

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

SWMBRD Sports Inc. (the “**Company**”)
#1450 - 789 West Pender Street
Vancouver, BC V6C 1H2

Item 2. Date of Material Change

June 22, 2022

Item 3. News Release

The news release dated June 22, 2022 was disseminated via The Newswire.

Item 4. Summary of Material Change

The Company completed its previously announced non-brokered unit offering (the “**Offering**”), as described in its News Release of May 3, 2022, pursuant to which the Company issued an aggregate of 3,460,000 units (the “**Units**”) at a price of \$0.10 per Unit for aggregate gross proceeds of \$346,000.

Each Unit was comprised of one common share (each, a “**Share**”) in the capital of the Company and one transferable Share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one additional Share (each, a “**Warrant Share**”) for a period of one year from the closing date (the “**Closing Date**”) at an exercise price of \$0.20 per Warrant Share.

The Company did not pay any finder’s fees in connection with the closing of the Offering.

The proceeds of the Offering will be used for the production of the Company’s SWMBRDs for sale, the production of two additional SWMBRD molds in different sizes, expenses related to listings on the OTCQB and Frankfurt Exchange and general working capital. The securities issued in connection with the Offering are subject to a four month hold period from the date of issuance.

Zimtu Capital Corp. (“**Zimtu**”) was one of the investors that participated in the Offering. Zimtu’s participation constituted a “related party transaction” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) but the issuance was exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Company’s shares are not listed on a specified market. The issuance was also exempt from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 since the fair market value of the consideration paid for the Units issued to the related party did not exceed 25% of the Company’s market capitalization.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

See Item 4 above as well as the News Release filed on SEDAR dated June 22, 2022 for a full description of the Material Changes.

Disclosure Required by MI 61-101

Pursuant to MI 61-101, the Offering constituted a “related party transaction” as a 10% shareholder of the Company participated in the Offering.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

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

See Item 4 above for a description of the Offering.

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

The aggregate gross proceeds from the Offering will be used for for the production of the Company’s SWMBRDs for sale, the production of two additional SWMBRD molds in different sizes, expenses related to listings on the OTCQB and Frankfurt Exchange and general working capital.

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

The Company does not anticipate any material effect on the Company’s business and affairs.

(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:

Zimtu Capital Corp., a 10% shareholder of the Company, was issued 1,150,000 Units for gross proceeds of \$115,000.

(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:

The following table sets out the effect of the Offering on the percentage of securities of the Company beneficially owned or controlled by Zimtu:

| Name and Position | Dollar Amount of Offering | Number of Shares to be Issued | No. of Securities Held prior to Closing of the Offering | Percentage of Issued and Outstanding Securities prior to Closing of the Offering | No. of Securities Held After Closing of the Offering | Percentage of Issued and Outstanding Securities After Closing of the Offering |
|--|---------------------------|-------------------------------|---|--|---|---|
| Zimtu Capital Corp. 10% Shareholder | \$115,000 | 1,150,000 | Undiluted: 12,000,000 Diluted: 12,000,000 | Undiluted: 17.09% ⁽¹⁾ Diluted: 17.09% ⁽¹⁾ | Undiluted: 13,150,000 Diluted: 14,300,000 ⁽²⁾ | Undiluted: 17.85% ⁽³⁾ Diluted: 19.11% ⁽⁴⁾ |

⁽¹⁾ Based on 70,210,872 Shares outstanding prior to the completion of the Offering.

⁽²⁾ Comprised of: (i) 13,150,000 Shares, and (ii) 1,150,000 Warrants, each of which is exercisable into one Share at a price of \$0.20 per Share until June 22, 2023.

⁽³⁾ Based on 73,670,872 Shares outstanding following the completion of the Offering.

⁽⁴⁾ Based on 74,820,872 Shares outstanding on a partially-diluted basis after the completion of the Offering, comprised of: (i) 73,670,872 Shares outstanding after the completion of the Offering and (ii) 1,150,000 Shares that may be issuable on exercise of Warrants.

(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:

A special committee was not established in connection with the approval of the Offering, and no materially contrary view or abstention was expressed or made by any director.

(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 related 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:

Zimtu entered into a subscription agreement on the Company's standard form of subscription agreement, as did the other subscribers in the Offering.

- (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 Offering is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in Sections 5.5(b) as the Company's shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the Shares issued to the related party did not exceed 25% of the Company's market capitalization.

As this material change report is being filed less than 21 days before the closing of the Offering, there is a requirement under MI 61-101 to explain why the shorter period is reasonable or necessary in the circumstances. In the view of the Company, such shorter period is reasonable and necessary in the circumstances because the Company wished to complete the Offering in a timely manner.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

Justin Schroenn, President
Telephone: 778-870-1497

Item 9. Date of Report

June 22, 2022