

Material Change Report

FORM 51-102F3

Item 1 Name and Address of Company

eXeBlock Technology Corporation (the "**Company**" or "**eXeBlock**")
Suite 280 - 1090 W Georgia Street
Vancouver, BC V6E 3V7

Item 2 Date of Material Change

February 15, 2019

Item 3 News Release

The news release describing the material change referred to herein was issued by the Company and released on February 15, 2019, disseminated through the facilities of a recognized newswire service and filed on SEDAR.

Item 4 Summary of Material Change

On February 15, 2019, the Company announced that it had entered into a purchase agreement (the "**Agreement**") with Peerplays Blockchain Standards Association ("**PBSA**"), Data Security Node Inc., Fallout Complex Inc., 10353027 Canada Corporation ("**10353027**"), and Jonathan Baha'i.

Item 5.1 Full Description of Material Change

On February 15, 2019, the Company announced that it had entered into the Agreement with PBSA, Data Security Node Inc., Fallout Complex Inc., 10353027, and Jonathan Baha'i.

Material terms of the Agreement include: (1) sale of software including 50/50 Labs, Sidechain and eXeChain (collectively, the "**Software**") to PBSA for the payment to eXeBlock of \$250,000 in cash plus applicable taxes, on closing; (2) the assumption by PBSA of amounts owing by eXeBlock to a third party developer in the development of the Software totaling approximately \$463,419 USD; (3) the purchase of up to 9,965,000 common shares of eXeBlock held by 10353027, an entity wholly-owned by Jonathan Baha'i (which represents approximately 16.6% of the Company's common shares outstanding as of February 15, 2019) for cancellation by the Company (the "**Share Reduction**") for an aggregate amount not exceeding \$1.00; (4) the termination of the software development agreement between eXeBlock and PBSA and release by eXeBlock in any interest in any consideration, including any PPY tokens, if any, which were to be transferred as payment for software development under such agreement; (5) the forgiveness of amounts owing by eXeBlock to each of Data Security Node Inc., Fallout Complex Inc., and Jonathan Baha'i for certain equipment, furniture, fixtures and Company expenses totaling approximately \$74,912.35; and (6) the termination of the bunker lease between eXeBlock and Fallout Complex Inc., (collectively, the "**Transaction**").

Completion of the Transaction is subject to customary closing conditions, including acceptance and approval of the shareholders of the Company by resolution, if required, and regulatory approvals. The outside date under the Agreement to satisfy all conditions and close the Transaction (other than the Share Reduction) is May 1, 2019.

eXeBlock will be seeking all required regulatory approvals to complete the Share Reduction at closing. In the event less than the 9,965,000 common shares of eXeBlock held by 10353027 are acquired by eXeBlock at closing, the Company may continue to seek all necessary regulatory approvals to acquire any remaining common shares until November 30, 2020.

The Company expects to hold its annual and special meeting to, among other things seek shareholder approval of the Transactions, if required, on April 2, 2019.

The board of directors of eXeBlock has considered all relevant factors and unanimously determined that the Transaction is in the best interests of the Company and its shareholders. The board of directors unanimously recommends that its shareholders vote in favour of the Transaction. After an extensive review of the Software along with a considerable effort to sell or partner with others, it was decided that the direction of the Company would be better served if the capital remaining was protected and other opportunities explored. The decentralized blockchain business, while perhaps a viable opportunity for certain groups, seems less attractive for eXeBlock especially given the time and costs to produce the assets and the long-term return on investment. The open nature of decentralized blockchain and its reliance on large scale adoption of the tokenomics structure would likely work better for a consortium group that may also bring traction to bear. The Company is currently looking at other opportunities within the private blockchain space.

Further details regarding the Transactions will be provided in a management information circular which will be mailed to the Company's shareholders in March 2019.

Copies of the Agreement are available at www.sedar.com.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

No significant facts remain confidential in, and no information has been omitted from, this report.

Item 8 Executive Officer

For further information please contact:

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Item 9 Date of Report

February 25, 2019