

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 **Name and Address of Company**

Atlas Cloud Enterprises Inc.
308 E. 5th Avenue
Vancouver, BC V5T 1H4

Item 2 **Date of Material Change**

July 7, 2016

Item 3 **News Release**

The news release dated July 7, 2016 was issued in Vancouver, B.C., and disseminated through Market News and Stockwatch.

Item 4 **Summary of Material Change**

Vancouver, B.C., July 7, 2016 – Atlas Cloud Enterprises Inc. (CSE: AKE) (the “Issuer”) announces that further to news release dated May 12, 2016, the Issuer has completed a first tranche closing of its private placement through the issuance of \$1,002,000 of convertible debentures (“Debentures”). The Debentures (i) bear interest at a rate of 9% per annum, calculated and payable semi-annually, (ii) mature 36 months from the date of issuance (the “Term”), and (iii) are convertible during the Term, at the option of the holder, into common shares at a conversion price of \$0.25 per share.

Item 5 **Full Description of Material Change**

The Issuer announces that further to news release dated May 12, 2016, the Issuer has completed a first tranche closing of its private placement through the issuance of \$1,002,000 of convertible debentures (“Debentures”). The Debentures (i) bear interest at a rate of 9% per annum, calculated and payable semi-annually, (ii) mature 36 months from the date of issuance (the “Term”), and (iii) are convertible during the Term, at the option of the holder, into common shares at a conversion price of \$0.25 per share.

Finder’s fees of (i) \$58,800 and (ii) 392,000 finder’s warrants were paid to one finder in connection with this tranche closing.

The securities issued in relation to the first tranche closing of the private placement are subject to a regulatory four-month hold period expiring October 30, 2016.

Proceeds of the private placement will be used for purchase and installation of 30 high density racks, fire suppression system, a security system, and a redundant cooling condenser at its Vancouver location.

The Issuer will continue to raise the balance of the Debenture offering in the next few weeks.

Item 6 **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

Item 7 **Omitted Information**

No information has been omitted from this report on the basis that it is confidential information.

Item 8 **Executive Officer**

Fred W. Stearman, Chief Executive Officer
Tel (778) 871-0357

Item 9 **Date of Report**

This report is dated as of the 8th day of July, 2016.