

**PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE
A DECISION PRIOR TO 5:00 P.M. (TORONTO TIME) ON NOVEMBER 23, 2020**

This rights offering circular (this “Circular”) has been prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Circular. Any representation to the contrary is an offence.

This is the Circular we referred to in the October 21, 2020 rights offering notice (the “Notice”), which was mailed out to shareholders on October 21, 2020. Your Notice informs you on how you may acquire the relevant forms needed to exercise the Rights. This Circular should be read in conjunction with the Notice and our continuous disclosure prior to making an investment decision.

The offer of these securities is made in (i) the provinces of Ontario, Alberta and British Columbia, and (ii) in all jurisdictions outside Canada and the United States excluding any jurisdiction that does not provide a prospectus exemption substantially similar to the exemption provided in Canada or that otherwise requires obtaining any approvals of a regulatory authority in the such jurisdiction or the filing of any document by the Company in the such jurisdiction in connection with this offering (collectively, the “Eligible Jurisdictions”). In addition, the offering is not being made in jurisdictions where the Company is not eligible to make such offer.

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. 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. “United States” and “U.S. persons” are as defined in Regulation S under the U.S. Securities Act.

Rights Offering Circular

October 21, 2020



BLUESKY DIGITAL ASSETS CORP.

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 from this Rights Offering will be allocated towards the purchasing of GPU and ASIC Computer Equipment with the purpose of building additional Digital Assets Mining Rigs.

OFFERING OF RIGHTS TO SUBSCRIBE FOR UNITS AT A PRICE OF \$0.12 CDN PER UNIT

References in this Circular to “we”, “our”, “us” and similar terms are to Bluesky Digital Assets Corp. (“BTC”). References in this Circular to “you”, “your” and similar terms are to holders of BTC’s common and Class - A Preferred shares. Unless otherwise indicated, references herein to “\$” or “dollars” are to Canadian dollars.

SUMMARY OF THE RIGHTS OFFERING

Why are you reading this Circular?	We are issuing to the holders of both our outstanding Class - A & Common Shares of record at the close of business on October 21, 2020 (the “Record Date”) and who are resident in an Eligible Jurisdiction, rights to subscribe for Units (defined below) on the terms described in this Circular. The purpose of this Circular is to provide you with detailed information about your rights and obligations in respect of the rights offering
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	<p>(the “Rights Offering”). This Circular should be read in conjunction with the Notice.</p>
<p>What is being offered?</p>	<p>Each holder of Common Shares of BTC on the Record Date who is resident in an Eligible Jurisdiction will be offered one (1) Right (a “Right”) for each 1 common share held, granting the holder of the Right the ability to purchase 1 Unit of the Corporation at a price of \$0.12 CDN per Unit.</p> <p>Each holder of Class - A Preferred Shares of BTC on the Record Date who is resident in an Eligible Jurisdiction will be offered Eighty-three (83) Rights (a “Right”) for each 1 Class - A Preferred Share held. The Rights will grant the Rightsholder the ability to purchase 1 Unit of the Corporation at a price of \$0.12 CDN per Unit for every 1 Right held.</p>
<p>Who is eligible to receive Rights?</p>	<p>The Rights are being offered only to shareholders resident in Eligible Jurisdictions (“Eligible Holders”). Shareholders will be presumed to be resident in the place shown on their registered address, unless the contrary is shown to our satisfaction. Neither the Notice nor this Circular is to be construed as an offering of the Rights, nor are the Units (the “Units”) issuable upon exercise of the Rights offered for sale, in any jurisdiction outside of Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (“Ineligible Holders”).</p> <p>The Offering is being made to Shareholders who reside in the provinces of Ontario, Alberta and British Columbia (the “Qualified Jurisdictions”).</p> <p>An Ineligible Shareholder that is an Approved Ineligible Shareholder (as defined below) will be entitled to participate in the Offering. An Ineligible Shareholder that 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”).</p>
<p>What does one Right entitle you to receive?</p>	<p>Each Right entitles you to subscribe for one (1) Unit of BTC at a subscription price of \$0.12 CDN per Unit (the “Basic Subscription Privilege”) until 5:00 p.m. (Toronto / Eastern time) on November 23, 2020</p> <p>Rightsholders 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 \$0.20 CDN. The warrants contained within the Unit will expire on November 30, 2021.</p>

