

FORM 51-102F3
Material Change Report

1. Name and Address of Company:

Blockchain Holdings Ltd.
("Blockchain Holdings" or the "Company")
Sea Meadow House
P.O. Box 116
Road Town, Tortola
VG 1110 British Virgin Islands

2. Date of Material Change:

March 13, 2020

3. News Release:

The news release with respect to the material change was disseminated through Accesswire Canada Ltd. on March 20, 2020.

4. Summary of Material Change:

The Company entered into a binding letter of intent (the "**Transaction**") to acquire 100% of the rights and interests in a self-quarantine monitoring technology suite known collectively as "IMSafe" from WiSilica, Inc. ("**WiSilica**"). TRACESafe is a global health monitoring product that may be deployed by governments and corporations as they fight the global COVID-19 pandemic.

5. Full Description of Material Change:

5.1 Full Description of Material Change

The material change described in item 4 is fully described in the Company's press release of March 20, 2020 attached hereto and as filed on SEDAR.

5.2 Disclosure of Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 *Continuous Disclosure Obligations*:

Not Applicable

7. Omitted Information:

Not Applicable

8. Executive Officer:

Betty Anne Loy, Corporate Secretary
1111 Melville Street, Suite 1100
Vancouver, British Columbia V6E 3V6
Telephone: 604-283-2339 xt 702

9. Date of Report:

March 20, 2020



Blockchain Holdings to Acquire COVID-19 Quarantine Management Product TRACESafe

TRACESafe offers a socially vital monitoring technology product that can be deployed to governments around the world to help protect citizens and slow the spread of COVID-19.

March 20, 2020 - Blockchain Holdings Ltd. ("Blockchain") (CSE:BCX), a public company listed on the Canadian Securities Exchange under the symbol "BCX", today announced that effective March 13, 2020, it entered into a binding letter of intent (the "**Transaction**") to acquire 100% of the rights and interests in a self-quarantine monitoring technology suite known collectively as "IMSafe" from WiSilica, Inc. ("**WiSilica**"). TRACESafe is a global health monitoring product that may be deployed by governments and corporations as they fight the global COVID-19 pandemic.

TRACESafe is an innovative suite of patent-protected health and safety products, including a flagship identification bracelet and software solution used in a variety of applications, including to administer quarantine guidelines set out by governments. In addition to quarantine applications, TRACESafe products are being used in hospitals for infant monitoring in maternity wards and visitor monitoring to elder care facilities.

Already, TRACESafe disposable bracelets are being deployed and in active use by the Hong Kong government manage and enforce their quarantine program for foreign visitors with initial deliveries completed. Based on the success of the program in Hong Kong, and confirmed orders in excess of 65,000 units, TRACESafe expects to roll out in multiple countries in the coming weeks and months. TRACESafe expects to make its next deliver of bracelets within the next 60 days, and estimates its working capital requirements for such deliveries to be approximately \$300,000.

COVID-19 is widely expected to change how people shop, travel, and work for the foreseeable future, and TRACESafe could play an important part in implementing new safety and health policies.

The Transaction

Blockchain has entered into a binding letter of intent ("the Transaction") to acquire 100% of the TRACESafe assets. Under the terms of the Transaction, Blockchain will pay total consideration of USD\$1,574,188, comprised of two cash payments of US\$100,000 and US\$150,000, respectively, and US\$1,324,188 payable in 6,000,000 common shares of Blockchain at a deemed price of CAD\$0.305 per share in exchange for all of the business assets related to the TRACESafe Self-Quarantine Monitoring System.

In addition, under the terms of the Transaction, WiSilica and key personnel may be entitled to certain share performance bonuses. Upon achievement of specified milestones, each performance bonus consists of a one-time payment of CAD\$1,200,000 in common shares of Blockchain at a deemed price of CAD\$0.305 per share and 2,000,000 performance share warrants of Blockchain. Each such performance share warrant entitles WiSilica or its nominee(s) to acquire one (1) common share of Blockchain at a price of CAD\$0.305 per share for a period of two years. The following business milestones will trigger a performance bonus:

- (i) achievement of \$500,000 in gross revenue by June 30, 2020;
- (ii) securing material contracts in at least six international countries with total volume reaching to pro rata 100,000 units per year by July 30, 2020; and
- (iii) a software management platform for monitoring and tracking quarantine patients is set up that is purchased or otherwise subscribed to and monetized by an Organisation for Economic Cooperation and Development or G20 country by no later than August 31, 2020.

