FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Atlas Cloud Enterprises Inc._____________(the "Issuer").

Trading Symbol: AKE____

Number of Outstanding Listed Securities: 16,908,833 common shares___________

Date: December 2016____

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

(a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.

(b) The term "Issuer" includes the Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. During December, the generator was fully installed and was started and is in the process of being tested. The armature has to be rewound and the project has been assigned, this will result in higher and more reliable output for back-up power. Interest in the facility continued to pick up during the month and the potential clients are working out the arrangements with management. During the month, the sales for the co-location business were almost equal with the co-

working business, the “Cranium”. The co-working area is mostly developed and the expansion will come by selling cloud and other services to the tenants.

2. Management, during December, has been having discussions with potential clients and has been developing programs with them. This sales process is long, but when the potential clients become clients, they stay for a significant period of time. The costs of moving for the clients is high.

3. Describe and provide details of any new products or services developed or offered. N/A

4. Describe and provide details of any products or services that were discontinued. N/A

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship. N/A

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced. N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. N/A

8. Describe the acquisition of new customers or loss of customers. None

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks. N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs. N/A

11. Report on any labour disputes and resolutions of those disputes if applicable. N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings. N/A

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness. N/A

14. Provide details of any securities issued and options or warrants granted. N/A

Security	Number Issued	Details of Issuance	Use of Proceeds[(1)]

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons. N/A

16. Provide details of any changes in directors, officers or committee members. N/A

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends. N/A

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.

2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: January 6, 2017 .

Laurie W. Sadler
Name of Director or Senior Officer

"Laurie W Sadler"
Signature

Director and CFO
Official Capacity

Issuer Details Name of Issuer Atlas Cloud Enterprises Inc.	For the Month December 2016	Date of Report YY/MM/DD 17/01/06
Issuer Address 308 East 5th Avenue		
City/Province/Postal Code Vancouver, BC, V5T 1H4	Issuer Fax No. ( )	Issuer Telephone No. (778) 871 0357
Contact Name Fred Stearman	Contact Position CEO	Contact Telephone No. 778 871 0357
Contact Email Address fredstearman@gmail.com		