

**FORM 51-102F3  
NATIONAL INSTRUMENT 51-102**

**MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF NI 51-102**

**FILED VIA SEDAR**

**Item 1. Name and Address of Company**

Graph Blockchain Inc.  
4711 Yonge Street, 10th Floor  
Toronto, ON M2N 6K8

**Item 2. Date of Material Change**

A material change took place on July 5, 2021.

**Item 3. News Release**

On July 5, 2021, a news release in respect of the material change was released through the facilities of Newsfile.

**Item 4. Summary of Material Change**

The material change is fully described in the Company's press release which is attached as Schedule "A" and is incorporated herein.

**Item 5. Full Description of Material Change**

A full description of the material change is contained under Item 4.

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

The report is not being filed in reliance on section 7.1(2) of National Instrument 51-102.

**Item 7. Omitted Information**

No information has been omitted.

**Item 8. Executive Officer**

Jamie Hyland, Vice President  
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Email: jamie@graphblockchain.com

**Item 9. Date of Report**

July 5, 2021

**SCHEDULE "A"**  
**PRESS RELEASE**

# Graph Blockchain Completes Acquisition of New World

Toronto, Ontario--(Newsfile Corp. - July 5, 2021) - Graph Blockchain Inc. (**CSE: GBLC**) (**OTC Pink: REGRF**) ("**Graph**" or the "**Company**") is pleased to announce that further to its press release dated [June 1, 2021](#), the Company has closed its acquisition of art-focused non-fungible tokens ("**NFT**") business New World Inc. ("**New World**").

NFT's are unique files that live on a blockchain and are able to verify ownership of a work of digital art. Buyers get limited rights to display the digital artwork they represent, but they are also buying rights to a digital asset they may be able to resell later.

Pursuant to the Share Exchange Agreement between the Company, New World, and the shareholders of New World, the purchase price of \$6,000,000 was satisfied through the issuance of an aggregate of 46,153,846 units (the "**Consideration Units**") in the capital of the Company, at a deemed price of \$0.13 per Consideration Unit with each Consideration Unit comprised of one common share and one common share purchase warrant. Each warrant allows the holder to acquire an additional common share of the Company at an exercise price of \$0.18 per share during the 24-month period following closing.

In addition, the shareholders of New World can earn additional bonus milestone based payments of up to \$13,000,000, also payable in Consideration Units based on achieving minimum net revenue of \$1,500,000 as at the end of 2021, with a minimum net profit percentage of 25% and achieving minimum net revenue of \$6,000,000 as at the end of 2022 with a minimum net profit percentage of 50%. The shareholders of New World can also earn an additional 15,000,000 common shares of the Company, based on New World entering into contractual relationships with a minimum of 100 artists by December 31, 2021.

"Graph's acquisition of New World gives us exposure to the quality art-focused NFT market, one of the fastest growing segments of the art world. NFT's provide a new platform for artists to digitally showcase their work," said Paul Haber, Chief Executive Officer of the Company.

"The attraction of NFT art is that it provides both artists and collectors entry to each other that did not exist 10 months ago. Previously obscure artists are seeing sales soar while amateur collectors grow their collections," said Andrew Ryu, Chairman of the Company.

Mike Winkelmann, a US-based digital artist, recently sold an NFT photo piece entitled Everydays: the First 5000 Days for \$69 million in March through Christie's Auction House, becoming the third-highest price paid for a work done by an artist who is still alive.

## About New World Inc.

New World is an augmented reality art-focused NFT company that allows creators, musicians, and celebrities to have access to an NFT distribution canvas to create and sell digital art. By selling digital art, artists are able to reach a broader market (both geographically and demographically), and as a result of the blockchain, continue to benefit financially through economic participation in future sales. New World has built this platform and has already signed such notable artists as Diogo Snow, who has produced numerous pieces for celebrity clients including Drake, and Fetty Wap, an American rapper, singer and songwriter who has over 6.5 million Instagram Followers, as well as many others. Additional information on New World is available at <http://newworldinc.io>.

## About Graph Blockchain Inc.

Graph Blockchain provides shareholders with exposure to various areas of Decentralized Finance. Focusing on altcoins through its wholly owned subsidiaries Babbage Mining Corp., a Proof of Stake

("POS") miner, and Beyond the Moon Inc., Graph gives investors exposure to the vast emerging market of cryptocurrencies with the significant technological disruption and potential gains altcoins represent. Additional information on the Company is available at [www.graphblockchain.com](http://www.graphblockchain.com) and [www.babbagemining.com](http://www.babbagemining.com).

**For further information, please contact:**

### **Investor Relations**

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### **Forward Looking Statements**

This news release contains "forward-looking statements" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking statements.

Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein include, but are not limited to, statements regarding: the continued growth of the art-focused NFT market, the the Company's ability to provide the New World shareholders with the milestone based payments of up to \$13,000,000 Consideration Units; New World's ability to achieve net revenue of \$1,500,000 and a net profit percentage of 25% by the end of 2021; New World's ability to achieve cumulative net revenue of \$6,000,000 and a minimum net profit percentage of 50% by the end of 2022; the Company's ability to provide New World shareholders an additional payment of 15,000,000 common shares by the end of 2021; and New World's ability to identify and enter into contractual relationships with 100 artists by the end of 2021.

Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the Company's ability to achieve and regulatory approval of the acquisition of New World; the Company's ability to continue as a going concern; New World's ability to continue as a going concern; the ability of the Company to successfully integrate New World's business as planned; the continued commercial viability and growth of the art-focused NFT market; the continued popularity of the NFT market in general, and the art-focused NFT market in specific; the continued non-regulation of the NFT market by the relevant governmental and/or regulatory authorities; the continued development of blockchain technology; the continued ability of the Company to to provide the bonus milestone payments, including the potential payment of \$13,000,000 in Consideration Units and the potential issuance of 15,000,000 additional common shares in the capital of the Company to New World shareholders; and assumptions relating to New World's ability to identify potential artists to enter into contractual relationships with by the end of 2021.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the potential inability of the Company to continue as a going concern; the potential inability of New World to continue as a going concern; the risks associated with the blockchain and NFT industry in general; increased competition in the art-focused NFT market; the

potential future unviability of the NFT market in general, and the art-focused NFT market in specific; incorrect assessment of the value and potential benefits of various transactions; risks associated with potential governmental and/or regulatory action with respect to the NFT market; risks associated with a potential collapse in the NFT market; risks associated with the Company's potential inability to attain board, shareholder and/or regulatory approval with respect to the bonus milestone payments, including the potential payment of \$13,000,000 in Consideration Units and the potential issuance of 15,000,000 additional common shares in the capital of the Company to New World shareholders; New World's inability to achieve net revenue of \$1,500,000 and a net profit percentage of 25% by the end of 2021 and cumulative net revenue of \$6,000,000 and a minimum net profit percentage of 50% by the end of 2022 due to a various factors, including, but not limited to: (i) New World's inability to enter into contractual arrangements with various artists, (ii) a potential downturn in the NFT market in general and/or in the art-focused NFT market in specific, (iii) the risk of governmental regulation of NFTs and NFT transactions, and (iv) a potential halt by the governmental/regulatory authorities of all NFT trading and subsequent cancellation of NFT transactions; and the risk that New World may not be able to identify and enter into contractual relationships with 100 artists by the end of 2021, due to time and/or other constraints.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.

The CSE does not accept responsibility for the adequacy or accuracy of this release.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release. The Canadian Securities Exchange has not in any way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

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To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/89358>