



News Release

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Bluesky Digital Assets Corp., Announces a \$1,000,000.00 CDN Convertible Debenture Financing to Further Expand its Digital Mining Operations

FOR IMMEDIATE RELEASE

Feb 10th, 2020

Toronto, Ontario, February 10th, 2020 – Bluesky Digital Assets Corp., (CSE: BTC), (CSE: BTC.PR.A), (OTCQB: BTCWF), (Frankfurt: YS6N), ("Bluesky" or the "Corporation") announced today that it is conducting a non-brokered private placement financing of up to One Million Dollars ("\$1,000,000.00") CDN via the issuance of up to One Thousand ("1,000") Convertible Debentures at price of One Thousand Dollars ("\$1,000.00") CDN per Convertible Debenture. The Convertible Debenture(s) will bear an interest rate of Eight Percent ("8%") per annum, payable semi-annually in either cash or in Common Shares of the Corporation. The Convertible Debentures are convertible into Units of the Corporation.

The holder of the Convertible Debenture will have the right to convert the Convertible Debenture into Units of the Corporation at any time they elect to do so for up to four ("4") years after the date of issuance of the Convertible Debenture. The Corporation will have the option and the right to convert the Convertible Debenture into Units of the Corporation after two ("2") years after the issuance date.

Upon conversion, each Convertible Debenture holder will receive Fifty Thousand ("50,000") Units of the Corporation for every 1 Convertible Debenture converted. All Units issued via the conversion of the Convertible Debenture(s) will consist of one Common Share (a "Share") in the capital of the Corporation at Two Cents ("\$.02") CDN and one Common Share Purchase Warrant ("Warrant"), with each Warrant entitling the holder thereof to purchase one additional Common Share of the Corporation at an exercise price of Five Cents ("\$.05") CDN per Common Share for a period of 36 months commencing on the date of issuance of the Units. All Warrants will be subject to accelerated expiry in the event the closing price of the Corporation's Common Shares close at or greater than Seven and a Half Cents ("\$.075") CDN for ten consecutive trading days.

The Offering will permit participation of existing shareholders of the Corporation who held shares of the Corporation as of February 10th, 2020 (the **Record Date**) and who continue to hold shares of the Company as of the closing date of the Offering, pursuant to the existing security holder prospectus exemption available under OSC Rule 45-501 - *Ontario Prospectus and Registration Exemptions* and equivalent provisions of other applicable securities laws (the **Existing Shareholder Exemption**). In addition, for those shareholders and for others who do not qualify under the Existing Shareholder Exemption, such persons may qualify to participate under other prospectus exemptions, such as the "accredited investor" (as the term is defined in the *Securities Act*(Ontario) or other legislation applicable in the jurisdiction in which such subscriber resides) prospectus exemption.

To participate, shareholders relying on the Existing Shareholder Exemption will be required to represent in writing certain requirements of the Existing Shareholder Exemption, including that they were as of the Record Date and continue to be as of the closing date, a shareholder of the Company, and that they are purchasing the Offering Shares as principal for their own account. The aggregate acquisition cost to a shareholder relying on the Existing Shareholder Exemption, and not the "accredited investor" prospectus exemption, cannot exceed CDN\$15,000 in the 12-month period immediately preceding the closing date of the Offering, unless that shareholder has obtained advice regarding suitability of the investment from a registered investment dealer in the shareholder's jurisdiction. The minimum subscription amount for shareholders relying on the Existing Shareholder Exemption is \$5,000 CDN (the **Minimum Subscription**).

All units issued in connection with this placement will be subject to a four month plus one day hold period under applicable Canadian securities laws. Proceeds from the financing will be used for stage 4 and stage 5 deployment and expansion of the Corporation's Digital Mining operations. The Corporation expects that considering the increasing returns in the market over the last quarter, Bluesky is well positioned to see an exponential increase in realized revenue from its increased mining presence and benefit from the current trend of increasing Bitcoin value.

Mr. Anthony R. Pearlman / COO stated: "We are continuing to work at an expedited pace as we rapidly expand our capability and active mining operations. Select clusters of our Mining Assets have been built around a highly customized GPU based mining architecture which has been optimized to maximum efficiency using advanced techniques by Bluesky. Our advanced hardware customization efforts along with the proprietary purpose built creation of dedicated mining rigs has now demonstrated in production an increase of hashing capability of approximately 20% over standard specifications while at the same time demonstrating a trend of beneficial decreased power consumption per custom rig deployment in the range of 20% lower than industry standard numbers. Our advanced hardware and software customizations stand to position Bluesky's mining assets with better hashing capability than industry norms while at the same time using less power than industry standards therefore increasing revenue capability over competitors, and at the same time, decrease the costs associated with delivering that mined revenue. Our current expansion efforts have us geographically diversifying our physical mining operations to ensure an always 'up and mining' profile."

About Bluesky Digital Assets Corp.

Bluesky Digital Assets Corp, is building a high value digital currency enterprise. Bluesky mines digital currencies, such as Bitcoin and Ether, and is developing value-added technology services for the digital currency market, such as digital mining proprietary software. Offering a complete ecosystem of value-creation, Bluesky is targeting reinvesting appropriate portions of its digital currency mining profits back into its operations. A percentage of the profit will be invested in the development of a proprietary Artificial Intelligence ("AI") based technology. Overall, Bluesky takes an approach that enables the Corporation to scale, and respond to changing conditions, within the still-emerging digital currency industry. The Corporation is poised to capture value in successive phases as this industry continues to scale. For more information please visit www.blueskydigitalassets.com

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Forward-Looking Statements

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