

Atlas Engineered Products Ltd.

Condensed Interim Financial Statements

For the three months ended August 31, 2017 and 2016
(Expressed in Canadian dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by management and reviewed by the Audit Committee and Board of Directors of the Company.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

Atlas Engineered Products Ltd.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	Note	August 31, 2017	May 31, 2017
		\$	\$
Assets			
Current			
Cash		356,724	234,848
Accounts receivable	5	1,483,761	893,104
Inventories	6	191,918	183,757
Prepaid expenditures		26,399	2,366
Due from related parties		155,791	-
		2,214,593	1,314,075
Non-current			
Building and equipment	7	1,510,781	1,589,129
Due from related parties	16	-	744,611
Deferred income tax asset		686,544	10,738
Total Assets		4,411,918	3,658,553
Liabilities			
Current			
Accounts payable and accrued liabilities	8	1,186,205	919,488
Customer deposits		178,827	152,020
Corporate income taxes payable		244,901	181,414
Current portion of lease obligations	9	308,512	303,573
Current portion of long-term debt	10	29,040	29,040
Exchangeable note – liability portion	11	273,135	-
Preferred share liabilities	12	1,000,000	1,000,000
		3,220,620	2,585,535
Non-current			
Lease obligations	9	916,048	994,967
Long-term debt	10	348,194	502,941
		4,484,862	4,083,443
Shareholders' Equity (Deficit)			
Share capital	13(b)	121	101
Exchangeable note – equity portion	11	19,144	-
Retained earnings (deficit)		(92,209)	(424,991)
		(72,944)	(424,890)
Total Liabilities and Shareholders' Equity		4,411,918	3,658,553

Nature of operations and going concern – Note 1

Commitments – Note 20

Subsequent events – Note 21

APPROVED BY THE DIRECTORS

Hadi Abassi Director

Atlas Engineered Products Ltd.
Condensed Interim Statements of Income and Comprehensive Income
For the three months ended August 31, 2017 and 2016
(Expressed in Canadian dollars)

	Note	August 31, 2017 \$	August 31, 2016 \$
Revenue	14	2,739,058	1,960,390
Cost of sales	15	(1,999,026)	(1,372,767)
Gross profit		740,032	587,623
Operating expenses			
Administrative and office		24,948	32,209
Depreciation	7	36,305	33,677
Bad debt expense		-	25,843
Professional fees		117,507	2,250
Salaries and benefits		40,766	54,231
Operating income		520,506	439,413
Interest earned		636	136
Interest expense and other		(40,655)	(41,913)
Accretion expense		(1,505)	-
Finance charge on leases	9	(20,614)	(23,753)
Income before tax		458,368	373,883
Income taxes			
Current income tax expense		(62,099)	(80,582)
Deferred income tax expense		(63,487)	-
		(125,586)	(80,582)
Net (loss) income for the period		332,782	293,301
Earnings per share			
Basic and diluted		309	290
Weighted average number of shares outstanding			
Basic and diluted		1,077	1,010

Atlas Engineered Products Ltd.
Condensed Interim Statements of Cash Flows
For the three months ended August 31, 2017 and 2016
(Expressed in Canadian dollars)

	August 31, 2017	August 31, 2016
	\$	\$
Cash provided by (used in):		
Operating activities		
Net income for the period	332,782	293,301
Depreciation	95,764	91,532
Accretion expense	1,505	-
Deferred income tax expense (recovery)	62,099	-
Changes in non-cash working capital items		
Accounts receivable	(590,657)	(47,734)
Inventories	(8,161)	(70,758)
Prepaid expenses	(24,033)	(25,739)
Due to related parties	(155,791)	-
Accounts payable and accrued liabilities	269,230	307,479
Customer deposits	26,807	26,120
Corporate income taxes payable	63,487	(77,926)
	73,032	496,275
Investing activities		
Acquisition of equipment	(17,416)	-
Advances to Coastal Windows Ltd.	-	(388,459)
	(17,416)	(388,459)
Financing activities		
Payment of lease obligations	(73,980)	(66,591)
Proceeds from exchangeable notes	147,500	-
Repayment of long-term debt	(7,260)	(23,150)
	66,260	(89,741)
Increase in cash	121,876	18,075
Cash - beginning of period	234,848	111,766
Cash - end of period	356,724	129,841
Cash paid during the period for:		
Interest	22,722	25,902
Income taxes	-	36,035

