

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.

Offering Document under the Listed Issuer Financing Exemption

October 28, 2024



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?

<p>Offering:</p>	<p>Units of the Issuer (“Units”), with each Unit being comprised of one common share of the Issuer (“Common Share”) and one common share purchase warrant (“Warrant”). 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</p>
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	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 “ 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 th day following the date of issuance of the Warrant Acceleration Press Release.
Offering price:	C\$0.05 per Unit
Offering amount:	Up to 4,850,000 Units for gross proceeds of up to C\$242,500 (the “ Offering ”).
Closing date:	Closing of the Offering is expected to occur in one or more closings with the final closing to occur no later than December 13, 2024 (“ Closing Date ”).
Exchanges:	The Common Shares are listed for trading on the Canadian Securities Exchange (the “ CSE ”) under the trading symbol “ BTC ” and the OTC Markets Group’s OTCQB Venture Market (the “ OTCQB ”) under the trading symbol “ BTCWF ”. The Issuer will make all requisite filings and notifications to each of the CSE and OTCQB, as applicable.
Last closing prices:	The closing price of the Common Shares on October 25, 2024 on the CSE was C\$0.035. The closing price of the Common Shares on OTCQB on October 25, 2024 was US\$0.0261.

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 2024 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 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 2024, 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.sedarplus.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?

Through its Bluesky INTEL division, the Issuer is an Artificial Intelligence, Blockchain and Web3 business development and solutions provider. The Issuer's primary development project is the Issuer's Web Engagement Platform ("WEP") BlueskyINTEL (www.blueskyintel.com) which is online tool which serves as B2B, C2B and C2C engagement platform for the Blockchain industry and AI development industry. The Issuer is also developing other blockchain software solutions backed by Artificial Intelligence ("AI"). The Issuer's AI is being developed with the purpose of improving an individual consumer end user engagement experience by providing the individual consumer AI solutions providers with the purpose of enhancing the individual consumer's business and to provide and valuable data on the individual consumer while also providing the commercial clients on the Issuer's WEP additional users, and customers, with the purpose of improving the profitability of the commercial clients individual online business portals. The Issuer's WEP should be considered as an "all things Blockchain and AI" portal modeling itself to Linked IN or Facebook where consumers and businesses can link and search for businesses which can provide AI or Blockchain solutions. The WEP will generate its revenue on a subscription-based business model and on an online advertising model. The Issuer also plans to develop software solutions in decentralized finance, through its Bluesky DEFI division. The Issuer plans on expanding the Bluesky DEFI division in the fiscal year 2025 by making strategic acquisitions and developing commercial and subscription-based software solutions.

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

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, 2023 and 2022.

Blockchain Engagement Platform and Software Development Endeavors

On February 22, 2024 – The Issuer announced that it had formalized and closed on a strategic joint venture with Weteams Solutions Pvt. Ltd. ('Weteams') Bluesky's focus on Artificial Intelligence ("AI") and Blockchain ("BC") led to the creation of the BlueskyINTEL ("BSI") proprietary web engagement platform in 2021. With the strategic joint venture with Weteams in place, BlueskyINTEL positions to exit 2024 as a valuable digital AI/Blockchain platform. Weteams will be primary developer in finalizing the programming and development requirements so that the WEP can launch into commercial production.

On July 2, 2024 – The Issuer announced that its BlueskyINTEL WEP had moved to soft launch with a robust AI integration and cutting-edge enhanced functionality. Bluesky's continued focus on Artificial Intelligence ("AI") and Blockchain ("BC") led to the creation of the BlueskyINTEL ("BSI") proprietary Web Engagement Platform ("WEP") which has now reached a strategic release milestone. BSI's WEP is well positioned strategically in-between Businesses looking to adopt AI & BC technology and with the solutions providers who provide the ability for these businesses to accomplish the adoption and usage of these next generation technologies. During the soft launch period, businesses can register for free on BSI's AI & BC Landscape page. By clicking the 'Create Requirements' button, they can use BSI's AI-powered matchmaking service. This service analyzes their specific needs and matches them with appropriate solution providers in real-time, powered by AI.

