

**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 dispositions of securities of Bluesky Digital Assets Corp. (the “Company” or “Bluesky”), First Canadian Place, 100 King Street West, Suite 5700, Toronto, Ontario, M5X 1C9. The transaction was through the facilities of the Canadian Securities Exchange.

**2. Identity of Disposer**

Sheldon Inwentash  
126 Old Forest Hill Road  
Toronto, ON M5P 2R9

The dispositions described in item 1 above took place through a series of transactions ending February 18, 2022, and involved the following joint actor of Sheldon Inwentash (“Inwentash”):

- ThreeD Capital Inc., 130 Spadina Avenue, Suite 401, Toronto, ON, M5V 2L4 (the “Joint Actor”)

**3. Interest in Securities of the Reporting Issuer**

Through a series of transactions ending February 18, 2022 (“Dispositions”), Inwentash and the Joint Actor disposed of ownership and control of an aggregate of 8,445,000 common shares of the Company (the “Subject Shares”). The Subject Shares represented approximately 14.3% of all issued and outstanding common shares of Bluesky. As a result of the Dispositions, the percentage ownership held by Inwentash and the Joint Actor decreased by 14.3% from its last early warning report filed in connection with the acquisition of Bluesky shares, from which Inwentash, with the Joint Actor, reported a 29.5% ownership on a partially diluted basis, assuming the exercise of outstanding warrants and options held.

Immediately prior to the Dispositions, Inwentash and the Joint Actor owned and controlled an aggregate of 10,957,000 common shares, 7,150,000 warrants, and 500,000 options of Bluesky, representing approximately 20.2% of all issued and outstanding common shares of the Company (or approximately 30.1% on a partially diluted basis assuming exercise of the warrants and options). Of this total, Inwentash held an aggregate 3,888,500 common shares, 3,200,000 warrants, 500,000 options of the Company, representing approximately 7.2% of the issued and outstanding common share of the Company (or approximately 13.1% on a partially diluted basis, assuming exercise of the warrants and options held). The Joint actor held an aggregate of 7,068,500 common shares and 3,950,000 warrants of the Company, representing approximately 13.0% of the issued and outstanding common

shares of the Company (or approximately 19.0% on a partially diluted basis assuming exercise of the warrants held).

Immediately following the Dispositions, Inwentash and the Joint Actor own and control an aggregate of 2,512,000 common shares, 7,150,000 warrants, and 500,000 options of Bluesky, representing approximately 4.2% of all issued and outstanding common shares of the Company (or approximately 15.2% on a partially diluted basis assuming exercise of the warrants and options). Of this total, Inwentash held an aggregate of 850,000 common shares, 3,200,000 warrants, and 500,000 options of the Company, representing approximately 1.4% of the issued and outstanding common shares of the Company (or approximately 7.2% on a partially diluted basis, assuming exercise of the warrants and options held). The Joint Actor held an aggregate of 1,662,000 common shares and 3,950,000 warrants of the Company, representing approximately 2.8% of the issued and outstanding common shares of the Company (or approximately 8.9% on a partially diluted basis assuming exercise of the warrants).

**4. Consideration Received**

The Subject Shares were disposed at an average price of \$0.22 per Subject Share for total proceeds of \$1,841,891.

**5. Purpose of the Transaction**

The holdings of securities of the Company by Inwentash and the Joint Actor are managed for investment purposes. Inwentash 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 it holds or will hold, or may continue to hold its current position.

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

Not Applicable.

**7. Change in Material Fact.**

Not Applicable.

**8. Exemption.**

Not Applicable

**9. Certification**

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

**DATED** this 28<sup>th</sup> day of February 2022

*“Sheldon Inwentash”*

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**Sheldon Inwentash**