

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

Item 1 Name and Address of Company

Cathedra Bitcoin Inc.
320 – 638 Broughton Street Vancouver,
BC V6G 3K3

Item 2 Date of Material Change

November 28, 2022

Item 3 News Release

The press release attached as Schedule “A” was released on November 28, 2022, by a newswire company in Canada.

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 described in the press release attached as Schedule “A”.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Sean Ty
Chief Financial Officer
Cathedra Bitcoin Inc. Ph:
604-477-9997
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Item 9 Date of Report

November 29, 2022

Cathedral Bitcoin Announces Third Quarter 2022 Financial Results

TORONTO--(BUSINESS WIRE)--November 28, 2022--(Block Height: 765,082) – Cathedral Bitcoin Inc. (TSX-V: CBIT; OTCQX: CBTTF) (“**Cathedral**” or the “**Company**”), announces the results of its operations for the third quarter and nine months ended September 30, 2022 (“**Q3 2022**”).

Third Quarter 2022 Highlights

- The Company reported revenue from its bitcoin mining operations of approximately C\$1.49 million, compared to C\$1.55 million during the quarter ended September 30, 2021, amid an approximately 50% decline in the average price of bitcoin in those same periods.
- The Company installed 522 machines from its June batch of Bitmain Antminer S19J Pro machines at a third-party datacenter in Kentucky, increasing the Company’s bitcoin mining hash rate by 52 PH/s. Under the terms of the hosting agreement executed in May 2022, the Company pays a fixed rate of five and one-half cents (US\$0.055) per kilowatt hour, plus ten percent (10%) of gross bitcoin revenue produced by the hosted machines, during the 12-month term.
- The Company entered into a hosting agreement under which it deployed the remaining 372 machines from its May batch of Bitmain Antminer S19J Pro machines at a third-party data center in Tennessee. Under the terms of the hosting agreement, which lasts for an initial term of 12 months, the Company will pay a fixed rate of seven cents (US\$0.07) per kilowatt hour, plus five percent (5%) of gross bitcoin revenue produced by the hosted machines. The installation of these machines was completed on October 10, 2022, increasing the Company’s diversified bitcoin mining hash rate by 37 PH/s.
- In accordance with its effort to conserve cash until bitcoin mining conditions improve, the Company elected to forgo making final payment on its July batch of S19J Pros (the “**July S19J Pros**”) and instead take delivery of a reduced allocation of 635 machines (versus the originally contemplated 750). The Company will take delivery of its full allocation of 750 machines per month in August and September (the “**August S19J Pros**” and “**September S19J Pros**,” respectively). The July, August, and September S19J Pros have been shipped via ocean freight (rather than air freight) to further reduce cash expenditures, and the Company continues to evaluate potential deployment opportunities for these machines that will prove profitable under current mining conditions.
- The Company concluded its partnership with Great American Mining (“**GAM**”) as planned, retiring the last of its machines and containers in September. The Company tendered four of its containers from the North Dakota site to GAM in exchange for waived power and generator expenses at the conclusion of the partnership. The Company has relocated the remaining eight containers and all machines into storage until such time as they can be redeployed at a profitable site.
- The Company extended its moratorium on manufacturing-related capital expenditures to conserve cash until market conditions improve. At time of publication, the Company has completed manufacturing its first three proprietary bitcoin mining datacenters (the “**Rovers**”), with another three Rovers in various stages of completion. The Company

intends to deploy these Rovers at sites with favorable economic characteristics as soon as market conditions allow.

- Cathedra ended the period with active hash rate of approximately 166 PH/s across four sites in Kentucky, Tennessee, and Washington. At time of publication, the Company's active hash rate totals approximately 203 PH/s across five sites in the same states.

Management Commentary

“Regrettably, bitcoin mining conditions have continued to worsen as the year has progressed. Fortunately, we have stayed one step ahead of the market at all times, strengthening the Company's liquidity position and balance sheet in the spring by issuing equity, selling assets, and retiring debt in preparation for a prolonged economic downturn. At time of writing, we find ourselves in a position of relative strength versus many of our industry peers, with multiple years of runway even under current conditions.

“Our long-term bullish thesis on Bitcoin has not changed. The preservation of our shareholders' capital remains our top priority and we are grateful for their continued support.”

About Cathedra Bitcoin

Cathedra Bitcoin Inc. (TSX-V: CBIT; OTCQX: CBTTF) is a Bitcoin company that develops and operates world-class bitcoin mining infrastructure.

Cathedra believes sound money and abundant energy are the fundamental ingredients to human progress and is committed to advancing both by working closely with the energy sector to secure the Bitcoin network. Today, Cathedra's diversified bitcoin mining operations total 203 PH/s and span three states and five locations in the United States. The Company is focused on expanding its portfolio of hash rate through a diversified approach to site selection and operations, utilizing multiple energy sources across various jurisdictions.

For more information about Cathedra, visit cathedra.com or follow Company news on Twitter at @CathedraBitcoin or on Telegram at @CathedraBitcoin.

Cautionary Statement

Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this 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 and future actions of senior management, the intentions, plans and future actions of the Company, 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 of network difficulty and, digital currency prices and the resulting significant negative impact on the Company's operations; the construction and operation of expanded blockchain infrastructure as currently planned; and the regulatory environment of cryptocurrency in applicable jurisdictions.

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. 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.

Contacts

Media and Investor Relations Inquiries

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