

Item 1 Name and Address of Company

ATLAS CLOUD ENTERPRISES INC. (the “Company”)
308 E.5th Avenue
Vancouver, BC V5T 1H4
Canada

Item 2 Date of Material Change

March 15, 2018

Item 3 News Release

NR #18-03 dated March 15, 2018

Item 4 Summary of Material Change

The Company closes acquisition of Bitcoin Mining Facility

Item 5 Full Description of Material Change

The Company announced the closing of the previously disclosed acquisition of MKH Electric City Holdings LLC, a Washington State company. The transaction includes a 6,600-sq. ft. facility (“The Grant County Data Centre”) which is currently being upgraded to industrial-scale cryptocurrency mining standards.

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 5.0 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.

The capital acquisition represents a \$300,000 USD investment. Infrastructure costs and related expenses aimed at completing the data centre are budgeted up to \$2,600,000 USD.

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

This report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

Item 7 Omitted Information

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

Item 8 Executive Officer

The following officer of the Company is knowledgeable about the material change disclosed in this report: Fred Stearman, President & Director, Tel: +1 (778) 871-0357

Item 9 Date of Report

March 15, 2018