

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

ATLAS ENGINEERED PRODUCTS LTD.

2005 Boxwood Road,
Nanaimo, BC V9S 5X9

Item 2. Date of Material Change

October 1, 2018

Item 3. News Release

The news release was issued on October 3, 2018 and was disseminated by Newswire.

Item 4. Summary of Material Change

Acquisition of Coastal Windows Ltd.

On October 1, 2018, Atlas Engineered Products Ltd. (the "Company") acquired Coastal Windows Ltd. ("Coastal"). Mohammad Hadi Abassi, a director and the former CEO of the Company was the sole shareholder of Coastal.

Item 5. Full Description of Material Change

Acquisition of Coastal

On October 1, 2018, the Company acquired all of the outstanding shares of Coastal from Mr. Mohammad Hadi Abassi. Mr. Abassi is a director of the Company and is the former CEO of the Company.

To acquire Coastal, the Company paid a total of \$650,000, consisting of 869,565 common shares, having an agreed value of \$400,000, and \$125,001 in cash issued and paid on closing, and an additional \$124,999 payable within 30 days after closing. The agreed value of the Company's common shares issued on closing was based on the 20-day volume weighted average price prior to signing the purchase agreement for Coastal, being \$0.46 per share.

The Coastal acquisition provides the Company with a high quality, low footprint, window manufacturing operation that the Company will replicate in all of its operating regions across Canada.

Prior to acquiring Coastal, the Company obtained an independent appraisal of Coastal's equipment, valuing such equipment at \$246,000. Due to the non-arms length nature of the transaction, it was reviewed and unanimously approved by the Company's Board of Directors prior to closing. The acquisition was exempt from the formal valuation and minority approval requirements of Multilateral Instrument 61-101 – *Protection of Minority Holders in Special Transactions* as the fair market value of Coastal and the consideration paid to acquire Coastal did not exceed 25% of the Company's market capitalization.

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

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

Dirk Maritz
CEO and President
(250) 754-1400

Item 9. Date of Report

November 22, 2018