

FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company

Skychain Technologies Inc.
("Skychain" or the "Company")
Suite 415 - 1112 West Pender Street
Vancouver, B.C. V6E 2S1

Item 2. Date of Material Change

January 5, 2021

Item 3. News Release

The news release was disseminated on January 5, 2021 through Stockwatch and filed on SEDAR

Item 4. Summary of Material Change

Further to the Company's previous announcement regarding a Letter of Intent (LOI) to acquire an existing 20 Mw crypto mining hosting facility in Sherbrooke, Quebec, SkyChain has provided an update on the facility and confirmed the terms of the LOI dated for reference December 23, 2020 between SkyChain and 1151203 B.C. Ltd. Development of SkyChain's new crypto hosting site in Birtle, Manitoba continues to progress. A major electrical engineering firm in Winnipeg and Manitoba Hydro International are both overseeing project development.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The material change described in Item 4 was fully announced in the Company's News Release dated January 5, 2021 attached hereto and as filed on SEDAR.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

Bill Zhang, Chief Executive Officer
T: (604) 688-5464
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Item 9. Date of Report

January 13, 2021

SKYCHAIN PROVIDES UPDATE ON LOI TO PURCHASE 20 MW CRYPTO HOSTING FACILITY IN QUEBEC

Vancouver, BC, Canada, January 5, 2021 – Skychain Technologies Inc. (TSXV-SCT) announces that, further to the Company's previous announcement regarding a Letter of Intent (LOI) to acquire an existing 20 Mw crypto mining hosting facility in Sherbrooke, Quebec, SkyChain has provided an update on the facility and confirmed the terms of the LOI dated for reference December 23, 2020 between SkyChain and 1151203 B.C. Ltd (the "Vendor").

The Sherbrooke facility, currently running at about 70% (14Mw) capacity, covers 40,000 square feet with significant expansion capacity. The site also offers potential electricity cost reductions of approximately 20% compared to electricity costs in BC. The 20Mw capacity can contribute 670Ph/s hashrate to blockchain, and the power capacity can be upgraded to 23Mw without further hardware investment. The Vendor has invested over \$8 million to develop the facility.

"We are making very good progress with the transaction," said SkyChain CEO Bill Zhang. "With its current growth, we expect the site will be loaded at full capacity once the purchase is completed sometime in Q1 2021. With lower operating costs, this revenue stream should contribute to a solid and profitable operation. The site also holds excellent potential for an internet data center (IDC) and other high density power consumption industries like GPU (graphics card processing unit) gaming and cloud-related industry services."

Due mostly to clean, efficient hydropower, Quebec offers the second-lowest electricity costs in Canada (behind Manitoba) and some of the lowest in the world. Skychain has relocated all its miners from the Houston BC location to the Quebec site, which will streamline the Company's business model and lower the cost per Kw to its crypto mining clients.

"With Bitcoin reaching record highs and rapidly gaining worldwide acceptance, we believe SkyChain is in the right place at the right time," added Zhang. "More and more, Bitcoin is being seen as a hedge against inflation and currency instability, much like gold."

Under the terms of the Sherbrooke agreement, SkyChain has agreed to purchase the entire facility for total consideration of CDN\$5.5 million in cash and shares. The cash portion of the consideration is \$3.0 million, of which half is payable upfront and half within 48 months, paid in installments equal to a maximum of 60% of EBITDA until fully paid and any remaining balance payable on the due date. The share portion of the consideration is \$2.5 million, or a total of 5 million shares issuable as to 3,000,000 shares upfront and the balance of the shares after certain cash payments are made. A review of the target company's financial information by our auditors and legal due diligence are nearing completion. Funding is expected to be provided by conventional commercial lending and equity. The facility will immediately boost monthly revenue to \$640,000 per month and will be brought up further to capacity within 2 months. The proposed transaction is subject to all necessary Stock exchange and regulatory approvals.

Development of SkyChain's new crypto hosting site in Birtle, Manitoba continues to progress. A major electrical engineering firm in Winnipeg and Manitoba Hydro International are both overseeing project development.

About Skychain Technologies

Skychain Technologies is a Vancouver based company providing Blockchain Infrastructure services and power solutions. To learn more, visit www.skychaintechologies.com.

ON BEHALF OF THE BOARD OF DIRECTORS

Bill Zhang

President and CEO

Contact: 604-688-5464

bill@skychaintechologiesinc.com

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