Supplemental cash flow information – Note 17

Atlas Engineered Products Ltd.
Condensed Interim Statements of Changes in Equity (Deficit)
(Expressed in Canadian dollars)

	Number of Common Shares	Share Capital	Exchangeable Note – Equity Component	Retained Earnings (Deficit)	Total
		\$		\$	\$
Balance, May 31, 2016	1,010	101	-	314,052	314,153
Net income for the period	-	-	-	94,572	94,572
Balance, August 31, 2016	1,010	101	-	408,624	408,725
Net loss for the period	-	-	-	(833,615)	(833,615)
Balance, May 31, 2017	1,010	101	-	(424,991)	(424,890)
Exchangeable note (Note 11)	-	-	19,144	-	19,144
Shares issued on the amalgamation with Coastal Windows Ltd. (Note 4)	200	20	-	-	20
Net income for the period	-	-	-	332,782	332,782
Balance, August 31, 2017	1,210	121	19,144	(92,209)	(72,944)

Atlas Engineered Products Ltd.
Notes to the Condensed Interim Financial Statements
For the three months ended August 31, 2017 and 2016
(Expressed in Canadian dollars)

1. Nature of operations and going concern

Atlas Engineered Products Ltd. (the “Company” or “Atlas”) was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on January 18, 1999. The company’s principal activities involve manufacturing trusses for commercial and residential buildings and delivering to their customers on Vancouver Island and the Lower Mainland.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months.

The Company's corporate office is located at 2005 Boxwood Road, Nanaimo, British Columbia V9S 5X9.

2. Basis of preparation

Statement of compliance and functional currency

These condensed interim financial statements have been presented in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), effective for the Company’s reporting for the period ended May 31, 2017.

These condensed interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the functional currency of the Company.

These condensed interim financial statements were approved for issue by the Board of Directors on September 7, 2017.

3. Accounting policies

Initial adoption of accounting policies

These condensed interim financial statements have been prepared on a basis consistent with the significant accounting policies disclosed in the annual financial statements for the year ended May 31, 2017, except for the following policies adopted in the current financial period:

a) Exchangeable notes

Exchangeable notes are separated into their liability and equity components on the statement of financial position. The liability component is initially recognized at fair value, calculated as the net present value of a similar liability without an associated equity conversion feature and accounted for at amortized cost using the effective interest rate method. The effective interest rate used is the estimated rate for debt with similar terms at the time of issue. The fair value of the equity component (conversion feature) is determined at the time of issue as the difference between the face value of the exchangeable note and the fair value of the liability component

Accounting standards issued but not yet effective

The following new standard has been issued but not yet applied. The Company is currently evaluating the impact of this standard on its financial statements.

a) IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* (“IFRS 9”) bringing together the classification and measurement, impairment and hedge accounting phases of the IASB’s project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7 *Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and the de-recognition of financial instruments. The mandatory effective date of IFRS 9 will be annual periods beginning on or after January 1, 2018, with early adoption permitted.

Atlas Engineered Products Ltd.
Notes to the Condensed Interim Financial Statements
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4. Amalgamation with Coastal Windows Ltd.

On July 31, 2017, the Company amalgamated with its affiliated company, Coastal Windows Ltd. ("Coastal") and has continued operating in the normal course of business following the amalgamation under the name Atlas Engineered Products Ltd.

For accounting purposes, Coastal was acquired and this was recorded as an asset acquisition. At the time of the transaction, both Atlas and Coastal were under common control, and therefore the accounting is applied as a continuity of interests.

