

**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**

December 20, 2017

**Item 3**      **News Release**

News release dated December 20, 2017 was disseminated through Globe Newswire and Stockwatch.

**Item 4**      **Summary of Material Change**

Atlas Cloud Enterprises Inc. (CSE: AKE) (the “**Issuer**”) announces the acquisition of MKH Electric City Holdings LLC.

**Item 5**      **Full Description of Material Change**

See the news release dated December 20, 2017 attached as Schedule A

**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**

Yana Popova, Chief Financial Officer  
Tel: 604-328-5598

**Item 9**      **Date of Report**

This report is dated as of the 22<sup>nd</sup> day of December, 2017

## Schedule A

ATLASCLOUD

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December 20, 2017  
NEWS RELEASE  
CSE: AKE

**ATLAS CLOUD ACQUIRES DEDICATED BLOCKCHAIN FACILITY IN WASHINGTON STATE**

VANCOUVER, BC, December 21, 2017 (GLOBE NEWSWIRE) --Atlas Cloud Enterprises Inc. (CSE: AKE) (XFRA: A49) (the “Company” or “Atlas Cloud”) is pleased to announce the acquisition of MKH Electric City Holdings LLC, a Washington State company which owns a 6,600-sq. ft. location which Atlas Cloud believes will be ideal for digital currency mining. The facility (“The Grant County Data Centre”) is currently being converted to host cryptocurrency mining servers. Atlas Cloud intends to dedicate this facility to mining Bitcoin.

The facility, located in Electric City Washington, is less than five kilometers from the Grand Coulee Dam which impounds a sizable portion of the Columbia River. Due to its location, the facility significantly benefits from electrical provisioning at approximately \$0.03/kWh, one of the least expensive commercial rates in the world. Atlas Cloud’s energy consumption dedicated to digital currency mining for this individual location is 3.0 megawatts (“MW”), supplied by the Grant County Public Utility Department with the ability to upgrade to 5 MW.

The Grant County Data Centre, utilizing 80% of the current 3.0 MW of dedicated power, can host up to 1,700 Application Specific Integrated Circuit (ASIC) mining servers. A second phase (an additional 2.0 MW) is expected to be completed in 2019, increasing total energy dedicated to digital currency mining to 5.0 MW. Atlas Cloud is fully funded to complete Phase 1 and 2 of the Grant County Data Centre.

In the race to identify and leverage opportunities within the blockchain business environment, Atlas believes the path to long term success is through ownership of strategically located facilities where it can host its mining operations within secure and stable locations offering favourable climatic conditions, along with dedicated energy sources at advantageous rates.

The cost of the facility is \$300,000 USD and the Company is expected to spend up to \$2,600,000 USD in facility infrastructure costs and related expenses to retrofit the existing warehouse into a data centre.

Company President, Fred Stearman, states, “We are thrilled to transition and launch into the operational phase of commercialization of our new Bitcoin mining facility. Our recent and successful financing efforts have launched what we believe will be one of the most cost-efficient and scalable operations in the business. Washington State is an excellent jurisdiction with its access to abundant inexpensive electricity, good governance, and a cool climate important for economic server operations. Our previous extensive

experience in cloud-based service delivery combined with our exciting new facility is a solid foundation from which we plan to build upon. It's a truly exciting time at Atlas Cloud and we look forward to building a robust and vibrant business alongside commensurate shareholder value as we launch into 2018."

Completion of the acquisition of MKH Electric City Holdings LLC is subject to a number of conditions, including but not limited to, approval of the Canadian Securities Exchange (the "Exchange") as required.

**About Atlas Cloud Enterprises Inc.**

Atlas Cloud Enterprises Inc. is a growth oriented, CSE-listed company focusing on the business of providing co-location and backup/redundancy IT, telecom equipment and cloud computing. Atlas Cloud will provide customers with secure power access, cooling and bandwidth to ensure co-located, back-up or Cloud systems have minimum risk of failure. Furthermore, Atlas is focussed on the blockchain sector and digital currency mining. Atlas Cloud aims to become the lowest-cost producer for digital currency mining and blockchain infrastructure. Atlas Cloud owns a facility which, it intends to use for digital currency mining, in Electric City which currently offers a dedicated energy source of 3.0 MW and is seeking to significantly expand its operations with the development of additional low-cost energy facilities.

On behalf of the Board,

"Fred Stearman"

Fred Stearman, President & Director

Contact

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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.