

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

ATLAS ENGINEERED PRODUCTS LTD.

PO Box 37036 Country Club PO
Nanaimo, BC V9T 6N4

(the "Company")

Item 2. Date of Material Change

September 26, 2023

Item 3. News Release

A news release (the "News Release") with respect to the material change was issued on September 27, 2023, and was disseminated by Newswire.

Item 4. Summary of Material Change

Effective September 27, 2023, Atlas Engineered Products Ltd. (the "Company") adopted a shareholder rights plan (the "Plan").

Item 5. Full Description of Material Change

The Plan was adopted effective September 26, 2023. The Plan is subject to ratification by the Company's shareholders within 6 months of its adoption. The Company plans to submit the Plan to its shareholders for approval at its upcoming annual general and special meeting of shareholders scheduled to be held on November 2, 2023 (the "Meeting").

The Plan is similar to rights plans adopted by other Canadian companies and ratified by their shareholders. The purpose of the Plan is to ensure that all shareholders are treated fairly in connection with any offer to acquire the outstanding common shares of the Company and that the board of directors of the Company has the opportunity to identify, solicit, develop and negotiate value-enhancing alternatives to any unsolicited take-over bid. The Plan has not been adopted in response to, or in anticipation of, any known or anticipated take-over bid.

A summary of the principal terms and conditions of the Plan will be set out in the Company's management information circular to be mailed to shareholders prior to the Meeting. A copy of the complete Plan will be filed on SEDAR.

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

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

For further information, please contact:

Melissa MacRae
Chief Financial Officer
(250) 739-0908

Item 9.

Date of Report

September 27, 2023