<p>What is the subscription price?</p>	<p>\$0.12 CDN per Right (the “Subscription Price”). Should a shareholder / rightsholder elect to participate, a minimum subscription for Forty-One Thousand, Six Hundred and Sixty-Seven (“41,667”) Rights and / or Five Thousand Dollars (“\$5,000.00”) CDN worth of Rights is required.</p>
<p>When does the Offer expire?</p>	<p>5:00 p.m. (Toronto / Eastern time) on November 23, 2020 (the “Expiry Date”).</p>
<p>What are the significant attributes of the Rights issued under the Rights Offering and the securities to be issued upon the exercise of the Rights?</p>	<p>Each Right entitles you to subscribe for one (1) Unit at the Subscription Price. The Rights are non-transferable. A Right does not entitle the holder thereof to any rights whatsoever as a securityholder of BTC other than the right to subscribe for and purchase Units on the terms and conditions described herein.</p> <p>We are authorized to issue an unlimited number of Common Shares of which 18,891,954 Common Shares are issued and outstanding as of the date hereof. Holders of common shares are entitled to one vote per share at meetings of our shareholders.</p>
<p>What are the minimum and maximum number or amount of Units that may be issued under the Rights Offering?</p>	<p>The maximum amount of Rights offered shall be capped at Twelve Million, Five Hundred Thousand (“12,500,000”) Rights which would be converted Units.</p> <p>BTC has elected to implement a minimum offering amount of Four Hundred and Sixteen Thousand, Six Hundred and Sixty-Seven (“416,667”) Rights.</p> <p>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.</p> <p>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.</p>
<p>Where will the Common Shares contained in the Units and the securities issuable upon the exercise of the Rights be listed for trading?</p>	<p>The Company’s common shares are listed for trading on the Canadian Securities Exchange (the “CSE”) under the trading symbol “BTC” and on the OTC Markets Pinksheets under the trading symbol “BTCWF”.</p> <p>The Rights will not trade on the CSE or on the OTC Markets</p>

FORWARD-LOOKING STATEMENTS

This Circular contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that we believe, expect or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements reflect our current expectations or beliefs based on information currently available to us. Forward-looking statements in this Circular include, without limitation, statements with respect to: our expectations regarding the estimated costs of the Rights Offering and the net proceeds to be available upon completion; the use of proceeds from the Rights Offering and the availability of funds from sources other than the Rights Offering; and our ability to continue as a going concern.

Forward-looking statements are subject to a number of risks and uncertainties that may cause our actual results to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, us. Factors that could cause actual results or events to differ materially from current expectations include, among other things, uncertainties relating to the availability and cost of funds; closing the Rights Offering; delays in obtaining or failure to obtain required approvals to complete the Rights Offering and the stand-by commitment; the uncertainty associated with estimating costs to complete the Rights Offering, including those yet to be incurred; and other risks related to our business and the Rights Offering and stand-by commitment.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, we disclaim any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although we believe that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to their inherent uncertainty.

USE OF AVAILABLE FUNDS

What will our available funds form this Rights Offering be upon the closing of this Rights Offering?

Pursuant to the Rights Offering, the Corporation will attempt to raise a minimum amount of \$50,000.00 CDN in gross proceeds and maximum amount of gross proceeds of \$1,500,000.00 CDN via this Rights Offering.

As more particularly described below, at closing of the Rights Offering, the Company intends using the Capital to further expand its current Digital Assets Mining by purchasing both GPU and ASIC computer equipment. Should the Corporation raise the maximum amount of \$1,500,000.00 CDN the Corporation anticipates that it will have \$1,490,000.00 CDN available to use exclusively for purchasing both GPU and ASIC computer equipment to further expand the Corporation's active Digital Assets Mining operations.