Consideration paid:

	\$
Fair value of 200 common shares issued	20

The fair value of identifiable assets acquired and liabilities assumed from Coastal were as follows:

	\$
Deferred income tax asset	744,631
Due to Atlas Engineered Products Ltd.	(744,611)
Total identifiable assets acquired	20

Upon acquisition, there was an amalgamation of Atlas and Coastal. As a result of the amalgamation of Atlas and Coastal, tax losses carried forward of \$2,863,888 originating in Coastal will be available for use by Atlas to offset its future taxable income. The due from Coastal account at May 31, 2017, previously limited to the tax effect of the tax losses carried forward of \$744,611, is eliminated, and the tax effect of the loss carry forward increased the deferred tax asset.

5. Accounts Receivable

	August 31, 2017	May 31, 2017
	\$	\$
Trade accounts receivable	1,383,335	892,055
Other receivables	2,926	1,049
Due from shareholder	97,500	-
	1,483,761	893,104

Movement in the allowance for doubtful accounts balance on trade receivables were as follows:

	Three months ended August 31 2017	Three months ended August 31 2016
	\$	\$
Allowance for doubtful accounts, beginning of period	-	-
Allowance for doubtful accounts recognized during the period	-	30,662
Amounts written off during the period as uncollectable	-	-
Allowance for doubtful accounts, end of period	-	30,662

Atlas Engineered Products Ltd.
Notes to the Condensed Interim Financial Statements
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6. Inventories

	August 31, 2017	May 31, 2017
	\$	\$
Raw materials	145,579	128,645
Work in progress	17,786	34,532
Finished goods	28,553	20,580
	191,918	183,757

During the three months ended August 31, 2017 \$1,571,127 in inventory was expensed through cost of sales (2016 - \$992,682)

7. Building and equipment

	Building	Office	Vehicles	Equipment	Computer Equipment	Signage and Parking Lot	Total
		\$	\$	\$	\$	\$	\$
Cost							
Balance, May 31, 2016	1,148,158	97,894	738,476	1,321,601	203,014	191,062	3,700,205
Additions	-	-	162,819	98,989	-	-	261,808
Disposals	-	-	(72,185)	(200,638)	-	-	(272,823)
Balance, May 31, 2017	1,148,158	97,894	829,110	1,219,952	203,014	191,062	3,689,190
Additions	-	-	17,416	-	-	-	17,416
Balance, Aug 31, 2017	1,148,158	97,894	846,526	1,219,952	203,014	191,062	3,706,606
Accumulated depreciation and rental charge							
Balance, May 31, 2016	76,543	90,482	304,533	1,186,129	188,130	107,806	1,953,623
Additions	229,631	1,482	96,699	33,174	4,465	6,767	372,218
Disposals	-	-	(34,105)	(191,675)	-	-	(225,780)
Balance, May 31, 2017	306,174	91,964	367,127	1,027,628	192,595	114,573	2,100,061
Additions	57,408	297	26,111	9,616	781	1,551	95,764
Balance, Aug 31, 2017	363,582	92,261	393,238	1,037,244	193,376	116,124	2,195,825
Carrying amount at May 31, 2017	841,984	5,930	461,983	192,324	10,419	76,489	1,589,129
Carrying amount at August 31, 2017	784,576	5,633	453,288	182,708	9,638	74,938	1,510,781

Depreciation during the three months ended August 31, 2017 was \$95,764 (2016 - \$91,532). During the three months ended August 31, 2017 \$59,459 of the depreciation was included in cost of sales (2016 - \$57,855).

As at August 31, 2017, the Company's vehicles include a net carrying amount of \$405,220 (2016 - \$428,331) of vehicles recorded as right-of-use assets under lease agreements. During the three months ended August 31, 2017 a depreciation charge of \$23,111 (2016 - \$19,823) was recorded on the right-of-use vehicles. The amounts disclosed above for building relate solely to a right-of-use asset rental lease.

