

NEWS RELEASE

SBD CAPITAL CORP. PROVIDES UPDATE WITH RESPECT TO UPCOMING SHAREHOLDER MEETING

TORONTO, January 13, 2025 – **SBD Capital Corp. (CSE: SBD)** (the "**Company**") announces that in connection with its upcoming annual and special meeting (the "**Meeting**") of the shareholders of the Company to be held on January 24, 2025, the management information circular and related materials have been filed on the Company's profile on SEDAR+.

At the Meeting, shareholders of the Company will be voting on the following items of business; (i) to appoint the auditors of the Corporation; (ii) to elect the directors of the Corporation for the ensuing year; (iii) to approve a consolidation (the "**Consolidation**") of its common shares (each, a "**Common Share**") as described below; (iv) to approve and confirm the Company's omnibus long term incentive plan; and (v) to approve the settlement of up to an aggregate of \$438,000 of indebtedness, as further described below.

Under the Consolidation, management is proposing to consolidate the Common Shares on the basis of up to ten (10) issued pre- Consolidation Common Shares into one (1) new post-Consolidation Common Share. No fractional Common Shares will be issued and any fractional Common Shares will be rounded down to the nearest lower whole share. The Consolidation is subject to the approval of the shareholders of the Company, and the Canadian Securities Exchange (the "**CSE**"), which approval management intends to seek from the CSE following receipt of shareholder approval. After giving effect to the Consolidation, the Corporation will have approximately 789,016 Common Shares issued and outstanding (on the basis of a 10:1 Consolidation ratio).

In addition, the Company is proposing to settle up to \$438,000 of indebtedness (the "**Debt Settlement**") following the Consolidation. The price at which Common Shares will be issued under the Debt Settlement will be determined by applying the Consolidation ratio to the closing market price of the Common Shares on December 13, 2024, being the day that the Board resolved to approve the Debt Settlement, and then applying a discount of 25% to that number. Based on a closing price for the Common Shares of \$0.035 on December 13, 2024, management expects the indebtedness to be settled based on a price of \$0.27 per Common Share, assuming completion of the Consolidation on a ten for one basis, resulting in up to 1,622,222 Common Shares being issued in connection with the Debt Settlement. Management of the Corporation has entered into debt settlement agreements with creditors holding an aggregate of \$279,945 of indebtedness, which would result in 1,036,833 post-Consolidation Common Shares being issued. Management will continue to negotiate with various creditors of the Company in an attempt to settle and much indebtedness as possible to improve the financial position of the Company.

The Debt Settlement is considered a "related party transactions" as defined in Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"), as Chris Irwin, an insider of the Company, will receive 433,119 Common Shares to settle an aggregate of \$116,942 of cash advances Mr. Irwin has made to the Company. The Company is relying 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.

Assuming completion of the Debt Settlement, Mr. Irwin's holdings, together with his current holdings of Common Shares, will be 1,221,345 Common Shares. Based on the current agreements entered into by management with respect to the Debt Settlement and a 10:1 Consolidation ratio, there will be 1,825,849 Common Shares outstanding upon completion of the Consolidation and Debt Settlement, resulting in Mr. Irwin holding approximately 66.9% of the issued and outstanding Common Shares. In the event that management is able to enter into additional debt settlement agreements to settle the entire amount of \$438,000 of indebtedness, Mr. Irwin will hold approximately 50.6% of the issued and outstanding Common Shares, assuming completion of the Consolidation and Debt Settlement. The settlement of the indebtedness

owing to Mr. Irwin will result in the creation of a new "Control Person" (as such term is defined in CSE Policy 1) and, is subject to shareholder approval pursuant to the policies of the CSE.

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.

An aggregate of 1,171,560 Common Shares will be excluded from voting in respect of the Debt Settlement, being the 788,227 Common Shares held by Irwin Professional Corporation, the 4,538 Common Shares held by Chris Irwin, and the 378,795 Common Shares held by Irwin Lowy LLP.

For further information, please contact:

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Forward Looking Information

This news release 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.