



## Form 51-102F3 | Material Change Report

### Item 1 – Name and Address of Company

Bluesky Digital Assets Corp. (the "Corporation")  
First Canadian Place | 100 King Street West, Suite 5700  
Toronto, Ontario | M5X 1C9

### Item 2 – Date of Material Change

October 21<sup>st</sup>, 2020

### Item 3 – News Release

A news release for Bluesky Digital Assets Corp., October 5<sup>th</sup>, 2020, was disseminated through Newsfile Corp. A copy of the full News Release is attached to this report as "Schedule 'A'".

### Item 4 – Summary of Material Change

Bluesky Digital Assets Corp., (CSE: BTC), (CSE: BTC.PR.A), (OTC Pink: BTCWF), announced that it had agreed to settle outstanding balance of \$51,340.00 CDN owed to a creditor by issuing 513,400 Common Shares of the Corporation at a deemed price of \$0.10 CDN per Common Shares to the creditor. Furthermore, the Corporation also settled an additional \$4,166.00 CDN worth of debt by issuing 41,667 Common Shares to a secondary creditor. The press release announcing this transaction was issued on October 5<sup>th</sup>, 2020 however the final settlement and issuance occurred on Oct 21<sup>st</sup>, 2020.

The issuance of 555,067 of the Corporation's Common Shares as described above is a material event as defined by NP 51-201 as the aforementioned issuance will increase the total number of the Corporation's issued common shares from 18,336,887 (As At Oct 20<sup>th</sup>, 2020) to 18,891,954 (As At Oct 21<sup>st</sup>, 2020).

### Item 5 – Full Description of Material Change

#### 5.1 Full Description of Material Change

For a full description of the material change, see Schedule "A"

#### 5.2 Disclosure for Restructuring Transactions

Not Applicable.

### Item 6 – Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

### Item 7 – Omitted Information

Not Applicable.

### Item 8 – Executive Officer

Frank Kordy, Secretary & Director | T: (647) 466-4037 | E: frank.kordy@blueskydigitalassets.com

### Item 9 – Date of Report

October 21<sup>st</sup>, 2020

## **Schedule "A"**



## News Release

### Bluesky Digital Assets Corp., Retires Debt, Provides Corporate Update

#### FOR IMMEDIATE RELEASE

**Toronto, Ontario, October 5<sup>th</sup>, 2020** – Bluesky Digital Assets Corp., (CSE: BTC), (CSE: BTC.PRA), (OTC Pink: BTCWF), (“Bluesky” or the “Corporation”) announced today that on Sept 30<sup>th</sup> the Corporation entered into a debt settlement agreement where the Corporation successfully retired \$276,500.00 CDN of debt owed to a creditor. The Corporation agreed to transfer ownership of the remaining portion of a loan portfolio, which was part of the Corporation’s legacy business segment, to the creditor. The loan portfolio contained mortgages on properties located in the State of Florida. The loan portfolio had a value of \$167,934.00 USD or \$225,160.00 CDN. The Corporation also agreed to settle the outstanding balance of \$51,340.00 CDN by issuing 513,400 Common Shares of the Corporation at a deemed price of \$0.10 CDN per Common Share to the creditor. With the debt settlement completed, the Corporation has extinguished a large portion of outstanding debt from its balance sheet. Furthermore, monthly debt obligation payments of \$12,000 CDN which were to commence beginning in October have been cancelled which will assist in the Corporation achieving profitability.

The Corporation is pleased to announce that it continues to successfully optimize the efficiency of its current mining operations, and was yet again, able to increase its Gross Revenue totals from its current mining operations an additional 8% from the previous quarter. Q3 2020’s Gross Revenue total from the Corporation’s active mining operations also represents an increase of 363% from Q3 2019’s Gross Revenue mining totals. The Corporation mined and sold an average of \$66,666.00 CDN per month in BitCoin for the quarter. The Corporation has successfully increased the incoming revenues from its active mining operation in 7 out of the 8 quarters. The Corporation will release its full Q3 Financial Statements on November 30<sup>th</sup>,2020.

Our recently announced Stablecoin Research and Development initiative, and the launch of our ‘DeFi’ Subsidiary is advancing rapidly and diligence has been completed on these two initiatives. The Corporation has commenced evaluating additional team members for this project. Our partnership with Brane Inc., is moving forward and we look forward to developing digital custody products that give financial institutions assurances when storing and acquiring digital currencies. The company’s AI project, aimed at enhanced mining profitability, and which has improved the Corporation’s incoming revenue in every quarter of 2020, is in a spooling up phase with a new development team on deck.

**Mr. Ben Gelfand CEO & Director stated:** “I am very pleased with the continued forward progress we are making. With the retirement of the debt and the avoidance monthly debt obligation payments of \$12,000 CDN, we continue to advance the Corporation’s profitability outlook and we continue to improve the Corporation’s balance sheet so it is more attractive to equity investors. We are continuing to rapidly advance the Corporation’s incoming revenue’s and are working towards achieving profitability in the near future.”

#### About Bluesky Digital Assets Corp.

Bluesky Digital Assets Corp, is building a high value digital currency enterprise. Bluesky mines digital currencies, such as Bitcoin and Ether, and is developing value-added technology services for the digital currency market, such as digital mining proprietary software. Offering a complete ecosystem of value-creation, Bluesky is targeting reinvesting appropriate portions of its digital currency mining profits back into its operations. A percentage of the profit will be invested in the development of a proprietary Artificial Intelligence (“AI”) based technology. Overall, Bluesky takes an approach that enables the Corporation to scale, and respond to changing conditions, within the still-emerging digital currency industry. The Corporation is poised to capture value in successive phases as this industry continues to scale. For more information please visit [www.blueskydigitalassets.com](http://www.blueskydigitalassets.com)

#### For further information please contact:

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#### Forward-Looking Statements

Information set forth in this news release may involve forward-looking statements under applicable securities laws. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this document are made as of the date of this document and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation. Although management believes that the expectations represented

in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. This news release does not constitute an offer to sell or solicitation of an offer to buy any of the securities described herein and accordingly undue reliance should not be put on such. Neither CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release. We seek safe harbor.