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8. Accounts payable and accrued liabilities

	August 31, 2017	May 31, 2017
	\$	\$
Trade accounts payable	750,994	517,115
Sales taxes payable	110,126	136,302
Salaries and vacation payable	115,856	81,033
Other accounts payable	119,529	119,138
Accrued liabilities	89,700	65,900
	1,186,205	919,488

9. Lease obligations

The terms and the outstanding balances of the lease obligations as at August 31, 2017 and May 31, 2017 are as follows:

	August 31, 2017	May 31, 2017
	\$	\$
Building under right-of-use asset lease repayable in monthly instalments of \$22,000 inclusive of implied interest of 6.20% per annum, residual value of \$nil, maturing in January 2021	813,292	866,398
Vehicle under right-of-use asset lease repayable in monthly instalments of \$2,021 with interest of 8.0% per annum, residual value of \$16,000, maturing May 2020	63,139	67,872
Vehicle under right-of-use asset lease repayable in monthly instalments of \$4,879 with interest of 9.1% per annum, residual value of \$51,000, maturing November 2020	202,086	211,963
Vehicle under right-of-use asset lease repayable in monthly instalments of \$519 with interest of 5.0% per annum, residual value of \$5,000, maturing September 2021	22,032	23,300
Vehicle under right-of-use asset lease repayable in monthly instalments of \$758 with interest of 3.6% per annum, residual value of \$25,000, maturing September 2021	48,881	50,704
Vehicle under right-of-use asset lease repayable in monthly instalments of \$1,354 with interest of 4.6% per annum, residual value of \$16,500, maturing October 2021	75,130	78,303
Total lease obligation	1,224,560	1,298,540
Current portion	(308,512)	(303,573)
Non-current portion	916,048	994,967

Atlas Engineered Products Ltd.
Notes to the Condensed Interim Financial Statements
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9. Lease obligations (continued)

The following is a schedule of the total lease payments made during the three months ended August 31, 2017 and 2016:

	Three months ended August 31 2017	Three months ended August 31 2016
	\$	\$
Principal payment	73,980	66,591
Interest expense	20,614	23,753
Total lease payments	94,594	90,344

During the three months ended August 31, 2017 and 2016, no assets under a right-of-use asset lease were acquired.

The following is a schedule of the Company's future minimum lease payments related to the vehicles under finance lease:

	August 31, 2017 \$
2018	283,782
2019	378,377
2020	382,250
2021	307,635
2022	23,272
Total minimum lease payments	1,375,316
Less: imputed interest	(150,756)
Total present value of minimum lease payments	1,224,560
Less: Current portion	(308,512)
Non-current portion	916,048

10. Long-term debt

The long-term debt consists of the following:

	August 31, 2017 \$	May 31, 2017 \$
Loan payable ¹	101,394	98,881
BDC loan ²	125,840	133,100
Director loan ³	150,000	300,000
	377,234	531,981
Less short-term portion of long-term debt	(29,040)	(29,040)
Total long-term debt	348,194	502,941

1. Loan payable, bearing interest at 10% per annum, with no set term for repayment.
2. A loan with BDC bearing interest at a floating base rate (4.7% as at May 31, 2017), plus 1.5% per year repayable at \$2,420 per month plus interest ending in December 2021. The loan is secured by certain accounts receivables, inventory, and equipment of the Company, a joint corporate guarantee from a related company for 25% and a shareholder guarantee for 25%.
3. Personal loan from director, bearing no interest, with no set term for repayment.

Atlas Engineered Products Ltd.
Notes to the Condensed Interim Financial Statements
For the three months ended August 31, 2017 and 2016
(Expressed in Canadian dollars)

11. Exchangeable notes

On August 9, 2017, Atlas issued exchangeable notes in the principal amount \$147,500 to third parties. The principal amount of the exchange notes is exchangeable into one common share for a price of \$0.20 per share and one warrant at a price of \$0.40 per warrant of the resulting company upon completion of the Transaction. The notes mature on August 9, 2018 and pay interest on the principal sum outstanding, at a rate of 5% per annum, calculated from date of issue and payable in arrears on an annual basis commencing August 9, 2018.

