FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Fortress Blockchain Corp.
320-638 Broughton Street
Vancouver, British Columbia
V6G 3K3

Item 2 Date of Material Change

August 31, 2018

Item 3 News Release

The press release attached as Schedule "A" was released over GlobeNewswire on August 31, 2018.

Item 4 Summary of Material Change

The material change is described in the press release attached as Schedule "A".

Item 5 Full Description of Material Change

The material change is fully described in the press release attached hereto.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Aydin Kilic
Chief Executive Officer
Fortress Blockchain Corp.
Ph: 604 477 9997
E: a@fortressblockchain.io

Item 9 Date of Report

August 31, 2018

Schedule "A"

Fortress Blockchain Announces Increases to Power Supply Rates in Grant County, Washington

VANCOUVER, British Columbia, August 31, 2018 - Fortress Blockchain Corp ("**Fortress Blockchain**" or the "**Company**") announces changes to electric rates affecting the Company's cryptocurrency facility in Grant County, Washington.

On August 28, 2018 the Grant County Public Utility District ("**Grant County PUD**") Board of Commissioners unanimously voted to approve a three-year, graduated increase to a new above-cost electric rate, Rate 17-B, for evolving industries, which applies to the Company. Starting April 1, 2019, electric rates for Fortress Blockchain in Grant County, Washington, will increase to $0.034/kWhr, reflecting a 30.7 percent increase to the Company's current electric rate of $0.026/kWhr. Also as part of the Grant County PUD new Rate 17-B, evolving industries will have to pay up-front costs for lines, poles, transformers, studies and other equipment needed to expand or connect power supply.

Based on the future electrical capacity demands in Grant County, the Grant County PUD Board of Commissioners also voted to increase Rate 17-B electrical rates on April 1, 2020 and April 1, 2021. According to the Grant County PUD's estimates of future electricity demand, the rates to be introduced on April 1, 2020 for Rate 17-B customers will be $0.053/kWhr and on April 1, 2021, the rate will increase to $0.08/kWhr. These projected future rates reflect an increase of 104 percent and 207 percent, respectively, over Fortress Blockchain's current electric rate in Grant County, Washington. Actual rate increases on April 1, 2020 and April 1, 2021 will depend on the demand for new power following the April 1, 2019 initial rate increase. Grant County PUD will evaluate the rate class annually and adjust it, based on anticipated change in total megawatts needed by existing and incoming evolving-industry customers. In addition, the impact of the new rates will vary by customer, depending on energy use above or below the average load of the customer class as a whole. Increased energy use could also require out-of-pocket costs to pay for higher-capacity transformers or other equipment.

The new Rate 17 is a response to new requests for power primarily from cryptocurrency miners that would more than triple the existing load. Since the summer of 2017, Grant County PUD has received new service inquiries for more than 2,000 megawatts of power, three times the electricity needed to power all Grant County homes, farms, businesses and industry. Seventy-five percent of the new service inquiries derived from cryptocurrency miners. The concerns raised by the Grant County PUD about cryptocurrency miners are threefold: regulatory risk (vulnerability to regulatory changes that could impair viability of the sector), business risk (impairment of value in cryptocurrency create potential for business cessation), and concentration risk (significant concentration of electrical load and revenue from single customer base). Grant County PUD believes the creation of a new above-cost electric rate is a prudent step to mitigating these risks.

The Company is currently reviewing the impact of the policies of the Grant County PUD on current operations and future expansion. Further announcements will be made.

About Fortress Blockchain

Fortress Blockchain Corp. is a technology-oriented blockchain mining company committed to operating in low-cost North American green-energy regions. Fortress's resources are currently dedicated to achieving peak operational efficiency in industrial scale Bitcoin mining, to ultimately deliver an industry leading competitive advantage in performance. Fortress has strategically acquired state-of-the-art mining facility in Washington state which has been in continuous operation since 2014, which serves as an R&D facility to optimize and build out the next generation of highly-scalable blockchain mining infrastructure.

For further information, please contact:

Aydin Kilic	Prit Singh
Chief Executive Officer	Investor Relations
604 477 9997	905 510 7636
a@fortressblockchain.io	ir@fortressblockchain.io

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

Forward Looking Statements:

This news release contains certain “forward-looking information” within the meaning of applicable Canadian securities laws that are based on expectations, estimates and projections as at the date of this news release. The information in this release about future plans and objectives of the Company, are forward-looking information. Other forward-looking information includes but is not limited to information concerning: the intentions, plans and future actions of the Company, the status and impact of new electrical power rates and the status of deliberations by the Grant County Public Utility District, as well as the Company’s ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility in digital currency prices and the resulting significant negative impact on the Company’s operations, the construction and operation of expanded blockchain infrastructure, and the regulatory environment of cryptocurrency in the United States and other jurisdictions where the Company may operate.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.

This forward-looking information is based on reasonable assumptions and estimates of management of the Company at the time it was made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others: the status and impact of new electrical power rates and the status of deliberations by the Grant County Public Utility District, risks relating to the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors which could impact future results of the business of the Company include but are not limited to: the impact of new electrical power rates which could impair profitably and operating performance; deliberations by the Grant County Public Utility District which could limit the ability of the Company to carry on business on a profitable basis or at all; the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the Grant Count of the State of Washington, the ability to complete current and future financings, any regulations or laws that will prevent the Company from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; and there will be no regulation or law that will prevent the Company from operating its business. The Company has also assumed that no significant events occur outside of the Company's normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.