

*The securities offered under this offering document under the Listed Issuer Financing Exemption (the “Offering Document”) have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This Offering Document does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the benefit of, U.S. persons or persons in the United States. “United States” and “U.S. person” have the meanings ascribed to them in Regulation S under the U.S. Securities Act.*

## **Amended and Restated Offering Document under the Listed Issuer Financing Exemption**

**(amending and restating offering document dated April 11, 2023)**

**April 28, 2023**



**Bluesky Digital Assets Corp.**  
**(the “Issuer”)**

*No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.*

**The Issuer is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 Prospectus Exemptions. In connection with this offering, the Issuer represents the following is true:**

- **The Issuer has active operations and its principal asset is not cash, cash equivalents or its exchange listing.**
- **The Issuer has filed all periodic and timely disclosure documents that it is required to have filed.**
- **The total dollar amount of this offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed C\$5,000,000.**
- **The Issuer will not close this offering unless the Issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **The Issuer will not allocate the available funds from this offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Issuer seeks security holder approval.**

### **PART 1 SUMMARY OF OFFERING**

*What are we offering?*

<b>Offering:</b>	<p>Units of the Issuer (“<b>Units</b>”), with each Unit being comprised of one common share of the Issuer (“<b>Common Share</b>”) and one common share purchase warrant (“<b>Warrant</b>”). Each Warrant will be exercisable to acquire an additional Common Share at an exercise price of C\$0.065 per Common Share for a period of 24 months from the date of issue.</p> <p>In the event that, during the period following 24 months from the Closing Date (as defined herein), the volume-weighted average trading price of the Common Shares exceeds \$0.13 per Common Share for any period of 10 consecutive trading days, the Issuer may, at its option, following such 10-day period, accelerate the expiry date of the Warrants by issuing a press release (a “<b>Warrant Acceleration Press Release</b>”), and, in such case, the expiry date of the Warrants shall be deemed to be 5:00 p.m. (Toronto time) on the 30<sup>th</sup> day following the date of issuance of the Warrant Acceleration Press Release.</p>
<b>Offering price:</b>	C\$0.045 per Unit
<b>Offering amount:</b>	Up to 12,790,000 Units for gross proceeds of up to C\$649,300 (the “ <b>Offering</b> ”). On April 27, the Issuer closed the first tranche of the Offering through the issuance of 1,960,000 Units at a price of C\$0.045 per Unit for gross proceeds of C\$88,200 (the “ <b>First Tranche</b> ”).
<b>Closing date:</b>	Closing of the Offering has been extended from May 3, 2023 to May 26, 2023, and is expected to occur in one or more closings with the final closing to occur no later than May 26, 2023 (“ <b>Closing Date</b> ”).
<b>Exchanges:</b>	The Common Shares are listed for trading on the Canadian Securities Exchange (the “ <b>CSE</b> ”) under the trading symbol “ <b>BTC</b> ” and the OTC Markets Group's OTCQB Venture Market (the “ <b>OTCQB</b> ”) under the trading symbol “ <b>BTCWF</b> ”. The Issuer will make all requisite filings and notifications to each of the CSE and OTCQB, as applicable.
<b>Last closing prices:</b>	The closing price of the Common Shares on April 27, 2023 on the CSE was C\$0.06. The closing price of the Common Shares on OTCQB on April 27, 2023 was US\$0.045.

### Cautionary Note Regarding Forward-Looking Statements

This offering document contains “forward-looking information” and “forward-looking statements” within the meaning of Canadian securities laws and United States securities laws, respectively (collectively, “**forward-looking statements**”). All information, other than statements of historical facts, included in this offering document that address activities, events or developments that the Issuer expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion

and growth of the Issuer's businesses, operations, plans and other such matters are forward-looking statements. Forward-looking statements are often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and include, among others, information regarding the size and terms of the Offering; the Issuer’s business objectives and milestones and the anticipated timing of execution; completion of the Offering in multiple closings; the intended use of proceeds from the Offering; expectations regarding future financial results of the Issuer; the expansion and research and development of the Issuer’s AI (as defined herein), Bluesky INTEL, Bluesky DEFI and the WEP (as defined herein); the Issuer developing value-added technology services; the consummation and the terms of the NCIB (as defined herein) provided herein; the Issuer’s objectives concerning the equipment used in Ethereum mining operations; and the sufficiency of cash and working capital for future operating activities.

