



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 4th, 2021

Item 3 – News Release

A news release for Bluesky Digital Assets Corp., October 4th, 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), (OTCQB: BTCWF), announced that it had closed its \$3.25M CDN private placement with institutional investors. The Corporation issued 10,077,522 Units of the Corporation at a price of \$0.3225 per Unit. The Units consisted of 1 Common Share and 1 Purchase Warrant entitling the holder of the Purchase Warrant the ability to purchase 1 additional Common Share at an exercise price of \$0.43 CDN per Share and with an exercise period of 60 months from the issuance date

The issuance of the 10,077,522 Common Shares portion of the 10,077,522 Units 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 37,571,292 (As At Oct 3rd, 2021) to 47,648,814 (As At Oct 4th, 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

October 4th, 2021

Schedule "A"



News Release

Bluesky Digital Announces Closing of \$3.25 Million CDN Private Placement with Institutional Investors

FOR IMMEDIATE RELEASE

Toronto, Ontario, October 4, 2021 – Bluesky Digital Assets Corp., (CSE: BTC), (CSE: BTC.PR.A), (OTCQB: BTCWF), (“Bluesky” or the “Corporation”) is pleased to announce that the Corporation has closed its previously announced private placement of equity securities (the “Offering”). The Offering was for gross proceeds of \$3,250,000 CDN in a private placement of its equity securities and consisted of the sale of 10,077,522 common shares or common share equivalents of the Company (“Shares”) and warrants to purchase 10,077,522 common shares (“Warrants”), at a purchase price of \$0.3225 per Share and associated Warrant. The Warrants have an exercise price of \$0.43 CDN per Share and an exercise period of 60 months from the issuance date.

Net proceeds from the financing will be primarily used for purchasing additional digital asset mining equipment with the purpose of expanding the Corporation’s existing digital asset mining operations and for general working capital purposes.

H.C. Wainwright & Co. acted as the exclusive placement agent for the Private Placement.

H.C. Wainwright & Co. received (i) a cash commission equal to 8.0% of the gross proceeds of the Offering and (ii) 806,202 non-transferable broker warrants (the “**Broker Warrants**”). Each Broker Warrant entitles the holder to purchase one common share at an exercise price of \$0.4031 at any time for a period of 60 months from the issuance date.

The securities issued under the Offering are subject to customary resale restrictions in the United States with no resale restrictions in Canada. No securities were offered or sold to Canadian residents in connection with the private placement.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any U.S. state securities laws, and such securities may not be offered or sold within the United States or to any U.S. person (as defined in Regulation S under the U.S. Securities Act) absent registration under U.S. federal and state securities laws or an applicable exemption from such U.S. registration requirements.

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 proprietary technology solutions. 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 based technology. Overall, Bluesky takes an approach that enables the Corporation to scale, and respond to changing conditions, within the still-emerging Blockchain industry. The Corporation is poised to capture value in successive phases as this industry continues to scale.

For more information please visit Bluesky at: <https://www.blueskydigitalassets.com>

For further information please contact:

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Cautionary Statement

Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. 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 news release.

Forward-Looking Statements

This news release contains “forward-looking information” within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates and projections as of the date of this news release. “Forward-looking information” in

this news release includes information about the use of proceeds from the Private Placement, potential further improvements to profitability and efficiency across mining operations, potential for the Company's long-term growth, and the business goals and objectives of the Company. Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to: market and other conditions (including volatility in the market price of cryptocurrency), continued effects of the COVID-19 pandemic may have a material adverse effect on the Company's performance as supply chains are disrupted and prevent the Company from operating its assets; a decrease in cryptocurrency pricing, volume of transaction activity or generally, the profitability of cryptocurrency mining; further improvements to profitability and efficiency may not be realized; the digital currency market; the Company's ability to successfully mine digital currency on the cloud; the Company may not be able to profitably liquidate its current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on the Company's operations; the volatility of digital currency prices; the availability of electricity at prevailing rates and on a continuous basis; and, other related risks as more fully set out in the documents disclosed under the Company's filings at www.sedar.com. The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this news release, the Company has made assumptions about: the current profitability in mining cryptocurrency (including pricing and volume of current transaction activity); profitable use of the Company's assets going forward; the Company's ability to profitably liquidate its digital currency inventory as required; historical prices of digital currencies and the ability of the Company to mine digital currencies on the cloud will be consistent with historical prices; the pricing of electricity at historical rates; the adequacy and security of custody for coins maintained in inventory; and, there will be no regulation or law that will prevent the Company from operating its business. The Company has also assumed that no significant events occur outside of the Company's normal course of business. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance, and, accordingly, undue reliance should not be put on such information due to the inherent uncertainty thereof.