



**Form 45-106F14 | NOTICE OF RIGHTS OFFERING**  
Filed pursuant to National Instrument 45-106 Prospectus Exemptions

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the "United States" (as defined in Regulation S under the U.S. Securities Act). This rights offering circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to an exemption from such registration requirements as described herein. "United States" and "U.S. persons" are as defined in Regulation S under the U.S. Securities Act.

**Notice to security holders – October 21, 2020**

The purpose of this notice is to advise holders of the outstanding Common Shares and of the outstanding Class – A Preferred Shares of Bluesky Digital Assets Corp. ("BTC" or the "Corporation") of a proposed offering of rights of the Corporation. References in this notice to "we", "our", "us" and similar terms mean to the Corporation. References in this notice to "you", "your" and similar terms mean to shareholders of the Company. All amounts herein are presented in Canadian dollars, unless otherwise stated.

**We currently have sufficient working capital to last, at minimum, the next 6 months. We intend to use all the proceed, less accounting and legal costs, from this offering to rapidly accelerate our expansion plans without having to immediately engage other sources of equity or debt financing. All proceeds raised will be allocated towards the purchasing of GPU and ASIC Computer Equipment with the purpose of building additional Digital Assets Mining Rigs.**

**Who can participate in the Offering?**

The Corporation is issuing to holders of Common Shares (the "Shareholders") of record at the close of business (Toronto time) on October 21, 2020 (the "Record Date"). For the holders of the Common Shares one ("1") non-transferable right (each whole right, a "Right") for each 1 Common Share held, with each whole Right entitling the Shareholder to subscribe for 1 Unit (a "Rights Unit") on the terms set forth herein (the "Offering") and as more particularly described in the Corporation's rights offering circular dated October 21, 2020 (the "Rights Offering Circular").

The Corporation is also issuing to holders of Class – A Preferred Shares (the "Shareholders") of record at the close of business (Toronto time) on October 21, 2020 (the "Record Date"). For the holders of the Class – A Preferred Shares, eighty-three ("83") non-transferable rights (each whole right, a "Right") for each 1 Class – A Preferred Share held, with each whole Right entitling the Shareholder to subscribe for one Unit (a "Rights Unit") on the terms set forth herein (the "Offering") and as more particularly described in the Corporation's rights offering circular dated October 21, 2020 (the "Rights Offering Circular").

**Who is eligible to receive Rights?**

The Offering is being made to Shareholders who reside in the provinces of Ontario, Alberta and British Columbia (the "Qualified Jurisdictions"). The offer of the Rights is being made only to Shareholders resident in the Qualified Jurisdictions. Shareholders will be presumed to be resident in the place shown - 2 - on their registered address, unless the contrary is shown to our satisfaction. This notice is not to be construed as an offering of Rights, nor are the Rights Shares issuable upon exercise of the Rights, in any jurisdiction outside of the Qualified Jurisdictions or to Shareholders who are residents of any jurisdiction other than the Qualified Jurisdictions ("Ineligible Shareholders").

**How does an Ineligible Shareholder Participate?**

An Ineligible Shareholder that is an Approved Ineligible Shareholder (as defined below) will be entitled to participate in the Offering. An Ineligible Shareholder can participate if the Ineligible Shareholder is either (1)(i) a direct or indirect holder with an address of record in the United States and who is also an "accredited investor" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D promulgated under the U.S. Securities Act (each a "U.S. Accredited Investor"), and who provides evidence to such effect, in a form which satisfies, in the opinion of the Corporation, the requirements of Rule 506(c) of Regulation D; or (ii) is outside the Qualified Jurisdictions and the United States, and (2) satisfies the Corporation that such offering to and subscription by such holder or transferee is lawful and in compliance with all applicable securities and other laws (each an "Approved Ineligible Shareholder").

**How many Rights is the Corporation offering?**

The maximum amount of Rights offered will be capped at Twelve Million, Five Hundred Thousand ("12,500,000") Rights which would be converted Units should the holders of the Rights elect to subscribe. All Units from the Rights Offering will be sold on a first come, first served basis. The Corporation may elect to allow an over allocation should the Rights Offering become oversubscribed.

The Corporation has elected to implement a minimum offering amount of Four Hundred and Sixteen Thousand, Six Hundred and Sixty-Seven ("416,667") Rights.

Should the Corporation fail to achieve the minimum amount, all proceeds received by the Corporation from Eligible Holders will be returned in full to the Eligible Holders.

