

**FORM 51-102F3 MATERIAL  
CHANGE REPORT**

**Item 1. Name and Address of Reporting Issuer:**

Cypherpunk Holdings Inc. (the “**Company**”)  
130 King Street West, Suite 3680  
Toronto, ON M5C 1P1

**Item 2. Date of Material Change:**

January 15, 2021

**Item 3. News Release:**

The Company disseminated a news release on January 15, 2021 through the facilities of Newsfile Corp.

**Item 4. Summary of Material Changes:**

The Company announced that it has concurrently closed its previously announced non-brokered private placement offering through the issuance of 19,867,470 units (the “**Units**”) at a price of \$0.15 per Unit, for gross proceeds of \$2,980,120.

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

The Company completed a non-brokered private placement offering (the “**Offering**”) through the issuance of 19,867,470 Units for gross proceeds of C\$2,980,120. Each Unit is comprised of one common share (each a, “**Common Share**”) in the capital of the Company and one half of one whole Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder to purchase one additional Common Share at an exercise price of C\$0.25 until January 15, 2023.

The net proceeds and additional capital from the Offering will be used to continue investing as per the Company’s outlined investment strategy in cryptocurrencies, companies, technologies and protocols that enhance or protect privacy often in the blockchain ecosystem.

In connection with the Offering, certain eligible finders received cash commissions in the aggregate amount of \$17,550. All securities issued in connection with the Offering will be subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable security legislation. This Offering is subject to final approval of the Canadian Securities Exchange.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”).

**(a) a description of the transaction and its material terms:**

See the above description in this Item 5.

**(b) the purpose and business reasons for the transaction:**

The Company plans to use the net proceeds from the Offerings to continue investing as per the Company's outlines investment strategy in cryptocurrencies, companies, technologies and protocols that enhance or protect privacy often in the blockchain ecosystem.

**(c) the anticipated effect of the transaction on the issuer's business and affairs:**

The completion of the Offerings will provide the Company with funds to be used for general corporate purposes and for additional investment opportunities in the cryptocurrency blockchain and privacy sector.

**(d) a description of:**

**(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

In connection with the Offering, the following securities were issued to the Insiders of the Company.

<b>Name</b>	<b>Position</b>	<b>Number of Units</b>	<b>Aggregate Price</b>
Antanas (Tony) Guoga	Officer	1,811,667	\$271,750.05
Blaise Yerly	Director	250,000	\$37,500
Marc Henderson	Director	500,000	\$75,000
	<b>TOTAL</b>	<b>2,561,667</b>	<b>\$384,250.05</b>

**(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Following completion of the Offering, Mr. Guoga owns an aggregate of 16,706,167 Common Shares of the Company, representing approximately 13.80% of the Company's issued and outstanding Common Shares on an undiluted basis. If Mr. Guoga were to exercise all of his convertible securities, he would own an aggregate of 17,612,000 Common Shares, representing approximately 14.44% of the Company's then outstanding Common Shares on a partially diluted basis.

Following completion of the Offering, Mr. Yerly owns an aggregate of 8,280,000 Common Shares of the Company, representing approximately 6.83% of the Company's issued and outstanding Common Shares on an undiluted basis. If Mr. Yerly were to exercise all of his convertible securities, he would own an aggregate of 9,925,000 Common Shares, representing approximately 8.08% of the Company's then outstanding Common Shares on a partially diluted basis.

Following completion of the Offering, Mr. Henderson owns an aggregate of 7,500,000 Common Shares of the Company, representing approximately 6.19% of the Company's issued and outstanding Common Shares on an undiluted basis. If Mr. Henderson were to exercise all of his convertible securities, he would own an aggregate of 9,150,000 Common Shares, representing approximately 7.45% of the Company's then outstanding Common

Shares on a partially diluted basis.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

The Offering was approved by the Company's board of directors.

- (f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

The Company has entered into a subscription agreement with respect to the Units to be issued to the related parties pursuant to the Offering, which includes the terms for such subscription described above.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

Pursuant to Section 5.5(a) and 5.7(1)(a) of MI 61-101, the Company is exempt from obtaining a formal valuation and minority shareholder approval as the fair market value of the Related Party's participation in the Private Placement is below 25% of the Company's market capitalization, as determined in accordance with MI 61-101. The Offerings were approved by the board of directors of the Company.

**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**

For further information, contact Lana Thompson, Operations Coordinator of the Company by telephone at (416) 599-8547.

**Item 9. Date of Report:**

January 26, 2021.

**Forward-looking Information**

This material change report contains “forward-looking information” within the meaning of applicable securities laws. Generally, any statements that are not historical facts may contain forward-looking information, and forward-looking information 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 indicates that certain actions, events or results “may”, “could”, “would”, “might” or “will be” taken, “occur” or “be achieved”. Forward-looking information includes, but is not limited to the Company’s intention to complete the private placement offering and its goal of making investments in the blockchain and other sectors and enhancing value. There is no assurance that the Company’s plans or objectives will be implemented as set out herein, or at all. Forward-looking information is based on certain factors and assumptions the Company believes to be reasonable at the time such statements are made and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking statements are made based on management’s beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by law. Investors are cautioned against attributing undue certainty to forward-looking statements.