		Rights Offering (\$)
A	Maximum amount to be raised by Rights offering if fully subscribed	\$1,500,000
B	Estimated offering costs (e.g., legal, accounting, audit, transfer agent, mailing)	\$10,000
C	Available funds: $C = A - B$	\$1,490,000

How will we use the available funds?

All proceeds raised, less the offering costs as outlined in section “B” in the box above, will be allocated towards the purchasing of GPU and ASIC Computer Equipment. The purchased equipment will be used to assemble / build additional Digital Assets Mining Rigs. If the Rights Offering is fully subscribed, the Corporation intends on building at minimum 200 Rigs and at maximum 275 Rigs with the proceeds raised. The range of Rigs built will be / is dependent on the pricing and features offered by the Corporation’s equipment suppliers.

How long will the available funds last?

We expect that the capital raised from this Rights Offering will be insufficient to meet all of our expansion requirements for the 12 months from the date of this Circular. The Corporation will be looking to further expand its current and active Digital Assets Mining operations after the completion of this Rights offering. The Corporation has sufficient capital to meet its normal working capital requirements for the next 6 months. The Corporation wants to further expand its current and active Digital Assets Mining operations as rapidly as possible. There is no assurance that we will be able to raise additional financing in the future using other financing methods outside of this Rights Offering.

INSIDER PARTICIPATION

Will insiders be participating?

The Corporation’s Directors who own common shares will have the ability to participate in this Rights Offering by purchasing Shares under their Basic Subscription Privilege.

This reflects the intentions of such “insiders” (as defined in applicable Canadian securities legislation) as of the date hereof to the extent such intentions are reasonably known to the Corporation; however, such insiders may alter their intentions before the Expiry Time on the Expiry Date. No assurance can be given that the respective insiders will exercise their Rights to acquire Units. As at the date hereof, insiders of the Corporation, own or exercise control or direction over, directly or indirectly, 986,572 common shares, representing approximately 5% of the issued and outstanding common shares. In the event that these Shareholders purchase 986,572 Units pursuant to the Basic Subscription Privilege, these Shareholders would own an aggregate of 1,973,144 common shares.

Who are the holders of 10% or more of our securities before and after the Rights Offering?

To the knowledge of the directors and senior officers of BTC, as at the date hereof, no person or company beneficially owns, directly or indirectly, or controls or directs more than 10% of any class of BTC’s voting securities.

DILUTION

If you do not exercise your Rights, by how much will your security holdings be diluted?

As of the date of this circular the Corporation had 18,891,954 Common Shares outstanding. If you wish to retain your current percentage ownership of the common shares, you should exercise your Rights and pay the Subscription Price for the Units to which you are entitled under the Basic Subscription Privilege. If you fail to do so, your percentage ownership of the common shares will be diluted up to 40% if the maximum number of Rights in this Rights Offering are exercised.

As an illustration, if you own 1,000,000 common shares on the Record Date, and you elect not to exercise your right to purchase 1,000,000 Units under the Offering, and all other Shareholders exercise their Basic Subscription Privilege up to the maximum amount being offered (12,500,000 Units) to the Rights holders and Additional Subscription Privilege (i.e., the Company issues the full 12,500,000 Shares, your percentage ownership of the issued and outstanding common shares will change from 0.05% to 0.03%

HOW TO EXERCISE THE RIGHTS

How does a security holder that is a registered holder participate in the Rights Offering?

If you are a registered holder of common shares or Class – A shares a Notice has been mailed to you via the current information on record and held by the Corporation's Transfer Agent TSX Trust. To exercise the Rights you must contact the Corporation directly by e-mail, after receiving your mailed Notice. To e-mail your request to participate please e-mail the Corporation at rights.offering@blueskydigitalassets.com.

