

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

1. **Name and Address of Company**

Blocplay Entertainment Inc. (the “**Company**”)  
217 Queen Street West, Suite 401  
Toronto, Ontario M5V 0R2

2. **Date of Material Change**

December 17, 2020

3. **News Release**

A press release disclosing the material change was released on December 17, 2020, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

On December 17, 2020, the Company closed a non-arm’s length share purchase agreement dated December 16, 2020 (the “**Share Purchase Agreement**”), with 1279078 B.C. Ltd. (“**BCCo**”) and the shareholders of BCCo (collectively, the “**Vendors**”), pursuant to which the Company has acquired all of the issued and outstanding shares of BCCo (the “**Transaction**”).

5. **Full Description of Material Change**

The Company announced the closing of the Transaction.

As consideration for the Transaction, the Company issued to the Vendors an aggregate of 5,000,000 common shares in the capital of the Company (the “**Consideration Shares**”) and issued to the Vendors an aggregate of 5,000,000 common share purchase warrants (the “**Warrants**”). Each Warrant shall entitle the holder thereof to acquire one common share in the capital of the Company (each a, “**Common Share**”) at a price of \$0.15 per Common Share for a period of five years from the date of issuance. All securities issued pursuant to the Transaction will be subject to a statutory hold period of four months and one day from the issuance thereof, as applicable, in accordance with applicable securities laws.

Pursuant to the Transaction, Emma Fairhurst (“**Fairhurst**”) indirectly acquired an aggregate of 4,500,000 Consideration Shares and 4,500,000 Warrants. Prior to the completion of the Transaction, Fairhurst beneficially owned and controlled, directly or indirectly, an aggregate of 2,900,000 common shares in the capital of the issuer (each, a “**Common Share**”) representing approximately 16.10% of the issued and outstanding on a non-diluted basis. Upon closing of the Transaction, Fairhurst beneficially owned and controlled, directly or indirectly, an aggregate of 7,400,000 Common Shares and 4,500,000 Warrants, representing approximately 32.17% of the issued and outstanding on a non-diluted basis and approximately 43.26% of the issued and outstanding on a partially diluted basis.

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:**

In connection with the Transaction, 4,500,000 Consideration Shares and 4,500,000 Warrants were issued to Fairhurst.

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

BCCo is a private company formed under the laws of British Columbia, that creates, develops and publishes software related to mobile games and applications. BCCo is currently developing Modern Miner, a mobile game application that will connect the value of exploration to gaming, which it expects to release in the coming year. Management believes that the opportunity to connect the global exploration industry and the search for economic mineral deposits to gaming with an audience that is interested in gaming, represents a large and attractive market. The development of this intellectual property will place the Company in a position to create a market space that management believes is currently unaddressed.

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

The development of the intellectual property will place the Company in a position to create a market space that management believes is currently unaddressed.

**(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:**

Pursuant to the Transaction, Fairhurst indirectly acquired an aggregate of 4,500,000 Consideration Shares and 4,500,000 Warrants.

**(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 Transaction, Fairhurst beneficially owned and controlled, directly or indirectly, an aggregate of 2,900,000 common shares in the capital of the issuer (each, a "**Common Share**") representing approximately 16.10% of the issued and outstanding on a non-diluted basis. Upon closing of the Transaction, Fairhurst beneficially owned and controlled, directly or indirectly, an aggregate of 7,400,000 Common Shares and 4,500,000 Warrants, representing approximately 32.17% of the issued and outstanding on a non-diluted basis and approximately 43.26% of the issued and outstanding 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 December 17, 2020, 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.

- (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 Share Purchase Agreement, the Company did not enter into any agreement with an interest 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 interest 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 participation in the Transaction by Fairhurst is exempt from the formal valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions (“MI 61-101”) as neither the fair market value of securities being issued to the Insiders nor the consideration paid by Fairhurst exceeded 25% of the Company's market capitalization.

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 Chris Irwin, President and Chief Executive Officer of the Company at (416) 361-2517.

9. **Date of Report**

This report is dated at Toronto, this 24<sup>th</sup> day of December, 2020.

**Cautionary Statement Regarding Forward-Looking Information**

*This material change report contains certain "forward-looking information" within the meaning of applicable securities law. Forward looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the information is provided, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. For a description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company's Management's Discussion and Analysis. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking information.*