In making the forward-looking statements in this offering document, the Issuer has applied several material assumptions, including without limitation: the Issuer obtaining requisite regulatory approvals and the satisfaction of other conditions to the consummation of the Offering on the proposed terms herein; the Issuer’s ability to comply with all applicable regulations and laws, including environmental, health and safety laws; the Issuer’s ability to meet the listing requirements of the CSE and OTCQB; the Issuer’s ability to develop its AI, Bluesky INTEL, Bluesky DEFI and the WEP; the Issuer’s ability to develop value-added technology services; the Issuer’s ability to complete the NCIB on the terms provided herein; the Issuer’s ability to utilize or sell its equipment used in Ethereum mining operations; the Issuer having sufficient working capital for future operating activities; the ability of the Issuer to achieve its business objectives and milestones and the anticipated timing of execution; the Issuer’s ability to continue as a going concern; the Issuer’s ability to achieve profitability in the 2023 fiscal year; the Issuer’s ability to obtain additional financing for continued operations on terms acceptable to the Issuer; the Issuer’s ability to satisfy the terms and payment of cash commission and finder warrants to eligible finders; and the Issuer’s ability to use the proceeds from the Offering for the business objectives outlined herein.

Investors are cautioned that forward-looking statements are not based on historical facts but instead reflect expectations of the Issuer’s management, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Issuer believes that the expectations reflected in such forward-looking statements are reasonable, such information involves risks and uncertainties, and under reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements expressed or implied by the Issuer. Among the key risk factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following: changes in general economic, business and political conditions, including changes in the financial markets; the inability of the Issuer to complete the Offering on the terms contemplated herein; delays or the inability of the Issuer to obtain necessary permits, consents or authorizations required; changes in laws, regulations and policies affecting the Issuer’s operations; currency fluctuations; environmental issues and liabilities; the potential impact of the announcement or consummation of the Offering on relationship, including with regulatory bodies, employees, suppliers, customers and competitors; the Issuer's inability to continue to meet the listing requirements of the CSE and OTCQB; the inability of the Issuer to obtain additional financing for continued operations on terms acceptable to the Issuer; the lack of control over the Issuer's investees; risks relating to investing in the Common Shares; risks relating to the use of proceeds from the Offering; volatility in the market price of the Issuer's Common Shares; dilution of shareholders’ holdings; negative operating cash flow; the negative effects of interest rate and exchange rate changes; the potential impact of health crises and market instability due to the COVID-19 pandemic; risks relating to the Issuer's reliance on key employees; limitations in the liquidity of the Common Shares; litigation risks; risks related to the Issuer's status as a “foreign private issuer” under U.S. securities laws, including the loss of status thereof; risks with the integration of new businesses and acquisitions; risks related to the Issuer's status as an “emerging growth company” under the U.S. securities laws; the Issuer’s inability to expand into new business areas and geographic markets; management of growth; the risk of defaulting on existing debt; the Issuer’s inability to continue as a going concern; and the Issuer’s inability to achieve profitability in 2023, as well as those factors discussed under the heading “*Risks Related to Our Business and Industry*” in the Issuer’s latest Management Discussion and Analysis and other filings of the Issuer, copies of which can be found under the Issuer’s profile on SEDAR

at [www.sedar.com](http://www.sedar.com).

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Issuer has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Issuer does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

## **PART 2 SUMMARY DESCRIPTION OF BUSINESS**

### ***What is our business?***

The Issuer is a digital currency enterprise developing, through its Bluesky INTEL division, a blockchain engagement platform ([www.blueskyintel.com](http://www.blueskyintel.com)) (“**WEP**”) and other blockchain software solutions backed by Artificial Intelligence (“**AI**”). The Issuer’s AI is being developed with the purpose of improving the end user engagement experience and providing users of the WEP, AI solutions and valuable data on the end user, with the purpose of improving the profitability of their online portal.

The Issuer is also developing software solutions in the area of decentralized finance, through its Bluesky DEFI division. The Issuer plans on expanding the Bluesky DEFI division in the fiscal year 2024 by making strategic acquisitions and developing commercial and subscription-based software solutions.