On August 9, 2017, Atlas issued an exchangeable note in the principal amount of \$150,000 to a Director of the Company. The principal amount of the exchangeable note is exchangeable into one common share for a price of \$0.20 per share of the resulting company upon completion of the Transaction. The note matures on August 9, 2018 and pays interest on the principal sum outstanding, at a rate of 5% per annum, calculated from date of issue and payable in arrears on an annual basis commencing August 9, 2018.

12. Preferred share liabilities

The preferred shares liability relates to 2,000 preference shares issued with a par value of \$0.01 each, redeemable at the option of the holder at \$500 each.

13. Share capital

a) Authorized:

- 1,000 Class A voting common shares with a par value of \$0.10 each.
- 1,000 Class A1 voting common shares with a par value of \$0.10 each.
- 1,000 Class A2 voting common shares with a par value of \$0.10 each.
- 1,000 Class B non-voting common shares with a par value of \$0.10 each.

b) Shares issued

	August 31 2017	May 31 2017
	\$	\$
Class A common shares: 10 (May 31, 2016 – 10)	1	1
Class A1 common shares: 100 (May 31, 2016 – nil)	10	-
Class A2 common shares: 100 (May 31, 2016 – nil)	10	-
Class B common shares: 1,000 (May 31, 2016 – 1,000)	100	100
	121	101

Atlas Engineered Products Ltd.
Notes to the Condensed Interim Financial Statements
For the three months ended August 31, 2017 and 2016
(Expressed in Canadian dollars)

14. Revenue

The Company operates in one geographical segment located on Vancouver Island.

The Company has four distinct revenue streams. Segment information of the Company's revenues for the three months ended August 31, 2017 and 2016 is as follows:

Three months ended August 31, 2017

	Trusses	Engineered wood products	Freight	Steel	Total
	\$	\$	\$	\$	\$
Revenue	1,869,131	740,459	116,440	13,028	2,739,058

Three months ended August 31, 2016

	Trusses	Engineered wood products	Freight	Steel	Total
	\$	\$	\$	\$	\$
Revenue	1,531,570	332,450	86,908	9,462	1,960,390

15. Cost of sales

Cost of sales is broken down as follows:

	Three months ended August 31 2017	Three months ended August 31 2016
	\$	\$
Materials	422,661	765,847
Labour	1,256,351	457,137
Maintenance and overhead	260,555	91,928
Amortization	59,459	57,855
Total cost of sales	1,999,026	1,372,767

Atlas Engineered Products Ltd.
Notes to the Condensed Interim Financial Statements
For the three months ended August 31, 2017 and 2016
(Expressed in Canadian dollars)

16. Related party transactions

The Company's related parties consist of the Company's directors and officers, and any companies associated with them. Key management includes directors and executive officers of the Company. Other than the amounts disclosed below, there was no other compensation paid or payable to key management for the reported periods.

The Company incurred the following charges during the three months ended August 31, 2017 and 2016:

Service or item	Three months ended August 31 2017	Three months ended August 31 2016
	\$	\$
Salaries and benefits	27,692	-
Cost of sales	68,872	47,278
Finance charge on leases	12,894	16,024

Due to/from related parties

Amounts due to/from related parties are unsecured, non-interest bearing, and have no set terms of repayment.

	August 31, 2017	May 31, 2017
	\$	\$
Due from related parties		
Coastal Windows Ltd. (formerly 1119866 BC Ltd.) ¹	155,791	-
Coastal Windows Ltd.	-	744,611
Total due from related parties	155,791	744,611
Due to related parties		
Accounts payable	(74,555)	(79,686)
Exchangeable note – liability portion	(183,620)	-
Director loan	(150,000)	(300,000)
Lease obligation	(813,292)	(866,398)
Total due to related parties	(1,221,467)	(1,246,084)

Note 1: The company formerly named 1119866 Ltd. was renamed Coastal Windows Ltd. after the amalgamation of Atlas and Coastal.