On Sept 30, 2024 - The Issuer announced that its BlueskyINTEL Web Engagement Platform had been expanded significantly with new business functionality in support of monetization plans. Bluesky's continued focus on Artificial Intelligence ("AI") and Blockchain ("BC") led to the creation of the BlueskyINTEL ("BSI") proprietary Web Engagement Platform ("WEP") which had now reached another strategic release milestone. BSI's WEP remains well positioned strategically in-between Businesses looking to adopt AI & BC technology and with the solutions providers who provide the ability for these businesses to accomplish the adoption and usage of these next generation technologies. During the previous soft launch period announced on July 2, 2024, businesses registered for free on BSI's AI & BC Landscape page by clicking the 'Create Requirements' button, the response to this soft launch was impressive and BSI had numerous and different types of businesses testing and experiencing BSI's AI-powered matchmaking service. The

service analyzed their specific needs and matched them through intelligent AI augmentation with appropriate solution providers in real-time. The real-world interactions that occurred during BSI's initial soft launch have contributed greatly to improving the business and solution provider engagement experience and to the overall proof of concept. In-line and tracking to formalized internal business and technology roadmaps; BSI has now launched and released to production on the WEP, major new business functionality that further contributes to the value proposition of the overall platform. BSI has now released its project management, calendaring, and file storage and sharing functions for its business users and solutions providers. In addition to these newly released capabilities, BSI has also launched new functionality that allows business users to invite Solution Providers to engage in the assessment and contemplation of professional services engagements in support of business users on their journey of AI & or BC technology adoption. As an extension of BSI's current soft launch program, these new functions can be tested by returning registered users or by registering as a new business user on BSI's platform.

General Corporate / Operational Matters

On March 8, 2024 – The Issuer announced that it had changed its auditors from Raymond Chabot Grant Thornton LLP ("Former Auditor") to Kenway Mack Slusarchuck Stewart LLP ("Successor Auditor") effective March 8, 2024. At the request of the Corporation, the Former Auditor resigned as the auditor of the Company effective March 8, 2024 and the Board of Directors of the Corporation appointed the Successor Auditor as the Corporation's auditor effective March 8, 2024, until the next Annual General Meeting of the Corporation.

On June 3, 2024 – The Issuer announced that its Board of Directors has approved the consolidation (the "Consolidation") of the Issuer'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 Issuer'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. As of June 3, 2024 the Issuer had 176,209,084 Common Shares issued and outstanding. Post consolidation there will be 25,172,726 Common Shares issued and outstanding.

On August 24, 2024 – The Issuer announced that it had engaged and that it has retained a third-party evaluator to assess the market value of the Corporation's AI-Powered B2B/C2B Matchmaking Service / Web Engagement Platform BlueskyINTEL.com The purpose of the engagement to assess the fair market valuation of the BlueskyINTEL platform in its current form for the purpose of determining a fair market valuation as the Corporation is actively pursuing acquisition targets with the purpose of expanding the Corporation's AI business plan. The Corporation also announced today that its Business and Technical Roadmap efforts related to the BlueskyINTEL Web Engagement Platform have been ongoing and are closely tracking to the established schedules and plans. Additional modules of platform technical and business functionality are planned for release over the next quarter and will be announced as they are released live into production.

Debt Settlements and Loans

February 22, 2024 - The Issuer announced that it had entered into a credit facility agreement where the Issuer may draw upon the credit facility and borrow up to \$300,000 CAD in multiple tranches with the first tranche being set to \$100,000 CAD. The lending rate for any funds drawn from the facility has been set to 15% per annum with the repayment to occur within 24 months after any funds have been drawn upon. The Issuer will use the proceeds from the credit facility to further advance its joint venture agreement with Weteams. The Issuer further announced that it had entered into a debt settlement agreement where it had settled \$452,000 CAD in debt owed via the issuance of 13,560,000 Common Shares issued at price of \$0.0333 CAD per Common Share. All Common Shares issued in the debt settlement were subject to a four month plus 1 day hold period. The issuance of the Common Shares did not result in a change of control of the Issuer.

