

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

1. **Name and Address of Company**

SBD Capital Corp. (the "**Company**")
217 Queen Street West, Suite 401
Toronto, Ontario M5V 0R2

2. **Date of Material Change**

March 13, 2025 and March 14, 2025

3. **News Release**

Press releases disclosing the material changes were released on March 7, 2025, and March 14, 2025, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

On March 13, 2025, the Company filed articles of amendment to effect a consolidation of its issued and outstanding common shares ("**Common Shares**") on a one (1) post-consolidation Common Share for every ten (10) pre-consolidation Common Shares (the "**Consolidation**").

On March 14, 2025, the Company settled an aggregate of \$418,571.82 of indebtedness to certain creditors of the Company through the issuance of 1,550, Common Shares at a price of \$0.27 per Common Share (the "**Debt Settlement**").

5. **Full Description of Material Change**

On March 13, 2025, the Consolidation was effected. The Consolidation reduced the issued and outstanding Common Shares to 788,960. The exercise or conversion price and the number of Common Shares issuable under any of the Company's outstanding stock options and/or warrants will be proportionately adjusted to reflect the Consolidation in accordance with the respective terms thereof.

On March 14, 2025, the Company completed the Debt Settlement through the issuance of 1,550,263 Common Shares.

In connection with the Debt Settlement, Mr. Irwin agreed to distribute Common Shares to certain third parties in order for the Company to have the requisite number of Board Lots (as that term is defined in the policies of the Canadian Securities Exchange (the "**CSE**")) to meet the CSE's continued listing requirements. The Common Shares issued pursuant to the Debt Settlement are subject to a four-month hold period.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**").

(a) a description of the transaction and its material terms:

In connection with the Debt Settlement, Mr. Irwin settled an aggregate of \$116,942.94 of cash advances Mr. Irwin made to the Company, through the issuance of 427,121 Common Share. In connection with the Debt Settlement, Mr. Irwin agreed to distribute Common Shares to certain third parties in order for the Company to have the requisite number of Board Lots (as that term is defined in the policies of the CSE) to meet the CSE's continued listing requirements. As a result, Mr. Irwin received an aggregate of 145,618 Common Shares.

(b) the purpose and business reasons for the transaction:

As the Company is in financial difficulty and the Debt Settlement was designed to improve the financial position of the Company.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

As the Company is in financial difficulty and the Debt Settlement was designed to improve the financial position of the Company.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

In connection with the Debt Settlement, Mr. Irwin settled an aggregate of \$116,942.94 of cash advances Mr. Irwin made to the Company, through the issuance of 427,121 Common Share. connection with the Debt Settlement, Mr. Irwin agreed to distribute Common Shares to certain third parties in order for the Company to have the requisite number of Board Lots (as that term is defined in the policies of the CSE) to meet the CSE's continued listing requirements. As a result, Mr. Irwin received an aggregate of 145,618 Common Shares.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (I) for which there would be a material change in that percentage:

Prior to the completion of the Debt Settlement and upon completion of the Consolidation, Mr. Irwin beneficially owned or controlled, directly or indirectly, approximately 79,280 Common Shares. Upon completion of the Debt Settlement and completion of the Debt Settlement, Mr. Irwin beneficially owns and controls, directly or indirectly, an aggregate of 224,898 Common Shares, representing approximately 9.61% of the issued and outstanding Common Shares on an undiluted and partially diluted basis.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

The Debt Settlement was approved by the members of the board of directors of the Company who are independent for the purposes of the Debt Settlement, being all directors other than Mr. Chris Irwin. No special committee was established in connection with the Debt Settlement, and no materially contrary view or abstention was expressed or made by any director of the Company in relation thereto.

(f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

Other than the debt settlement agreements entered into for the Debt Settlement, the Company did not enter into any agreement with an interest party or a joint actor with an interested party in connection with the Debt Settlement. To the Company's knowledge, no related party to the Company entered into any agreement with an interest party or a joint actor with an interested party, in connection with the Debt Settlement.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The Debt Settlement constituted a "related party transaction" as defined in MI 61-101, as Chris Irwin, an insider of the Company, received an aggregate of 145,618 Common Shares to settle an aggregate of \$116,942.94 of cash advances Mr. Irwin has made to the Company. The Company relied on the exemption from the valuation requirement of MI 61-101 contained in section 5.5(g) of MI 61-101, as the Company's securities are not listed on one of the markets specified in section 5.5(g) of MI 61-101. The Company did not rely on an exemption the minority shareholder approval under MI 61-101, as minority shareholder approval for the Debt Settlement was received at the annual and special meeting of shareholders held on January 24, 2025.

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

The report is not being filed on a confidential basis.

7. Omitted Information

No significant facts have been omitted from this Material Change Report.

8. Executive Officer

For further information, contact Carly Burk, Secretary of the Company at (416) 361-2516.

9. Date of Report

This report is dated at Toronto, this 17th day of March, 2025.

Cautionary Statement Regarding Forward-Looking Information

This material change report contains certain "forward-looking information" within the meaning of applicable securities law. Forward looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the information is provided and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. For a description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company's Management's Discussion and Analysis. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking information.