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December 13, 2017

NEWS RELEASE

CSE: AKE

**ATLAS CLOUD CLOSSES FIRST TRANCHE PRIVATE PLACEMENT OF UNITS
AND GRANTS STOCK OPTIONS**

Atlas Cloud Enterprises Inc. (the “**Company**” or “**Atlas Cloud**”) (CSE: AKE) is pleased to announce that it has closed an initial tranche of a non-brokered private placement offering of 39,580,836 units (the “**Units**”) at a price of \$0.35 per Unit for gross proceeds of approximately \$13,853,292 (the “**Offering**”). Each Unit consists of one common share in the capital of the Company (a “**Share**”) and one transferable common share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one additional Share at a price of \$0.75 per Share until December 13, 2019.

The Company has paid eligible finders a cash commission in the aggregate of \$716,973.33 on the Offering within the amount permitted by the policies of the Canadian Securities Exchange (the “**CSE**”). In addition, 2,047,744 non-transferable broker’s warrants were issued to eligible finders to purchase an aggregate of 2,047,744 Shares.

All Shares issued in connection with the Offering will be subject to a voluntary hold period until May 15, 2018, while the Warrants will be subject to a statutory hold period of four months plus one day from the closing date in accordance with applicable securities legislation. The net proceeds from the Offering will be used as follows: \$5,000,000 will be used for the acquisition of a geophysical redundancy facility for backup and archiving that is two seismic grids away with access to sub-\$0.03/kWh electricity; \$2,000,000 will be used for R&D for secure blockchain storage and backup/archiving products; \$1,000,000 will be used for secure, traceable media hosting and streaming products; \$2,000,000 will be used for production and development servers; \$1,000,000 will be used for hiring operational, security, and network teams; and the remaining amount will be used for general corporate purposes and future working capital.

The Company intends to close a second tranche of the non-brokered private placement offering before December 31, 2017.

The Company has granted 1,475,000 incentive stock options with an exercise price of \$1.00 and a five-year term. The stock options were granted under the Company's stock option plan and are subject to approval by the CSE.

On behalf of the Board,

"Yana Popova"

Yana Popova
Chief Financial Officer

For further information, contact the Company's CFO, Yana Popova at (604) 328-5598 or at info@atlascloud.ca.

The CSE does not accept responsibility for the adequacy or accuracy of this release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

FORWARD LOOKING INFORMATION

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including but not limited to, the future business operations of Atlas Cloud. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in the news release are made as of the date of this news release, and the Company does not undertake any obligations to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.