

51-102F3 Material Change Report

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

May 22, 2019

Item 3 News Release

NR #19-04 dated May 21, 2019

Item 4 Summary of Material Change

The Company closes \$10.1MM Total Financing for Proposed Acquisition of Israeli Cannabis Operation

Item 5 Full Description of Material Change

The Company announced that it closed a second tranche of its recently announced private placement, raising total gross proceeds of \$10.1MM for the entire offering.

The Company completed its final tranche of a non-brokered offering of subscription receipts of the Company (the “Subscription Receipts”) at \$0.17 per Subscription Receipt for gross proceeds of \$4.9 million (the “Offering”).

The Offering consists of subscription receipts of the Company (the “Subscription Receipts”) at \$0.17 per Subscription Receipt (the “Offering”). Each Subscription Receipt entitles the holder to receive, upon satisfaction of certain escrow release conditions, and without payment of additional consideration, one unit in the capital of the Company (each, a “Unit”). Each Unit will be comprised of one common share of Atlas (each, a “Atlas Share”) (pre-consolidation basis) and one Atlas Share purchase warrant (each, a “Warrant”) (pre-consolidation basis). Each Warrant will entitle the holder thereof to acquire one Atlas Share at \$0.34 per Atlas Share for two years following the date of issuance. The Company received aggregate gross proceeds of approximately \$10.1MM including gross proceeds from the first tranche closed on January 11, 2019.

The financing efforts are concurrent to a share exchange agreement to acquire all the issued and outstanding common shares of Isracann Biosciences Inc. in exchange for common shares of the Company. The acquisition of Isracann Biosciences Inc. is an arm’s length transaction and is expected to constitute a fundamental change under the policies of the Canadian Securities Exchange (the “CSE”). Upon the successful conclusion of the transaction, the resulting issuer has applied for and anticipates trading under the ticker symbol “IPOT”.

All securities issued in connection with the Offering are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities laws.

The Company will pay eligible finders a cash commission in the aggregate of \$137,822.59 on the Offering upon satisfaction of certain escrow release conditions. In addition, 760,033 non-transferable broker's warrants will also be issued to eligible finders to purchase an aggregate of 760,033 common shares of the Company.

The aggregate net proceeds from the Offering will be used to complete the acquisition of Isracann Biosciences Inc. and to provide general working capital.

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, COO & Director, Tel: +1 (778) 871-0357

Item 9 Date of Report

May 22, 2019