The Corporation will then send the Rights holder a Rights Certificate and a Subscription Document with instructions on how to complete the paperwork. The holder will then need to return the completed paperwork to the Corporation. The method of delivery is at the discretion and risk of the holder of the Rights Certificate and delivery to the Corporation will only be effective when actually received by the Corporation at its office. Rights Certificates and payments received after the Expiry Time will not be accepted.

In order to exercise your Right you must:

- 1. Contact the Corporation via** rights.offering@blueskydigitalassets.com
- 2. Complete and return the** Rights Certificate and a Subscription Document which will be sent to the Rights holder after contact to the Corporation has been established.
- 3. Enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of Bluesky Digital Assets Corp..** In order to purchase one Unit, you must own one (1) Right and pay a price of \$0.12 per Unit. A minimum subscription for Forty-One Thousand, Six Hundred and Sixty-Seven ("41,667") Rights and / or Five Thousand Dollars ("5,000.00") CDN worth of Rights is required. In addition to the amount payable for any Units you wish to purchase under the Basic Subscription Privilege, you must also pay the amount required for any Shares subscribed for under the Additional Subscription Privilege.
- 4. Delivery.** Deliver or mail the completed Rights Certificate to the Corporation so that it is received before the Expiry Time. If you are mailing your documents, registered mail is recommended. Please allow sufficient time to avoid late delivery.

The signature of the Rights Certificate holder must correspond in every particular with the name that appears on the face of the Rights Certificate.

Signatures by a trustee, executor, administrator, guardian, attorney, officer of a company or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Depository. We will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription in our sole discretion. Subscriptions are irrevocable. We reserve the right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Units pursuant thereto could be unlawful. We also reserve the right to waive any defect in respect of any particular subscription. Neither we nor the Depository is under any duty to give any notice of any defect or irregularity in any subscription, nor will we be liable for the failure to give any such notice.

How does a security holder that is not a registered holder participate in the Rights Offering?

You are a beneficial Eligible Holder if you hold your common shares through a securities broker or dealer, bank or trust company or other participant (a "**Participant**") in the book-based system administered by CDS Clearing and Depository Services Inc. ("**CDS**"). The total number of Rights to which all beneficial Eligible Holders as of the Record Date are entitled will be issued to CDS and will be deposited with CDS following the Record Date. We expect that each beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from the applicable Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

Neither we nor the Depository will have any liability for (i) the records maintained by CDS or Participants relating to the Rights or the book-entry accounts maintained by them, (ii) maintaining, supervising or reviewing any records relating to such Rights, or (iii) any advice or representations made or given by CDS or Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or Participants.

If you are a beneficial Eligible Holder:

1. to exercise your Rights held through a Participant, you must instruct such Participant to exercise all or a specified number of such Rights, and forward to such Participant, the Subscription Price for each Unit that you wish to subscribe for; and

Any excess funds will be returned to the applicable Participant for the account of the beneficial holder, without interest or deduction.

Can I combine, exchange or divide my Rights?

Rights may be combined, divided or exchanged by delivering such Rights, accompanied by appropriate instructions to the Corporation prior to the Expiry Time. The Rights aren't transferrable.

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 Rights Offering is only being made to Eligible Shareholders. The Rights are not being offered to persons who are or appear to be, or we have reason to believe are, resident in Ineligible Jurisdictions, nor will we accept subscriptions from any shareholder or from any transferee of Rights who is or appears to be, or who we have reason to believe is, resident in an Ineligible Jurisdiction. Rights Certificates will not be distributed to any shareholders whose addresses of record are in any Ineligible Jurisdiction ("**Ineligible Shareholders**"). Rights may not be exercised by or on behalf of an Ineligible Shareholder. CDS Participants may not issue Rights to Ineligible Shareholders.

Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to our satisfaction. A registered Ineligible Shareholder whose address of record is outside the Eligible Jurisdictions but who holds common shares on behalf of a holder who is eligible to participate in the Rights Offering must notify us, in writing, on or before the tenth day prior to the Expiry Date if such beneficial holder wishes to participate in the Rights Offering.

