



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

January 18th, 2021

Item 3 – News Release

A news release for Bluesky Digital Assets Corp., January 18th, 2021, 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 closed the second and final tranche of its previously announced private placement raise. In total, and combined between the two tranches, the Corporation raised a grand total of \$2,183,000.00 CDN via the sale of 4,366,000 Units. All Common Shares issued in connection with the placement will be subject to a four month plus one day hold period under applicable Canadian securities laws. The Corporation also announced that it had entered into a 6 month marketing and consulting contract with North Equities Corp., As compensation, the Corporation has issued North Equities 119,048 Common Shares with a 7-day VWAP implied value of \$0.84 CDN per Common Share. All Common Shares issued to North Equities have been placed under a 6 month hold period. The Corporation also announced today that Consultants and a Director of the Corporation had exercised a combined 912,500 Stock Options. In total, \$136,875.00 CDN in proceeds was raised via the exercise of the Stock Options.

The issuance of the 4,366,000 Common Shares contained in the Units sold, combined with the issuance of the 119,048 Common Shares to North Equities Corp., and combined with the exercise of the 912,500 Stock Options, as described above, are all material event as defined by NP 51-201 as the aforementioned issuances will increase the total number of the Corporation's issued Common Shares from 28,790,564 (As At Jan 17th, 2021) to 34,188,113 (As At Jan 18th, 2021).

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

January 18th, 2021

Schedule "A"



News Release

Bluesky Digital Assets Corp., Raises \$2,183,000.00 CDN via the Completion of its Oversubscribed Private Placement, Engages North Equities, Grants Stock Options, Announces an Exercise of Stock Options

FOR IMMEDIATE RELEASE

Toronto, Ontario, January 18th, 2021 – Bluesky Digital Assets Corp., (CSE: BTC), (CSE: BTC.PR.A), (OTC Pink: BTCWF), ("Bluesky" or the "Corporation") announced today that it had closed the second and final tranche of its previously announced private placement raise. In total, and combined between the two tranches, the Corporation raised a grand total of \$2,183,000.00 CDN via the sale of 4,366,000 Units. As previously stated in the Corporation's January 5th, 2021 press release, each Unit consisted of one Common Share in the capital of the Corporation and one Common Share Purchase Warrant ("Warrant"), with each Warrant entitling the holder thereof the ability to purchase one additional Common Share of the Corporation at an exercise price of \$1.00 CDN per Common Share for a period of 36 months from the closing of the financing. The Warrants will be subjected to an accelerated expiry date if certain market conditions occur which were outlined in the Corporation's subscription document. All Common Shares issued in connection with the placement will be subject to a four month plus one day hold period under applicable Canadian securities laws.

\$46,560.00 CDN in finder's fees and commissions was payable on a total of \$582,000.00 CDN of the Gross Proceeds raised. Furthermore, an additional 93,120 Broker Warrants were issued as payment on the same terms and conditions as the Warrants contained the Units that were offered for sale in the Corporation's now completed and closed private placement raise. The Broker Warrants and the finder's fees were payable to Canaccord Genuity, EMD Financial Inc., Hampton Securities Ltd., Leede Jones Gable, Mackie Research Capital Corporation, and PI Financial Corp.

The Corporation is pleased to announce that it has entered into a 6 month marketing and consulting contract with North Equities Corp., ("North Equities") of Toronto. North Equities has been assigned the task of increasing the Corporation's network of contacts in the investment community, increasing the awareness of the Corporation to potential new investor leads and expanding the Corporation's current social media presence. As compensation, the Corporation has issued North Equities 119,048 Common Shares with a 7-day VWAP implied value of \$0.84 CDN per Common Share. All Common Shares issued to North Equities have been placed under a 6 month hold period.

Due to the Corporation's private placement offering being oversubscribed, the Corporation has also issued a combined total of 1,600,000 Stock Options to consultants and Directors of the Corporation. The Options will vest immediately and are exercisable at a price of \$0.60 CDN per Option. The Options will expire three years from the date of issuance. On December 29, 2020, the Corporation applied for, and received, a price protection of \$0.50 CDN for the issuance of Units and Stock Options from the Canadian Securities Exchange up until February 12, 2021. The Stock Options grant was contingent on the Corporation successfully oversubscribing its Private Placement offering by a minimum of \$250,000.00 CDN. On December 29, 2020 the closing price of the Corporation's Common Shares was \$0.49 CDN and the Options were set at \$0.60 CDN. The Corporation also announced today that Consultants and a Director of the Corporation had exercised a combined 912,500 Stock Options. In total, \$136,875.00 CDN in proceeds was raised via the exercise of the Stock Options.

The Corporation intends to immediately utilize the \$2,273,315.00 CDN in net proceeds from the closing of the private placement and the exercise of the stock options to purchase and deploy additional mining hardware to expand on its current crypto mining efforts and to further advance its R&D and software product initiatives for areas like ("Decentralized Finance" or "DeFi"), Stablecoin, and ("Artificial Intelligence" or "AI") based efforts. The Corporation is expanding its commitment in these areas of focus to better complement the Corporation's overall business with a diversified portfolio of solutions and offerings in addition to its primary enterprise class active crypto mining deployments.

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

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.