In addition, the Issuer mines Bitcoin and is developing value-added technology services for the digital currency market, such as proprietary technology solutions. The Issuer’s products offer a complete ecosystem of value-creation.

The following is a list of the Issuer’s divisions and active subsidiaries:

- 1) Bluesky INTEL is the Issuer’s division focused on developing the WEP and AI solutions;
- 2) Bluesky DEFI is the Issuer’s secondary development division, focused on developing and offering DEFI software solutions; and
- 3) Methodeverte Inc., is an entity through which the Issuer conducts Canadian Bitcoin mining operations.

### ***Recent developments***

The following are material recent developments of the Issuer since the filing of the Issuer’s audited financial statements and management’s discussion and analysis for the years ended December 31, 2021 and 2020.

#### **Blockchain Engagement Platform**

On May 24, 2022, the Issuer launched the WEP, the first of a series of the Issuer’s planned diversification projects. The WEP is a public engagement platform for all types and sizes of businesses to utilize and learn about blockchain technology and the value that this technology brings for the future of business and global digital transactions. The WEP brings together blockchain solution providers, experts and influencers in an effort to provide value and solutions to businesses wishing to adopt a blockchain roadmap for their operations.

Since the early launch of the WEP in 2022, major progress has been made on maturing the WEP, the ecosystem now supports multiple personas and profiles for BlueskyINTEL users. This allows users to simultaneously register their interest in learning about blockchain solutions and identify themselves as either having resources or requiring investments to implement blockchain solutions. Users can utilize the WEP to engage in all their blockchain needs.

An ongoing business expansion and research and development plans for the WEP are focused in part on utilizing an AI based approach to understanding the near real-time needs of overall addressable blockchain focused markets.

Research and development expanded to utilize AI methodologies and technology to ensure the WEP becomes a dynamic and market-aware platform that becomes responsive to actual business needs by utilizing market and vertical intelligence signals.

#### Normal Course Issuer Bid

On June 8, 2022, the Issuer announced its intention to purchase up to 3,209,590 of Common Shares over a 12-month period, representing approximately 5% of the issued and outstanding Common Shares as of June 8, 2022, under the normal course issuer bid exemption provided by National Instrument 62-104 – *Take-Over Bids and Issuer Bids* (the “**NCIB**”). The NCIB commenced on June 9, 2022, and will terminate on June 9, 2023 or such earlier date on which purchases under the NCIB have been completed. Common Shares purchases under the NCIB will be made through the facilities of the CSE or alternative Canadian trading systems at the market price of the Common Shares at the time of acquisition.

Pursuant to the NCIB, the number of Common Shares the Issuer is permitted to purchase during any 30-day period is limited to 1,283,836 Common Shares, representing 2% of the total issued and outstanding Common Shares as of June 8, 2022. The Common Shares will be purchased at the discretion of the management team of the Issuer. All Common Shares purchased by the Issuer under the NCIB will be returned to the treasury and cancelled once the NCIB is completed or at an alternative time(s) that the management team deems appropriate. In connection with the NCIB, iA Private Wealth Inc., has been appointed to make purchases on behalf of the Issuer.

To date, the Issuer has not made any purchases of Common Shares. None of the proceeds from this Offering will be allocated to the NCIB.

#### Ethereum Mining Operations

On September 15, 2022, the original Ethereum Mainnet merged with a separate proof-of-stake (the “**POS**”) blockchain called the Beacon Chain (the “**Merge**”). The Merge completed Ethereum's transition to a POS consensus mechanism, retiring Ethereum's proof-of-work (“**POW**”) consensus mechanism. Due to the Merge, all Ethereum miners were forced to either switch to mining the unprofitable Ethereum Classic or to retire their POW mining operations as the Ethereum blockchain network terminated all payouts to POW based miners. As a result of the Merge, the Issuer halted all of its Ethereum mining operations.

Subsequent to the Merge, the Issuer is planning to either (i) use the valuable GPU cards and equipment, which were used in its Ethereum mining operations, to advance the Issuer's Bluesky INTEL and Bluesky DEFI divisions, and/or (ii) liquidating its Ethereum mining equipment and allocating the proceeds to advance the Issuer's AI, including the Bluesky INTEL division.

