

GATORZ INC.
FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Gatorz Inc.
710 Dorval Drive
Suite 520
Oakville, Ontario
L6K 3V7

Item 2. Date of Material Change

July 30, 2010

Item 3. News Release

A press release was issued on August 3, 2010, through the facilities of Marketwire, a copy of which has been filed on SEDAR.

Item 4. Summary of Material Change

Gatorz Inc. and Simo Holdings, Inc. signed an amendment dated July 30, 2010 to the Agreement and Plan of Merger and Reorganization originally executed on April 26, 2010.

Item 5. 5.1 – Full Description of Material Change

Gatorz Inc. (“Gatorz”) and Simo Holdings, Inc. (“Simo Holdings”) signed an amendment dated July 30, 2010 to the Agreement and Plan of Merger and Reorganization originally executed on April 26, 2010 (the “Amended Merger Agreement”). Among the changes made in the amendment was the extension of certain outside dates and the replacement of voting preferred shares of Gatorz (“Preferred Shares”) in place of restricted common shares of Gatorz for a portion of the merger consideration to be received by Simo Holdings from Gatorz in exchange for Simo Holdings selling all of the shares of common stock it owns in No Fear Retail Stores, Inc. (“No Fear”), a subsidiary of Simo Holdings. Pursuant to the terms of the Amended Merger Agreement Gatorz has agreed to issue to Simo Holdings (in exchange for all shares of common stock of No Fear owned by Simo Holdings) 99,075,000 common shares of Gatorz and 52,441,932 Preferred Shares as opposed to the previously agreed to 99,075,001 common shares of Gatorz and 52,441,932 restricted common shares.

Simo Holdings currently beneficially owns 7,500,000 common shares of Gatorz, representing approximately 15.9% of the outstanding common shares of Gatorz. Immediately following the completion of the merger of No Fear and NF Acquisition Corporation and without taking into account the closing of the concurrent equity financing of Gatorz or the proposed consolidation of the outstanding common shares of Gatorz on the basis of one (1) “new” common share for every eight (8) outstanding common shares (the “Consolidation”), each of which is anticipated to occur immediately following the closing of the merger, Simo Holdings would beneficially own 106,575,000 common shares of Gatorz, which would constitute approximately 72% of the outstanding

common shares and 52,441,932 Preferred Shares, which would constitute 100% of the outstanding Preferred Shares.

The shares issuable pursuant to the Amended Merger Agreement will, if and when issued, be issued as consideration for the acquisition by Gatorz of No Fear. On June 29, 2010, Gatorz' shareholders approved an amendment to Gatorz' articles or incorporation to create the Preferred Shares, which are issuable in series, on such terms as may be determined by the board of directors of Gatorz for each such series. At the closing of the merger, the Preferred Shares will be issued to Simo Holdings in four separate series, all having identical terms except with respect to the time at which they may be converted for no additional consideration into common shares of the combined company following completion of the merger (the "Resulting Issuer"). In that regard: (i) the 17,762,500 Preferred Shares, Series I-A, will be freely convertible into 17,762,500 common shares of the Resulting Issuer ("Resulting Issuer Common Shares") when the Resulting Issuer has a total of 104 stores open, inclusive of any stores in existence on April 26, 2010; (ii) the 9,193,412 Preferred Shares, Series I-B, shall be freely convertible into 9,193,412 Resulting Issuer Common Shares when the Resulting Issuer has a total of 154 stores open, inclusive of any stores in existence on April 26, 2010; (iii) the 17,762,500 Preferred Shares, Series I-C, shall be freely convertible into 17,762,500 Resulting Issuer Common Shares when the Resulting Issuer Common Shares trade on the TSX Venture Exchange or other stock exchange at a price of C\$0.75 (on a pre-Consolidation basis) or more for 20 consecutive trading days; and (iv) the 7,723,520 Preferred Shares, Series I-D, shall be freely convertible into 7,723,520 Resulting Issuer Common Shares when the Resulting Issuer Common Shares trade on the TSX Venture Exchange or other stock exchange at a price of C\$1.00 (on a pre-Consolidation basis) or more for 20 consecutive trading days.

All Preferred Shares will (A) have full voting rights on a fully converted basis, carrying one vote per share, on all matters that the Resulting Issuer Common Shares have the right to vote upon and otherwise as required by any legal requirement, (B) be redeemable by the Resulting Issuer for the sole consideration of payment of any accrued but unpaid dividends, if any, on the date which is 10 years from the date of issuance or immediately prior to a sale of the Resulting Issuer, (C) be freely convertible at the request of the holder and without the payment of additional consideration on a one-for-one basis into Resulting Issuer Common Shares upon a liquidation, winding up, dissolution or similar event of the Resulting Issuer (but not a sale of the Resulting Issuer), (D) be entitled to receive any amounts on an equal per share basis paid to Resulting Issuer Common Shares upon a liquidation, winding up, dissolution, or similar event of the Resulting Issuer (but not a sale of the Resulting Issuer) on an as-converted basis, (E) participate equally on an as-converted basis in all dividends declared upon or paid to Resulting Issuer Common Shares, (F) be subject to customary anti-dilution adjustments for stock splits, stock dividends, dilutive share issuances, share consolidations, recapitalizations, and other events to be reasonably agreed upon between No Fear and Gatorz, and (G) be in form and substance reasonably agreeable to No Fear and Gatorz in all other respects.

At closing, Simo Holdings will enter into an agreement with Gatorz on terms mutually satisfactory to Simo Holdings and Gatorz, acting reasonably, pursuant to which Simo Holdings will covenant not to sell, transfer, or otherwise dispose of the Preferred Shares only to the extent required by the TSX Venture Exchange, subject to customary exclusions including transfers to affiliates.

The proposed Consolidation is expected to occur following completion of the merger and the proposed financing. Simo Holdings' ownership of securities disclosed herein would be correspondingly adjusted upon completion of the proposed financing and Consolidation.

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

Scott Samuel
Chairman
(905) 339-7999 ext. 225

Item 9. Date of Report

August 5, 2010