March 8, 2024 - The Issuer announced that it had settled a combined total of \$400,000 CAD in debt via the issuance of 8,000,000 Common Shares at a price of \$0.05 CAD per Common Share, and an additional \$21,129 CAD in debt was settled via the issuance of 813,600 Common Shares at a price of \$0.03 CAD per Common Share. All Common Shares issued in the debt settlement were subject to a four month plus 1 day hold period. The issuance of the Common Shares did not result in a change of control of the Issuer.

April 3, 2024 - The Issuer announced that it had entered into an agreement where the Issuer would pay back the \$100,000 CAD loan that was advanced to the Corporation via the \$300,000 CAD credit facility agreement the Corporation announced it had entered into on February 22, 2024. The Corporation settled the outstanding loan amount via the issuance of 3,333,333 Common Shares at a price of \$0.03 CAD per Common Share. The Issuer also announced that it had settled an aggregate of \$50,000 CAD of secured debt owed to a creditor via the issuance of an aggregate 1,666,667 Common Shares at a price of \$0.03 CAD per Common Share. The debt settlements assisted the Corporation in preserving its cash for working capital and to further advance its AI endeavors and WEP endeavors. The issuance of the 5,000,000 Common Shares did not result in a change of control of the Issuer.

August 24, 2024 - The Issuer announced that it had settled \$100,000 CAD due to a loan payable backed by a General Securities Agreement and that it had also entered into debt settlement agreements with the purpose to settle debt owed to several consultants for the combined amount of \$226,000 CAD. In total, the combined total of debt amounted to \$326,000 CAD and was settled via the issuance of 6,520,000 Common Shares at a price of \$0.05 CAD per Common Share. The issuance of the 6,520,000 Common Shares did not result in a change of control of the Issuer.

October 28, 2024 - The Issuer announced that it had agreed to settle a combined amount of C\$210,000 in debt via the issuance of 3,500,000 Common Shares at a price of \$0.06 CAD per Common Share. The issuance of the 3,500,000 Common Shares will not result in a change of control of the Issuer.

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 completion of the AI development of the WEP and for the completion of the development and the security for the payment processing system of the WEP. In connection with the development of the WEP, the Issuer's priority is to allocate additional development time and invest into research and development of additional AI features, compatible with voice commands, for the implementation on the WEP. The Issuer expects that all of the stated initiatives will cost approximately C\$215,000 to develop and it is anticipated that the initiatives will take approximately 3 to 5 months to implement.

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, 2023, the Issuer had a working capital of C\$307,054, compared to its current working capital of C\$190,232, as at June 30, 2024. The Issuer's working capital declined due to the fact that the Issuer hasn't conducted any equity, or debt raises in 2024 as it continued to further develop its WEP using the capital it had on hand.

		Assuming minimum offering only	Assuming 100% of offering
A	Amount to be raised by this offering	N/A	C\$242,000
B	Selling commissions and fees	N/A	C\$24,000

C	Estimated offering costs (e.g., legal, accounting, audit)	N/A	C\$3,000
D	Net proceeds of offering: D = A- (B+C)	N/A	C\$215,000
E	Working capital as at most recent month end (deficiency)	N/A	C\$150,450
F	Additional sources of funding	N/A	N/A
G	Total available funds: G = D+E+F	N/A	C\$365,450

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
Development of the WEP	N/A	C\$215,000
General Working Capital	N/A	C\$150,450
Total: Equal to G in the available funds in the table above	N/A	C\$365,450

The Issuer expects that C\$215,000 will be sufficient to develop and integrate the final development requirements of the WEP for the next 12 months. The funds will be used in the manner described in the “What are the business objectives that we expect to accomplish using the available funds?” section of this document, as seen above. The remaining amount of \$150,450 will be used for general working capital purposes which includes the anticipated marketing of the WEP of completion of the \$215,000 in development. The planned marketing endeavor is currently estimated to be \$115,000.

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 its WEP 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?

The Issuer did not raise any funds in the past 12 months.

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 10% of the aggregate gross proceeds raised from the Offering and issue finder’s warrants equivalent to 10% 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.sedarplus.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 October 28, 2023, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

DATED this 28th day of October 2024.

Per: /s/ Ben Gelfand
Ben Gelfand
Chief Executive Officer

Per: /s/ Remantra Sheopaul
Remantra Sheopaul
Chief Financial Officer