#### Suspension of Mining Operations in Texas

On October 25, 2022, the Issuer was informed by the electrical supplier for the Issuer's operations in the State of Texas, that its power consumption prices would be raised from US\$0.0415 per kWh to US\$0.116 per kWh. As a result, the Issuer suspended its active mining operations to conserve capital and perform maintenance on its assets.

Effective February 1, 2023, the Issuer has terminated its cryptocurrency mining operations in the State of Texas as a result of an increase in hydro consumption costs by approximately 150%, and the potential introductions of a 30% consumption tax on electrical usage by cryptocurrency miners, as proposed by the federal regulators (“**Hydro Consumption Costs**”). In connection with Hydro Consumption costs and increased difficulty in mining of Bitcoin, the Issuer decided to relocate its cryptocurrency mining equipment to Canada for its other operations, including Bluesky INTEL and Bluesky DEFI. The Issuer completed the relocation of equipment on March 9, 2023.

#### Debt Settlement

The Issuer settled an aggregate debt of C\$492,350 owed to certain creditors and consultants of the Issuer through

the issuance of 17,557,884 Common Shares, which consisted of the issuance of: (i) 6,877,180 Common Shares at a deemed price of C\$0.025 per Common Share on January 10, 2023 (ii) 1,629,170 Common Shares at a deemed price of C\$0.03 per Common Share on January 10, 2023, (iii) 1,666,666 Common Shares at a deemed price of \$0.03 per Common Share on January 30, 2023, (iv) 814,585 Common Shares at a deemed price of C\$0.03 per Common Share on February 3, 2023, and (v) 6,570,283 Common Shares at a deemed price of C\$0.03 per Common Share on March 13, 2023.

### Closing of First Tranche

On April 28, 2023, the Issuer closed the First Tranche through the issuance of 1,960,000 Units at a price of C\$0.045 per Unit for aggregate gross proceeds of C\$88,200. Each Unit consists of one Common Share and one Warrant. Each Warrant entitles its holder to purchase one additional Common Share at an exercise price of C\$0.065 per Common Share for a period of 24 months from the date of issue.

In the event that, during the period following 24 months from the date of issue, the volume-weighted average trading price of the Common Shares exceeds \$0.13 per Common Share for any period of 10 consecutive trading days, the Issuer may, at its option, following such 10-day period, accelerate the expiry date of the Warrants by a Warrant Acceleration Press Release, and, in such case, the expiry date of the Warrants shall be deemed to be 5:00 p.m. (Toronto time) on the 30<sup>th</sup> day following the date of issuance of the Warrant Acceleration Press Release.

### **Material Facts**

There are no material facts about the securities being distributed that have not been disclosed in this Offering Document or in any other document filed by the Issuer in the 12 months preceding the date of this Offering Document.

### ***What are the business objectives that we expect to accomplish using the available funds?***

The available funds will be used for (i) marketing and promotion of the WEP, and (ii) the development of Bluesky INTEL.

In marketing and promotion of the WEP, the Issuer's objective is to gain 500,000 active users engaged with the WEP. Currently, the Issuer has 500 active users and 1,500 solution providers. The Issuer anticipates incurring approximately C\$100,000 in marketing and promotion expenses to reach 500,000 active users within three to five months.

In connection with the development of Bluesky INTEL, the Issuer's priority is to hire additional developers and invest into research and development of the AI text features, compatible with voice commands, for the implementation on the WEP. The Issuer expects that this feature will cost approximately C\$350,00 to develop, and will take approximately 12 to 15 months to implement.

If the Issuer raises less than C\$450,000 from the Offering, the funds will be allocated to the business objectives on a pro-rated basis, where 22% of the funds will be allocated to the marketing and promotion of the WEP and 78% of the funds will be allocated to the development of Bluesky INTEL.

## **PART 3 USE OF AVAILABLE FUNDS**

### ***What will our available funds be upon the closing of the offering?***

The Issuer will conduct additional financing only if this Offering is not completed on the terms provided herein.