The Company is the guarantor of a loan that a related party holds with BDC in the amount of \$293,930.

Atlas Engineered Products Ltd.
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17. Supplemental cash flow information

Investing and financing activities that do not have a direct impact on the current cash flows are excluded from the cash flow statements. During the three months ended August 31, 2017 and 2016 the Company had the following non-cash investing and financing activities:

Three months ended August 31, 2017

- \$150,000 in long-term debt was converted into an exchangeable note (see note 11)
- The issuance of 200 common shares valued at \$20 pursuant to the amalgamation of Coastal (see Note 4)

Three months ended August 31, 2016

- No non-cash investing and financing activities

18. Financial instruments

Classification of financial instruments

The Company's financial instruments consist of cash, accounts receivable, shareholder loan, due to/from related parties, and accounts payable and accrued liabilities, customer deposits, long-term debt, and preferred share liabilities. The Company classified its cash, accounts receivable, shareholder loan, and due from related parties as loans and receivables. The accounts payable and accrued liabilities, customer deposits, long-term debt, and preferred share liabilities are classified as other financial liabilities, which are measured at amortized cost.

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include interest rate risk, credit risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

There have been no changes in any risk management policies since May 31, 2017.

19. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to continue operations. In the management of capital, the Company includes its components of shareholders' equity.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and controlling its expenses. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management policies on an ongoing basis. There were no changes in the Company's approach to capital management since May 31, 2017.

20. Commitments

The Company has a commitment to pay \$500 each for 2,000 preference shares if redeemed by the holder.

The Company is also the guarantor of a loan that a related party holds with BDC in the amount of \$293,930.

Atlas Engineered Products Ltd.
Notes to the Condensed Interim Financial Statements
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21. Subsequent events

Reverse takeover with Archer Petroleum

On June 14, 2017, the Company entered into a binding agreement dated June 9, 2017 (the "Agreement") with Archer Petroleum Corp ("Archer") whereby Archer has agreed to acquire all of the issued and outstanding shares of Atlas (the "Transaction"). Under the terms of the Agreement, Archer will pay the principal shareholders \$1,000,000 and issue shares to the shareholders of Atlas such that they hold twenty five percent (25%) of the issued and outstanding shares of Archer on closing of the Transaction. The Transaction will be a reverse takeover ("RTO") in accordance with the TSX Venture Exchange Policy 5.2 – *Changes in Business and Reverse Takeovers*.

On completion of the Transaction, which is subject to regulatory approval, the shareholders of Atlas will obtain control of the consolidated entity. Under the purchase method of accounting, Atlas has been identified as the acquirer, and accordingly the entity is considered to be a continuation of the Company with the net assets of Archer at the date of the RTO deemed to be acquired by the Company.

On completion of the Transaction, which is subject to regulatory approval, Archer will be the shareholders of the preferred shares originally issued by Atlas. Subsequent to the closing of the Transaction these preferred share liabilities will be eliminated on consolidation of Atlas and Archer.

Management Service Agreements

On September 1, 2017, Atlas entered into a management service agreement with its Chief Executive Officer and Founder, Hadi Abassi, for a salary of \$250,000 (the "Management Service Agreement"). As part of the Management Service Agreement, he will receive a car allowance of \$1,500 per month (\$18,000 annually) and 500,000 options will be granted upon completion of the Transaction. Atlas entered into a formal employment agreement with its General Manager, Gurmit Dhaliwal, dated August 31, 2017 whereby Atlas agreed to pay Ms. Dhaliwal an annual salary of \$120,000 (the "Employment Agreement"). As part of the Employment Agreement, she will receive a car allowance of \$1,250 (\$15,000 annually), and 75,000 options will be granted upon completion of the Transaction. Both the Management Service Agreement and the Employment Agreement provide for termination with two years notice or 2 years salary in lieu of notice.