

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**1. Name and Address of Company**

Blocplay Entertainment Inc. (the “**Company**”)  
Suite 1100 – 736 Granville Street  
Vancouver, BC, V6Z 1G3

**2. Date of Material Change**

May 17, 2018

**3. News Release**

A press release disclosing the material change was released on May 16, 2018, through the facilities of Marketwire.

**4. Summary of Material Change**

The Company announced that it had settled an aggregate of \$564,498.61 of indebtedness owed to certain non-arm’s length creditors through the issuance of 5,185,848 common shares of the Company.

**5. Full Description of Material Change**

The material change is fully described in the Company’s press release, which is attached as Schedule “A” and is incorporated herein.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”).

**(a) a description of the transaction and its material terms:**

The closing of a shares for debt transaction, consisting of 7,191,981 common shares of the Company (the "**Common Shares**") for the settlement of \$719,458.61 in debt, held by certain arm's length and non-arm's length creditors (the "**Transaction**"), of which the Related Parties received 5,185,848 Common Shares in exchange for the settlement of \$564,498.61 of debt.

**(b) the purpose and business reasons for the transaction:**

The Transaction will allow the Company to improve its financial position by reducing its accrued liabilities.

**(c) the anticipated effect of the transaction on the issuer's business and affairs:**

The completion of the Transaction will allow the Company to improve its financial position by reducing its accrued liabilities.

**(d) a description of:**

**(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

Jon Gill, a former officer and director of the Company, participated in the transaction, receiving 368,000 Common Shares as payment of \$27,600 of indebtedness. Braxton Management Partners Inc., a company controlled by Mr. Gill, also received 3,962,167 Common Shares as payment of \$472,722.50 of indebtedness.

David Garland, a former director of the Company, participated in the transaction, receiving 855,681 Common Shares as payment of \$64,176.11 of indebtedness.

**(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Prior to the completion of the third tranche, Mr. Gill held 2,254,062 Common Shares, 3,000,000 options and 320,000 warrants (totals including those shares held by Braxton Management Partners Inc.). Upon closing of the Transaction, Mr. Gill will hold an aggregate of 6,584,229 Common Shares, representing approximately 3.598% of the issued and outstanding Common Shares on an undiluted basis. In the event that Mr. Gill exercises his options and warrants, he would hold an aggregate of 9,904,229 Common Shares, or approximately 5.413% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Prior to the completion of the Transaction, Mr. Garland held 343,333 Common Shares, 400,000 options and 166,666 warrants. Upon closing of the Transaction, Mr. Garland will hold an aggregate of 1,199,014 Common Shares, representing approximately 0.655% of the issued and outstanding Common Shares on an undiluted basis. In the event that Mr. Garland exercises his options and warrants, he would hold an aggregate of 1,765,680 Common Shares, or approximately 0.965% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

**(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

A resolution of the board of directors was passed on March 16, 2018, approving the Transaction. No special committee was established in connection with the transaction,

and no materially contrary view or abstention was expressed or made by any director, other than Messrs. Gill and Garland, who abstained from voting on the transaction.

- (f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the debt conversion agreements, the Company did not enter into any other agreement with an interested party or a joint actor with an interested party in connection with the Transaction. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Transaction.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Transaction constituted a related party transaction within the meaning of MI 61-101, as insiders of the Company were issued an aggregate of 5,185,848 Common Shares. The Company is relying on the exemptions from the formal valuation and minority approval requirements of MI 61-101 contained in subsections 5.5(a)(iv) and 5.5(b), of MI 61-101, respectively, as the fair market value of the subject matter of, or the fair market value consideration for, the Transaction, insofar as it involves interested parties, did not exceed 25 per cent of the issuer's market capitalization and the Company is not listed on a specified market, as defined in MI 61-101.

A material change report in respect of this related party transaction could not be filed at least 21 days prior to the closing of the Transaction due to the fact that This shorter period was reasonable and necessary in the circumstances to allow the Company to

improve its financial position by reducing its accrued liabilities.

