SEA, they will not solicit, initiate or encourage the sale of any of the Atlas shares to a third party. Completion of the transaction is currently expected to occur on or prior to April 30, 2014.

As a condition of, and concurrent with closing of, the transaction, the Issuer will complete a private placement to raise a minimum of \$600,000 through the sale of units at a price of not fewer than \$0.15 per unit, each unit to consist of one common share and one-half of one transferable share purchase warrant, each whole warrant entitling the holder to acquire one additional common share of the Issuer at not fewer than \$0.25 per share for 24 months. Atlas will use the net

proceeds of the private placement to finance its business development, including: (i) completion of leasehold improvements at its business premises in Vancouver, (ii) the purchase and installation of all backup power sources, fibre optic connections, energy-efficient in-row cooling racks and security systems, (iii) initial marketing costs, and (iv) general and administrative costs.

At the closing of the transaction and subject to CSE approval, the management and board of the Issuer will resign, and a new board composed of Frederick R. Stearman (Chief Executive Officer and Director), Laurie Sadler (Chief Financial Officer and Director), P. Nicholas M. Glass (Director), Dr. John E. Veltheer (Director) and Martin A. Burian (Director) will be appointed. The proposed board members are the current board members of Atlas. The following represents an overview of the experience of the proposed new board members.

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. **Refer to above**
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 Issuer's option agreement for the acquisition of the McBride gold property in northern Manitoba is in good standing until May 30, 2014. It is anticipated, subject to all approvals being met on the Atlas Cloud transaction, that the Issuer will relinquish its rights to the option either on or before May 30, 2014.**
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. **Please refer to section 2 above, which involves arm-length parties.**
6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced. **None**
7. 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. **Please refer to section 2 above.**
8. Describe the acquisition of new customers or loss of customers. **N/A**

9. 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. **N/A**
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs. **N/A**
11. Report on any labour disputes and resolutions of those disputes if applicable. **None**
12. 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**
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness. **None**
14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons. **None**
16. Provide details of any changes in directors, officers or committee members. **None**
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Issuer is a natural resource exploration company. Trends in commodity process have a direct impact on investor interest in companies such as the Issuer. Current trends in commodity prices are weak and interest from the financial community appears to be negative at this time. Trends in the technology space are generally more favourable for investors at the present time.

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 were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: April 3, 2014

Richard Graham
Name of Director or Senior Officer

"Richard Graham"
Signature

Director
Official Capacity

<i>Issuer Details</i> Name of Issuer SYPHER RESOURCES LTD.	For Month End March 31, 2014	Date of Report YY/MM/DD 2014/04/03
Issuer Address 1703 – 595 BURRARD STREET		
City/Province/Postal Code VANCOUVER, BC V7X 1J1	Issuer Fax No. 604.681.4692	Issuer Telephone No. 604.689.1428
Contact Name SANDRA LEE	Contact Position Corp. Secretary	Contact Telephone No. 604.689.1428
Contact Email Address info@ionicmail.com	Web Site Address http://sypher_resources_ltd.listings.cnsx.ca/	