

**Report Pursuant to National Instrument 62-103
and Section 5.2 of Multilateral Instrument 62-104**

1. Security and Reporting Issuer

This report is made pursuant to the provisions of the securities legislation referred to above in connection with certain acquisitions of securities of Bluesky Digital Assets Corp. (the “Company”), First Canadian Place, 100 King Street West, Suite 5700, Toronto, Ontario, M5X 1C9. The transaction did not take place through the facilities of any stock market.

2. Identity of Acquirer

The transaction described in item 1 above took place on December 4, 2020, and involved the following joint actor of ThreeD Capital Ltd (“ThreeD”):

- Sheldon Inwentash (the “Joint Actor”), 126 Old Forest Hill Road, Toronto, ON M5P 2R9

The address of ThreeD is 130 Spadina Avenue, Suite 401, Toronto, ON, M5V 2L4.

3. Interest in Securities of the Reporting Issuer

ThreeD and its Joint Actor acquired ownership and control of an aggregate of 4,500,000 common shares (the “Subject Shares”) and 4,500,000 common share purchase warrants (the “Subject Warrants”) and together with the Subject Shares, the “Subject Units”) of the Company on December 4, 2020. The Subject Units represented approximately 16.2% of all issued and outstanding common shares of the Company as of December 4, 2020 immediately following the transaction described above (or approximately 27.8% on a partially diluted basis, assuming exercise of the Subject Warrants only), resulting in a corresponding increase in the percentage of shares held by ThreeD and the Joint Actor as a result of the transaction.

Immediately before the transaction described above, ThreeD and the Joint Actor did not hold any securities of the Company.

Immediately following the transaction described above, ThreeD and the Joint Actor held an aggregate of 4,500,000 common shares (the “Post-Closing Shares”) and convertible securities entitling ThreeD and the Joint Actor to acquire an additional 4,500,000 common shares of the Company (the “Post-Closing Convertible Securities”), representing approximately 16.2% of the issued and outstanding common shares of the Company (or approximately 27.8% assuming exercise of such Post-Closing Convertible Securities only). Of this total, ThreeD held an aggregate of 2,500,000 of the Post-Closing Shares and 2,500,000 of the Post-Closing Convertible Securities (representing approximately 9.0% of the issued and outstanding common shares of the Company, or approximately 16.5% assuming exercise of such Post-Closing Convertible Securities only), and the Joint Actor held an aggregate of 2,000,000 of the Post-Closing Shares and 2,000,000 of the Post-Closing Convertible Securities, representing approximately 7.2% of the issued and

outstanding common shares of the Company (or approximately 13.4% on a partially diluted basis, assuming exercise of such Post-Convertible Securities only).

4. Consideration Paid.

The aggregate consideration payable for the Subject Units was \$405,000, or \$0.09 per Subject Unit.

5. Purpose of the Transaction

The holdings of securities of the Company by ThreeD and the Joint Actor are managed for investment purposes. ThreeD and the Joint Actor may from time to time acquire additional securities of the Company, dispose of some or all of the existing or additional securities they hold or will hold, or may continue to hold their current positions.

6. Agreements, Arrangements, Commitments or Understandings with respect to Securities of the Company

The Subject Units were acquired in a private placement pursuant to a subscription agreement which does not contain any provisions regarding the transfer, guarantee or voting of such securities.

7. Change in Material Fact.

Not Applicable.

8. Exemption.

Section 2.3 of National Instrument 45-106 on the basis that each of ThreeD and the Joint Actor is a “accredited investor” as defined therein.

9. Certification

The undersigned certifies that the information herein is true and complete in every respect.

DATED this 4th day of December, 2020

THREED CAPITAL INC.

“Gerry Feldman”

Gerry Feldman

Chief Financial Officer and Corporate Secretary