Dennis Kwan, the CTO of WiSilica, is expected to be appointed as CEO of a new subsidiary of Blockchain that will hold the TRACESafe assets.

Financing

Blockchain also announced today a non-brokered private placement offering of up to 3,333,333 units (the "**Units**") at a price of C\$0.30 per Unit for gross proceeds of up to C\$1,000,000 (the "**Financing**").

Each Unit is comprised of one common share in the capital of Blockchain (a "**Common Share**") and one-half of one Common Share purchase warrant (a "**Warrant**"). Each whole Warrant will entitle the holder thereof to acquire one Common Share at a price of C\$0.50 for a period of two years from the date of issuance of such Warrant.

Blockchain intends to use the proceeds of the Financing towards partial payment of the purchase price of the Transaction and working capital and general corporate purposes.

About TRACESafe

TRACESafe, is a proprietary self-quarantine management monitoring system which registers a user through a wrist tag. The tag can log time stamps and locations of the user through a single application used by both the user and administrators to a central monitoring system. TRACESafe allows a user to declare once they have entered quarantine, and subsequently prompts periodic check-in acknowledgements. The application will alert administrators if the user fails to acknowledge a check-in, the tag is unreachable through the user's phone or if the tag has been tampered with.

TRACESafe was developed by WiSilica, Inc., a California-based private company in the business of creating intelligent Internet of Things (IoT) solutions to enable human centric lighting, real time tracking, intelligent wireless controls, and customized IoT Solutions. It helps customers manage space, energy, and gain access to insightful reports and dashboards.

Executive Quotes

“We are delighted to play a role in expanding TRACESafe, which we believe will play a critical role in assisting governments with the mitigation of the COVID-19 pandemic. The acquisition of the TRACESafe business assets further advances Blockchain Holdings’ technology and data aggregation business. Following the 2019 acquisition of a strategic minority equity stake in Airbeam Wireless Technologies, a 5G semiconductor manufacturer and small cell network innovator, the transaction with WiSilica further highlights Blockchain's role as a value-added investor in disruptive technology startups,” stated Wayne Lloyd, CEO of Blockchain.

“TRACESafe family of products represent the culmination of years of innovation in low-power wireless technology from WiSilica, and have been proven in many demanding applications in the health and safety market. We are humbled by the recognition by BCX through their acquisition of this part of WiSilica’s business, and we look forward to much greater possibilities with the support of BCX to launch TRACESafe into the next stage of growth,” explained Dennis Kwan. “I couldn’t be more excited to be a part of this cutting-edge opportunity,” he continued.

About Blockchain Holdings

Blockchain provides investors and fund managers with unique insights into the growing ecosystem of crypto-assets. BCXdata.com captures and aggregates data from different blockchains for use and analysis with a clean and approachable API. With a portfolio of proprietary tools, Blockchain is giving users an institutional-grade analysis package that forms the basis for an extended suite of product offerings in the future.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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This press release was prepared by management of Blockchain, which takes full responsibility for its contents. The Canadian Securities Exchange has in no way passed upon the merits of the proposed transaction and has neither approved or disapproved the contents of this press release.

Statements in this news release may contain forward-looking statements that are based on Blockchain's expectations, estimates and projections regarding its business and the economic environment in which it operates, including with respect to expectations regarding the TRACESafe assets, the appointment of Dennis Kwan to a leadership role with respect to the TRACESafe assets, the entering into and completion of a definitive agreement regarding the Transaction and the expected use of proceeds from the Financing. Although Blockchain believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. These forward-looking statements speak only as of the date on which they are made, and Blockchain undertakes no obligation to update them publicly to reflect new information or the occurrence of future events or circumstances unless otherwise required to do so by law.