

**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**

August 29, 2024

3. **News Release**

A press release disclosing the material change was released on August 29, 2024, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

The Company settled an aggregate of \$158,324.92 of indebtedness to certain creditors of the Company through the issuance of 3,166,498 common shares in the capital of the Company (the "**Common Shares**") at a price of \$0.05 per Common Share (the "**Debt Settlement**").

5. **Full Description of Material Change**

On August 29, 2024, the Company completed the Debt Settlement through the issuance of 3,166,498 Common Shares.

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, 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.

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, 788,227 Common Shares were issued to an insider (the "**Insider**") of the Company.

(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. Chris Irwin, a director, officer and shareholder of the Company received an aggregate of 788,227 Common Shares in settlement of \$39,411.35 of indebtedness owed to Mr. Irwin.

- (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, Mr. Irwin did not beneficially own or control, directly or indirectly, any securities of the Company. Upon completion of the Debt Settlement, Mr. Irwin beneficially owns and controls, directly or indirectly, an aggregate of 788,227 Common Shares, representing approximately 9.98% 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 Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"), as an insider of the Company received 788,227 Common Shares. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(g) and 5.7(1)(e) of MI 61-101, as the Company is in financial difficulty and the transaction is designed to improve the financial position of the Company, as determined in accordance with MI 61-101.

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 5th day of September 2024.

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.