

**FORM 51-102F3**  
**Material Change Report**

**Item 1      Name and Address of Company**

Graph Blockchain Inc. (“**Graph**” or the “**Company**”)  
2161 Yonge Street  
Suite 210  
Toronto, Ontario  
M4S 3A6

**Item 2      Date of Material Change**

February 16, 2021

**Item 3      News Release**

A new release concerning the material change described herein was disseminated on February 17, 2021 through Newsfile Corp. and subsequently filed on SEDAR. A copy of the news release is attached hereto as Schedule A.

**Item 4      Summary of Material Change**

Graph announced that further to its press release dated January 26, 2021, it has closed its acquisition of 100% of Babbage Mining Corp.’s (“**Babbage**”) issued and outstanding securities, pursuant to terms of the share exchange agreement entered into between the Company, Babbage, and the shareholders of Babbage (the “**Babbage Shareholders**”) effective January 25, 2021 (the “**Definitive Agreement**”). Babbage is an arm’s length private corporation incorporated under the laws of Ontario.

Pursuant to the Definitive Agreement, Graph issued 60,000,000 units of the Company (“**Payment Units**”) comprised of one common share in the capital of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”) to the Babbage Shareholders on a pro rata basis at a deemed price of \$0.08 per Payment Unit for an aggregate purchase price of \$4,800,000. Each Warrant is exercisable into one Common Share at a price of \$0.10 per Common Share for a period of up to eighteen (18) months, subject to the Company’s exercise of an Acceleration Right (as defined below). The Warrants are subject to an acceleration clause whereby if the Common Share price on the Canadian Securities Exchange is equal to or greater than \$0.15 per Common Share for a period of ten (10) consecutive trading days, the Company may, by notice to the holders of the Warrants, reduce the remaining exercise period applicable to the Warrants to no less than 30 days from the date of such notice (the “**Acceleration Right**”).

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

Please refer to Schedule A for details.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Andrew Ryu  
Chief Executive Officer  
Tel: (416) 453-4708

**Item 9 Date of Report**

February 22, 2021

# Graph Blockchain Completes Acquisition of Babbage Mining

Toronto, Ontario--(Newsfile Corp. - February 17, 2021) - **Graph Blockchain Inc. (CSE: GBLC)** (the "**Company**" or "**Graph**") is pleased to announce that further to its press release dated January 26, 2021 that it has closed its acquisition of 100% of Babbage Mining Corp.'s ("**Babbage**") issued and outstanding securities (the "**Transaction**"), pursuant to terms of the share exchange agreement entered into between the Company, Babbage, and the shareholders of Babbage (the "**Babbage Shareholders**") effective January 25, 2021 (the "**Definitive Agreement**"). Babbage is an arm's length private corporation incorporated under the laws of Ontario.

## Terms of the Transaction

Pursuant to the Definitive Agreement, the Company issued 60,000,000 units of the Company ("**Payment Units**") comprised of one common share in the capital of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**") to the Babbage Shareholders on a pro rata basis at a deemed price of \$0.08 per Payment Unit for an aggregate purchase price of \$4,800,000. Each Warrant is exercisable into one Common Share at a price of \$0.10 per Common Share for a period of up to eighteen (18) months, subject to the Company's exercise of an Acceleration Right (as defined herein). The Warrants are subject to an acceleration clause whereby if the Common Share price on the Canadian Securities Exchange (the "**CSE**") is equal to or greater than \$0.15 per Common Share for a period of ten (10) consecutive trading days, the Company may, by notice to the holders of the Warrants, reduce the remaining exercise period applicable to the Warrants to no less than 30 days from the date of such notice (the "**Acceleration Right**").

No finder's fee was payable in connection with the Transaction.