Rights delivered to brokers, dealers or other intermediaries may not be delivered by those intermediaries to beneficial shareholders who are resident in Ineligible Jurisdictions. Intermediaries receiving Rights that would otherwise be deliverable to Ineligible Shareholders may attempt to sell those Rights for the accounts of such Ineligible Shareholders and should deliver the proceeds of sale to such persons.

What is the Additional Subscription Privilege and how can you exercise this privilege?

A holder of a Rights Certificate who is not an Ineligible Shareholder and who has exercised all the Rights evidenced by such Rights Certificate may subscribe for Additional Units, **if Additional Units are available**, at the Subscription Price. Additional Units will be allocated from those Units, if any, available as a result of Rights that are unexercised by the Expiry Time. A holder who exercises the Additional Subscription Privilege will receive the lesser of (i) the number of Units that holder subscribes for under the Additional Subscription Privilege, and (ii) the number of Units that is equal to the aggregate number of Units available through unexercised Rights multiplied by the quotient of the number of Rights previously exercised by such holder under the Rights Offering divided by the aggregate number of Rights previously exercised under the Rights Offering by holders of Rights that have subscribed for Units under the Additional Subscription Privilege.

A Rights holder may subscribe for Additional Units by (i) completing Form 2 on the Rights Certificate, and (ii) delivering the Rights Certificate, together with payment for those Additional Units, to the Depositary on or before the Expiry Time. If payment for all Additional Units subscribed for pursuant to the Additional Subscription Privilege does not accompany the subscription, the over-subscription will be invalid.

If the Rights Offering is fully subscribed, then the funds included for any over-subscriptions will be returned by us to the relevant rightsholders / shareholders. If the offering is not fully subscribed, certificates representing the units, due to shareholders as a result of over-subscriptions will be delivered by us together with the certificates representing such securities due to those shareholders pursuant to their subscriptions in accordance with the Basic Subscription Privilege. In addition, we will return to any over-subscribing shareholder within 30 calendar days of the Expiry Date any excess funds paid in respect of an over-subscription for Units where the number of Additional Units available to that shareholder is less than the number of Additional Units subscribed for. No interest will be payable by us in respect of any excess funds returned to shareholders.

Can a Rights holder sell or transfer Rights?

The Rights are non-transferrable. The Rights will not trade on the CSE or on the OTC Markets.

When can you trade securities issuable upon the exercise of your Rights?

The common shares underlying the Units issuable upon the exercise of your Rights will be listed on the CSE under the trading symbol “BTC” and will be issued immediately upon the Corporation achieving the minimum subscription amount of \$50,000 CDN worth of Rights.

Are there restrictions on the resale of securities?

The Common Shares contained within the Units and issuable upon exercise of Rights distributed to shareholders in the Eligible Jurisdictions may be resold without hold period restrictions under applicable securities laws of the Eligible Jurisdictions provided that: (i) the sale is not by a “control person” of BTC; (ii) no unusual effort is made to prepare the market or create a demand for the securities being resold; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the resale; and (iv) if the selling security holder is an insider or officer of BTC, the selling security holder has no reasonable grounds to believe that BTC is in default of securities legislation.

The Rights and Shares issuable upon the exercise thereof may not be offered, sold, pledged or transferred, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person.

Will we issue fractional underlying securities upon exercise of the Rights?

No. Where the exercise of Rights would appear to entitle a holder of Rights to receive a fractional Share, the holder’s entitlement will be reduced to the next lowest whole number of Shares.

What happens if we do not raise the minimum offering amount?

All proceeds received will be returned in full to all shareholders who elected to participate in the Rights offering.

ADDITIONAL INFORMATION**Where can you find more information about us?**

You can access our continuous disclosure documents filed with Canadian securities regulators under our issuer profile at www.sedar.com.

MATERIAL FACTS AND MATERIAL CHANGES

There is no material fact or material change about us that has not been generally disclosed