

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

**ITEM 1. NAME AND ADDRESS OF COMPANY**

Beach Wizardry & Magic Inc. (the "**Company**")  
204 - 1075 Pendergast St.  
Victoria, British Columbia, V8V 0A1

**ITEM 2. DATE OF MATERIAL CHANGE**

January 8, 2026.

**ITEM 3. NEWS RELEASE**

The news release was disseminated on January 8, 2026 through AccessWire and subsequently filed on SEDAR+.

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

The Company announced that it has appointed Charles Huang to the board of directors and has closed the final tranche of its non-brokered private placement.

**ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE**

The Company announced that Charles Huang, a seasoned entrepreneur and innovator, has joined the board of directors. Charles is known for co-founding the company behind the global phenomenon Guitar Hero®, one of the best-selling video game franchises of all time. Charles brings extensive expertise in product strategy, brand building, and scaling breakthrough consumer experiences to his new role on the Company's board of directors.

The Company also announced that it has closed the final tranche (the "Final Tranche") of its non-brokered private placement (the "Offering") previously announced on November 21, 2025. Under the Final Tranche, the Company issued 3,043,478 common shares of the Company (the "Shares") at a price of C\$0.115 per Share for gross proceeds of \$350,000. In total, the Company issued 6,086,956 common shares of the Company for total gross proceeds of \$700,000 in the Offering. The proceeds from the Offering will be used to (i) accelerate the Company's B2B and B2C sales initiatives, (ii) support strategic inventory purchases of current and new products, (iii) continue research and development of new products and (iv) for general working capital purposes.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States.

The private placement is subject to certain closing conditions including, but not limited to, the receipt of all necessary approvals including the final approval of the TSX Venture Exchange. The Company did not pay any finders' fees in connection with the private placement. The securities issued under the private placement will be subject to a hold period under applicable securities laws in Canada expiring four months and one day from the closing date of the private placement.

**ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS**

Not applicable.

**ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102**

Not applicable.

**ITEM 7. OMITTED INFORMATION**

Not applicable.

**ITEM 8. EXECUTIVE OFFICER**

Contact: Kevin Alexander, Chief Executive Officer  
Telephone: +1 (778) 561-1450

**ITEM 9. DATE OF REPORT**

January 19, 2025.