

**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 13, 2017 and December 15, 2017

**Item 3**      **News Release**

News release dated December 13, 2017 and news release dated December 15, 2017 were issued in Vancouver, B.C., and disseminated through Market News and Stockwatch.

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

Atlas Cloud Enterprises Inc. (CSE: AKE) (the “**Issuer**”) announces closing of private placement of units and grant of stock options.

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

On December 13, 2017, the Issuer announced that it has closed an initial tranche of a non-brokered private placement (the “**Offering**”) offering of 39,580,836 units (the “**Units**”) at a price of \$0.35 per Unit for gross proceeds of approximately \$13,853,292. 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 Issuer has paid eligible finders a cash commission in the aggregate of \$679,396.51 on the Offering within the amount permitted by the policies of the Canadian Securities Exchange (the “**CSE**”). In addition, 1,940,382 non-transferable broker’s warrants were issued to eligible finders to purchase an aggregate of 1,940,382 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.

On December 15, 2017, the Issuer announced that it has closed the final tranche of the Offering of 419,142 Units for gross proceeds of approximately \$146,699. Each Unit consists of one Share and one Warrant. Each Warrant entitles the holder thereof to acquire one additional Share at a price of \$0.75 per Share until December 15, 2019.

No finder’s fees were paid in connection with this tranche. All Shares issued in connection with this tranche 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.

On December 13, 2017, the Issuer 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.

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

Not applicable.

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**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