



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

Announced on June 3, 2024, Effective June 7, 2024

Item 3 – News Release

A news release was issued by the Corporation via Newsfile Corp. on June 3, 2024 and filed on SEDAR at www.sedar.com, a copy of which is attached hereto as Schedule "A".

Item 4 – Summary of Material Change

On June, 2024 Bluesky Digital Assets Corp., (CSE: BTC), (OTCQB: BTCWF) announced via press release that the Corporation's Board of Directors has approved the consolidation (the "Consolidation") of the Corporation's issued and outstanding common shares (the "Common Shares") on the basis of one (1) post-Consolidation Common Share for every seven (7) pre-Consolidation Common Shares.

The consolidation is a material event as defined by NP 51-201 as the date of this report the total amount of Common Shares issued and outstanding of the Corporation amounted to 176,209,084. Post consolidation there will be 25,172,726 Common Shares issued and outstanding.

Item 5 – Full Description of Material Change

5.1 Full Description of Material Change

Refer to "Appendix A" for complete details of the Material Change.

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

June 3, 2024

APPENDIX – A



News Release

Bluesky Digital Assets Corp., Announces Proposed Share Consolidation

FOR IMMEDIATE RELEASE

Toronto, Ontario, June 3, 2024 – Bluesky Digital Assets Corp., (CSE: BTC), (OTCQB: BTCWF), ("Bluesky" or the "Corporation") announced today that the Corporation's Board of Directors has approved the consolidation (the "Consolidation") of the Corporation's issued and outstanding common shares (the "Common Shares") on the basis of one (1) post-Consolidation Common Share for every seven (7) pre-Consolidation Common Shares.

The Consolidation was approved by the Corporation's shareholders at the annual general and special meeting of shareholders held on May 1, 2024. The Consolidation is subject to approval by the Canadian Securities Exchange (the "CSE") and is expected to become effective on June 7, 2024 (the "Effective Date"), with the post-Consolidation Common Shares commencing trading on the CSE and the OTC Markets open on June 7, 2024 subject to final confirmation from the CSE. No fractional Common Shares will be issued in connection with the Consolidation. Any fractional Common Shares arising from the Consolidation will be deemed to have been tendered by its registered owner to the Corporation for cancellation for no consideration. The exercise or conversion price and/or the number of Common Shares issuable under any of the Corporation's outstanding convertible securities will be proportionately adjusted in connection with the Consolidation.

Ben Gelfand CEO stated: "By implementing this share consolidation, the Corporation will be in a better position to recapitalize itself and to attract for the purpose of making strategic acquisitions, operating businesses and assets in the AI space. The consolidation will also greatly assist in the growth of the Corporation as it will enable the Corporation to offer cash, or Common Shares or a combination of both cash and Common Shares in any potential acquisition."

It is anticipated that upon completion of the Consolidation, the post-Consolidation Common Shares will continue to trade on the CSE under the current trading symbol "BTC" and on the OTC Markets under the symbol "BTCWF", under the new CUSIP number: 09629B404 and new ISIN: CA09629B4047.

As of the date of this press release the Corporation had 176,209,084 Common Shares issued and outstanding. Post consolidation there will be 25,172,726 Common Shares issued and outstanding.

Shareholders of record as of the Effective Date will receive a letter of transmittal from TSX Trust, the transfer agent for the Common Shares, providing instructions for the exchange of their Common Shares as soon as practicable following the Effective Date. Registered shareholders may also obtain a copy of the letter of transmittal by accessing the Company's SEDAR+ profile at www.sedarplus.ca. Until surrendered, each share certificate or direct registration system statement representing pre-Consolidation Common Shares will represent the number of whole post-Consolidation Common Shares to which the holder is entitled as a result of the Consolidation. No action is required by beneficial holders to receive post-Consolidation Common Shares in connection with the Consolidation. Beneficial holders who hold their Common Shares through intermediaries (e.g., a broker, bank, trust company investment dealer or other financial institution) and who have questions regarding how the Consolidation will be processed should contact their intermediaries with respect to the Consolidation.

About Bluesky Digital Assets Corp.

Bluesky Digital Assets Corp, has created a high value digital enterprise at the intersection of Artificial Intelligence, Blockchain and Web3 business solutions. Leveraging its success as an early adopter providing proprietary technology solutions, Bluesky has invested in its Roadmap. Bluesky's platform, BlueskyINTEL, is well positioned to leverage the current exponential growth of Artificial Intelligence ("AI") and Blockchain based technologies through a tightly focus built collaborative platform. This innovative web platform offering supports and better enables businesses to adopt and utilize these emerging and developing technologies. For more information please visit Bluesky at: www.blueskydigitalassets.com or www.blueskyintel.com

Please also follow us on LinkedIn at: www.linkedin.com/company/bluesky-digital-assets/

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.