

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

**Item 1. Name and Address of Issuer**

Blackchain Solutions Inc. (the "Issuer")  
Suite 1000 – 409 Granville St.  
Vancouver, British Columbia V6C 1T2

**Item 2. Date of Material Change**

August 28, 2018

**Item 3. News Release**

A news release announcing the material change was disseminated on August 28, 2018 and filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

**Item 4. Summary of Material Change**

The Issuer announced a letter of intent for "cold chain" tracking business and technology, a consolidation and a private placement.

**Item 5.1 Full Description of Material Change**

See news release attached.

**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**

There are no significant facts required to be disclosed herein which have been omitted.

**Item 8. Executive Officer**

Geoff Balderson, President  
604-602-0001

**Item 9. Date of Report**

September 4, 2018



## BLACKCHAIN SOLUTIONS

### BlackChain Announces Letter of Intent for “Cold Chain” Tracking Business and Technology (IoT), Consolidation and Private Placement

VANCOUVER, BC – August 28th, 2018 – BlackChain Solutions Inc. (the “**Company**” or “**BlackChain**”) (CSE: BIS, FWB: B2IN), an analytics software company, is pleased to announce that it has entered into a letter of intent (the “**LOI**”) with ChainTrack Technologies Inc. (“**ChainTrack**”) for a proposed transaction to acquire all of their issued and outstanding common shares of ChainTrack, a company providing Internet-of-Things (IoT)-powered supply chain tracking solutions, including ‘cold chain tracking’, for the food and pharmaceutical industries

Cold chain tracking enables delivery and logistics providers to manage their fleet effectively through visualization and live tracking of temperature, location, and environment. Cold chain is an essential part of the product delivery lifecycle and is quickly becoming a regulatory requirement in many jurisdictions, most recently California. ChainTrack is the sole provider of ERP analytics and API to Volta Air Technologies Inc. (“**Volta Air**”), a delivery vehicle refrigeration solution provider. Integrated with Volta Air’s electric transport refrigeration units, ChainTrack supplies end-to-end cold chain tracking solutions to some of the leading delivery and logistics actors, both in Canada and beyond. Clients include Sustainable Produce Urban Delivery (SPUD) and BYD Motors Inc. BYD has been the world’s largest electric vehicle manufacturer for the past three years running, in both consumer and commercial/industrial electric vehicles. BYD is a publicly traded company, whose largest single shareholder is Warren Buffet’s Berkshire Hathaway.

As part of the proposed acquisition, BlackChain will assume service contracts for existing ChainTrack clients and continue to provide them with fully integrated ERPs, API, and cold chain tracking, in addition to expanding the company’s offerings. ChainTrack also intends to further develop its API based SaaS platform, powered by Blockchain (ChainTrack) that includes the existing cold chain and other relevant ERP modules. Under the proposed transaction, BlackChain will acquire all the outstanding shares of ChainTrack for the issuance of 16.5 million BlackChain common shares on a post-consolidated basis (see below for more information) and a cash payment of \$75,000 CAD.

The acquisition of ChainTrack’s technology will expand and enhance BlackChain’s existing product line. BlackChain intends to continue to develop its other businesses and assets, including its digital asset exchange solution, peer-to-peer lending platform, and credit risk analysis application for the digital asset industry.

Zayn Kalyan, CTO of BlackChain stated “ChainTrack’s cold chain tracking technology is a perfect addition to the BlackChain product suite. It aligns with our vision of diversifying BlackChain’s industry focus, while still providing solid analytics and compliance solutions. We look forward to working with the ChainTrack team, leveraging their valuable relationships and extensive client network”.

BlackChain will issue additional news releases related to the proposed transaction with ChainTrack, and other material information as it becomes available.

#### **Consolidation and Private Placement**

BlackChain announces that it intends to consolidate its issued and outstanding common shares on the basis of one (new) post-consolidation share for each two (old) pre-consolidation shares (the “**Consolidation**”).

The Company currently has 81,005,322 common shares issued and outstanding. Following the Consolidation, it is anticipated that the Company will have approximately 40,502,661 common shares issued and outstanding, and will continue to trade on the Canadian Securities Exchange under the existing symbol "BIS".

The exercise or conversion price and the number of common shares issuable under any of the Company's outstanding stock options and any outstanding share purchase warrants will be proportionately adjusted to reflect the Consolidation in accordance with their respective terms. No fractional common shares will be issued pursuant to the Consolidation and any fractional common shares that would otherwise be issued will be rounded down to the nearest whole number.

BlackChain also announces that it intends to carry out a non-brokered private placement (the "**Private Placement**") of up to 5,000,000 common units (each a "**Unit**") at a price of \$0.10 per Unit Share on a post-consolidation basis for aggregate gross proceeds of up to \$500,000. Each Unit consists of one common share and one share purchase warrant. Each warrant is exercisable at a price of \$0.15 per share for a term of two years.

The Company may also pay finders' fees in connection with the Private Placement in accordance with the policies of the Canadian Securities Exchange and applicable securities legislation.

### **About BlackChain Solutions Inc.**

BlackChain Solutions Inc. is an analytics and risk management company that is leveraging digital asset technology to transform and modernize multiple industries. BlackChain is taking a diversified approach to the analytics and technology space, delivering practical solutions in the finance, logistics, cannabis, and pharmaceutical industries.

BlackChain is a publicly-traded company listed on the Canadian Securities Exchange (CSE); trading symbol BIS (C.BIS or BIS.cn). For more information about the company please contact us at 1-604-602-0001.

### **BlackChain Solutions Inc.**

Zayn Kalyan, CTO

### **Forward-Looking Information**

This news release contains forward-looking information based on current expectations. Statements about the Company's plans and intentions, other potential transactions, the Consolidation, the proposed transaction with ChainTrack, the Private Placement, product development, events, courses of action, and the potential of the Company's technology and operations, among others, are all forward-looking information. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such information can generally be identified by the use of forwarding looking wording such as "may", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or the negative thereof or similar variations. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, including but not limited to, business, economic and capital market conditions; the ability to manage operating expenses, which may adversely affect the Company's financial condition; the ability to remain competitive as other better financed competitors develop and release competitive products; regulatory uncertainties; market conditions and the demand and pricing for products; security threats; relationships with its customers, distributors and business partners; the ability to successfully define, design and release new products in a timely manner that meet customers' needs; the ability to attract, retain and motivate qualified personnel; competition in the industry; the impact of technology changes on the products and industry; failure to develop new and innovative products; the ability to successfully maintain and enforce our intellectual property rights and defend third-party claims of infringement of their intellectual property rights; the impact of intellectual property litigation that could materially and adversely affect the business; the ability to manage working capital; and the dependence on key personnel. BlackChain may not actually achieve its plans, projections, or expectations. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the demand for its products, the ability to successfully develop software, that there will be no regulation or law that will prevent the Company from operating its business, anticipated costs, the ability to achieve goals. Given these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements.

Factors that could cause the actual results to differ materially from those in forward-looking statements include, failure to obtain regulatory approval, the continued availability of capital and financing, the impact of technology changes on the industry, competition, security threats, consumer sentiment towards BlackChain's products, services and blockchain technology generally, failure to develop new and innovative products, litigation, increase in operating costs, lack of demand for BlackChain's products and services, increase in labor costs, failure of counterparties to perform their contractual

obligations, government regulations, loss of key employees and consultants, and general economic, market or business conditions. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The reader is cautioned not to place undue reliance on any forward-looking information.

The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

The CSE has not reviewed, approved or disapproved the content of this news release.