#### **How many Rights are you entitled to receive?**

A Shareholder will receive 1 Right for each 1 Common Share owned by the Shareholder as at the Record Date and 83 Rights for each 1 Class – A Preferred Share owned by the Shareholder.

#### **What does one Right entitle you to receive?**

Each Right entitles you to the ability to subscribe for one (1) Unit of BTC at a subscription price of Twelve Cents ("**\$0.12**") CDN per Unit (the "**Basic Subscription Privilege**") until 5:00 p.m. (Toronto / Eastern time) on November 23, 2020

Rightholders who participate in this offering will receive 1 Unit which will consist of 1 Common Share of the Corporation and 1 Purchase Warrant which will grant the holder of the Warrant the ability to purchase 1 additional Common Share of the Corporation at a price of Twenty Cents ("\$.20") CDN. The warrants contained within the Unit will expire on November 30, 2021.

#### **How will you receive your Rights?**

If you are a registered Shareholder (a "Registered Holder") or an Approved Ineligible Shareholder who has provided an accepted exempt purchaser status certificate (and subscription agreement in the case of an Approved Ineligible Shareholder resident in the United States), a rights certificate ("Rights Certificate") evidencing the Rights to which you are entitled will be delivered to you once contact with the Corporation has been established and your shareholdings have been confirmed / verified by the Corporation's Transfer Agent TSX Trust of Toronto.

Once the certificate has been sent, the Shareholder must review the Rights Certificate and the Rights Offering Circular for instructions as to how to exercise your Rights. If you are a beneficial Shareholder (a "Beneficial Holder") whose Common Shares are held through a securities broker or dealer, bank or trust company or other participant (a "CDS Participant") in the book-based system administered by CDS Clearing and Depository Services Inc. ("CDS"), you will not receive a Rights Certificate. The total number of Rights to which all Beneficial Holders as at the Record Date are entitled will be issued to and deposited with CDS following the Record Date. Please review the Rights Offering Circular and contact your CDS Participant for instructions as to how to exercise your Rights.

#### **When and how can you exercise your Rights?**

If you are a Registered Holder or an Approved Ineligible Shareholder, the period to exercise the Rights expires at 5:00 p.m. (Toronto / Eastern time) (the "Expiry Time") on November 23, 2020 (the "Expiry Date"). If you are a Beneficial Holder, you may subscribe for Rights Shares by instructing the CDS Participant holding the your Rights to exercise all or a specified number of such Rights and forwarding the Subscription Price for each Rights Share subscribed for to such CDS Participant in accordance with the terms of the Offering. If you wish to exercise the Additional Subscription Privilege, if available, you must exercise the Basic Subscription Privilege in respect of all of the Rights issued to you and forward your request to the CDS Participant that holds Rights prior to the Expiry Time, along with payment for the number of Additional Rights requested. Any excess funds will be returned by mail or credited to your account with your CDS Participant without interest or deduction. Subscriptions for Rights Shares made through a CDS Participant will be irrevocable and you will be unable to withdraw your subscriptions for Rights Shares once submitted. CDS Participants may have an earlier deadline for receipt of instructions and payment than the Expiry Time on the Expiry Date.

Only Registered Holders and Approved Ineligible Shareholders will be provided with Rights Certificates. For all Beneficial Holders, the total number of Rights to which all such Beneficial Holders as at the Record Date are entitled will be issued to and deposited with CDS following the Record Date.

The Corporation expects that each Beneficial Holder will receive a confirmation of the number of Rights issued to it from its CDS Participant in accordance with the practices and procedures of that CDS Participant. CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants holding Rights. Beneficial Holders must arrange for exercises, purchases or transfers of Rights through their CDS Participant and should contact the CDS Participant to instruct them accordingly. It is anticipated by the Company that each purchaser of Rights Shares will receive a customer confirmation of issuance or purchase, as applicable, from the CDS Participant through which such Rights Shares are issued or purchased in accordance with the practices and policies of such CDS Participant.

#### **What are the next steps?**

This document contains key information you should know about the Corporation. You can find more details in the Corporation's Rights Offering Circular. To obtain a copy, visit the Corporation's profile on the SEDAR website ([www.sedar.com](http://www.sedar.com)), ask your dealer representative for a copy or contact the Corporation of the Company at: [trights.offering@blueskydigitalassets.com](mailto:trights.offering@blueskydigitalassets.com).

You should read the Rights Offering Circular, along with the Corporation's continuous disclosure record, to make an informed decision.

**Bluesky Digital Assets Corp.**

Per: "Ben Gefand"  
Chief Executive Officer  
October 21, 2020