As at December 31, 2021, the Issuer had a working capital of C\$854,233, compared to its current working capital of C\$190,232, as at March 31, 2023. The Issuer's working capital declined due to the depressed values of both Bitcoin and Ethereum since the Issuer's most recently audited annual financial statements.

		Assuming minimum offering only	Assuming 100% of offering
A	Amount to be raised by this offering	N/A	C\$663,750
B	Selling commissions and fees	N/A	C\$53,100
C	Estimated offering costs (e.g., legal, accounting, audit)	N/A	C\$20,000
D	Net proceeds of offering:  D = A - (B+C)	N/A	C\$590,650
E	Working capital as at most recent month end (deficiency)	N/A	C\$190,232
F	Additional sources of funding	N/A	N/A
G	Total available funds: G = D+E+F	N/A	C\$780,882

***How will we use the available funds?***

Description of intended use of available funds listed in order of priority	Assuming minimum offering only	Assuming 100% of offering
Marketing and promotion of the WEP	N/A	C\$100,000
Development of Bluesky INTEL	N/A	C\$350,000
General Working Capital Purposes	N/A	C\$330,882
Total: Equal to G in the available funds in the table above	N/A	C\$780,882

As disclosed under the “*What are the business objectives that we expect to accomplish using the available funds?*” heading, the Issuer will use the available funds to market and promote the WEP and develop its Bluesky INTEL division. More particularly, the Issuer will allocate (i) C\$100,000 to promote the WEP and gain 500,000 active users, (ii) C\$350,000 to develop a predictive AI text feature on the WEP, which includes research and development and the hiring of additional developers, and (iii) C\$330,882 to general working capital.

The Issuer expects that C\$350,000 will be sufficient to develop and integrate the AI text feature on the WEP within 12 to 15 months. The funds will be used to hire additional developers and outsource portions of research and development. The Issuer currently uses a combination of its own and outsourced research and development. Other than research and development and hiring of additional developers, the Issuer does not anticipate any additional steps that are required to reach commercial production and implementation of the predictive AI text feature on the WEP.

If the Issuer raises less than C\$450,000 from the Offering, the funds will be allocated on a pro-rated basis, where 22% of the funds will be allocated to the marketing and promotion of the WEP and 78% of the funds will be allocated to the development of Bluesky INTEL.

The Issuer’s most recently filed interim financial report included a going concern note. The Issuer expects that

this Offering will be sufficient to cover the Issuer's operating costs for the next 12 months while giving the Issuer the ability to build and scale the additional interest in its WEP platform and other AI solutions. However, the Offering is not expected to affect the decision of the Issuer to include a going concern note in the next audited annual financial statements or interim financial report.

***How have we used the other funds we have raised in the past 12 months?***

Other than the First Tranche, the Issuer did not raise any funds in the past 12 months. For the use of the raised funds in the First Tranche of this Offering, see "*How will we use the available funds?*" above.

**PART 4 FEES AND COMMISSIONS**

***Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?***

The Issuer has not engaged any dealers or finders in connection with this Offering. The Issuer may compensate certain finders with a cash commission of up to 8% of the aggregate gross proceeds raised from the Offering and issue finder's warrants equivalent to 8% of the total Units subscribed under the Offering.

**PART 5 PURCHASER'S RIGHTS**

***Rights of Action in the Event of a Misrepresentation***

**If there is a misrepresentation in this offering document, you have a right:**

- a) to rescind your purchase of these securities with the Issuer, or**
- b) to damages against the Issuer and may, in certain jurisdictions, have a statutory right to damages from other persons.**

**These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.**

**If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.**

**You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.**

**PART 6 ADDITIONAL INFORMATION**

**Where can you find more information about us?**

You can access the Issuer's continuous disclosure at [www.sedar.com](http://www.sedar.com). You can find out more information about the Issuer at <https://www.blueskydigitalassets.com>.

**PART 7 DATE AND CERTIFICATE**

**This offering document, together with any document filed under Canadian securities legislation on or after April 28, 2022, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.**

DATED this 28<sup>th</sup>, day of April 2023.



Per: /S/ Ben Gelfand  
\_\_\_\_\_  
Ben Gelfand  
Chief Executive Officer

Per: /S/ Vic Hugo  
\_\_\_\_\_  
Victor Hugo  
Chief Financial Officer