See also - Schedule "A" for a full description of the above change.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

7. **Omitted Information.**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

For further information, contact Cameron Paddock at (604)283-1722.

9. **Date of Report.**

This report is dated at Toronto, this 25<sup>th</sup> day of May, 2018.

**BLOCPAY ENTERTAINMENT INC.**

Per: "Konstantin Lichtenwald" (Signed)  
Konstantin Lichtenwald, Director

## **Schedule "A"**



### **BlocPlay announces integration with Jibe**

TORONTO, May 16, 2018/CNW/ - BlocPlay Entertainment (CSE: PLAY) ("**BlocPlay**" or the "**Company**") is pleased to announce that its subsidiary Token Play is completing the next level of our integration development with Vancouver based Shopify Plus Partner - The Jibe to develop the second phase of our TokenPlay platform which is a blockchain based videogame distribution app. The Jibe successfully completed the first phase of design and development which was presented at GDC 2018 in San Francisco in March.

"We have been making excellent progress on developing Tokenplay's real-time messaging application Elixir, a low latency and fault tolerant functional language that leverages Erlang VM, which is built for highly scalable applications. We are ready to start connecting Tokenplay's network and community using this communication tool for the upcoming E3 conference in Los Angeles in June" said Steve Kruger Co-Founder/COO the Jibe. This new phase brings messaging and store front functionality online. This messaging system features a full SMS style "Discord-esque" messaging functionality with group chat and the ability to purchase games through the TokenPlay platform. This is a multi-phased project and the company looks to continue further working with The Jibe development team as we build out our business model.

Vince McMullin, Chief Technology Officer of the Company, said: "The Jibe have been an excellent partner for Tokenplay. This highly experienced ecommerce team has been achieving each milestone on time and on budget which is critical in developing the full segment functionality of the TokenPlay platform."

In addition, BlocPlay announces the proposed settlement of an aggregate of \$719,458.61 of indebtedness owed to certain arm's length and non-arm's length creditors through the issuance of 7,191,981 common shares of the Company at an average price per common share of \$0.10.

Pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"), the shares for debt transaction will constitute a "related party transaction" as related parties of the Company will, directly or indirectly, receive 5,185,848 common shares of the Company in connection with the debt settlement. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 as the Company is not listed on a specified market, as defined in MI 61-101, and the fair market value of the transaction,

insofar as it involves related parties, does not exceed 25% of the market capitalization of the Company. A material change report will be filed less than 21 days before the closing date of the transaction. This shorter period was reasonable and necessary in the circumstances to allow the Company to improve its financial position by reducing its accrued liabilities.

### **About BlocPlay Entertainment**

BlocPlay Entertainment is the world's first peer-to-peer, de-centralized digital entertainment company. Supporting video gamers, developers, and content creators - worldwide. Each day billions of consumers worldwide enjoy digital entertainment products. BlocPlay Entertainment plans to deliver a fully transparent distribution, publishing, and marketing platform for videogames and eSports events through our innovative tokenization system known as Token Play. BlocPlay Entertainment develops, licences and markets digital entertainment technologies across multiple platforms.

### **About TokenPlay**

TokenPlay is a wholly owned subsidiary of Blocplay Entertainment and is the customer facing Brand involved in the development and utilization of blockchain technology in the video game space, which will seek to provide a platform for the exchange of in-game currencies and tokens.

### **For further information, please contact:**

Jon Gill  
BlocPlay Entertainment Inc.  
Tel: 416-722-1166  
Email: [jqill@stompybot.com](mailto:jqill@stompybot.com)

### ***Forward-Looking Information***

*Certain information set forth in this news release may contain forward-looking information that involve substantial known and unknown risks and uncertainties. This forward-looking information is subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including, but not limited to, the impact of general economic conditions, industry conditions, failure to enter into a definitive agreement and complete the Acquisition, and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking information. The parties undertake no obligation to update forward-looking information except as otherwise may be required by applicable securities law.*