"The acquisition of Babbage will help position Graph in the evolving and rapidly expanding cryptocurrency space. According to website Coindesk.com, Bitcoin as a cryptocurrency has a market cap of CDN \$1.17 trillion, has increased from a price of around \$437 in February 2016 to over \$49,400 today, a 11,746% increase. Graph now has a platform in Altcoin for employing blockchain transactions through crypto mining, related payments on blockchain, and a variety of subsequent support services. We look forward to growing Graph organically and through other viable acquisitions in the crypto space," said Andrew Ryu, CEO of Graph, with respect to the closing of the Transaction.

## Operations of Babbage Upon Completion of the Transaction

Babbage intends to develop a best-in-class cryptocurrency miner with the objective to generate revenue through Proof of Stake ("**POS**") mining for tokens, with the ultimate aim of giving its shareholders exposure to the most disruptive cryptocurrencies with the potential upside in the market such as Layer 2 Scaling, which improve transaction speed and transaction throughput, and Decentralized Finance ("**DeFi**") protocols. DeFi is the movement that leverages decentralized networks to transform old financial products into trustless and transparent protocols that run without intermediaries, and instead utilizes smart contracts on blockchains.

Babbage also intends to invest its capital directly into cryptocurrency tokens where the network is instructed to use it towards POS mining. This process returns the staker with additional tokens while providing exposure to the potential price appreciation of the cryptocurrency being mined.

With blockchain and its decentralized ledger, Graph recognizes how alternative cryptocurrency platforms offer disruptive potential that can structure data in everything from Supply Chain Management to DeFi, enabling the way in which businesses operate and transact with each other. Babbage will be using POS mining to earn returns and gain exposure to the cryptocurrencies with the greatest potential return on

investment.

## **About Babbage Mining Corp.**

Babbage is an early stage company, which will be focusing on Altcoins, alternative cryptocurrencies to Bitcoin. By mining Altcoins through Proof of Work and Proof of Stake, Babbage is able to give its investors exposure to the vast emerging market of cryptocurrencies with the significant technological disruption and potential gains that Altcoins represent.

Additional Information on the Company is available at: [www.babbagemining.com](http://www.babbagemining.com)

## **About Graph Blockchain Inc.**

The Company is a blockchain development company that provides high performance blockchain solutions that include graphic data analysis and consulting services, implementation of data mining analysis through the use of graph databases and speed enhancements of blockchain control systems for businesses and government. This includes the medical industry, including the provision of solutions to provide secure and managed e-commerce blockchain enabled transactions on the companies BluStem Wellness Platform. Additional Information on the Company is available at: [www.graphblockchain.com](http://www.graphblockchain.com).

## **For further information, please contact:**

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NONE OF THE SECURITIES TO BE ISSUED PURSUANT TO THE TRANSACTION HAVE BEEN OR WILL BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND ANY SECURITIES ISSUED PURSUANT TO THE TRANSACTION ARE ANTICIPATED TO BE ISSUED IN RELIANCE UPON AVAILABLE EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS. THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES.

*Neither the Canadian Securities Exchange nor its Regulation Services Provider have reviewed or accept responsibility for the adequacy or accuracy of this release.*

## **Forward Looking Statements**

*Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. In particular, forward-looking information in this press release includes, but is not limited to, the general adoption of blockchain technology, the growth of the alt-coin and cryptocurrency industries, and the integration of Babbage's business with the Company's current businesses. In connection with the forward-looking information contained in this news release, the Company has made numerous assumptions regarding, among other things: the growth of the cryptocurrency industry, the ability of the Company to successfully integrate its business with Babbage's business, and management's ability to successfully execute its strategy. While the Company considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies.*

*Additionally, there are known and unknown risk factors which could cause the Company and Babbage's actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Risk factors include but are not limited to, business disruption risks relating to COVID-19; regulatory risks, including those related to cryptocurrency, alto-coins, blockchain technology, privacy, and data security; and integration risks relating to the acquired business on a*

*post-closing basis. All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company and Babbage disclaim any obligation to revise or update any such forward-looking information or to publicly announce, the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.*

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To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/74733>