

**XIGEM TECHNOLOGIES CORPORATION  
FORM 51-102F3**

**MATERIAL CHANGE REPORT  
UNDER NATIONAL INSTRUMENT 51-102**

1. **Name and Address of Company**

Xigem Technologies Corporation (the “**Company**”)  
1800-372 Bay Street, Toronto, Ontario, M5H 2W9

2. **Date of Material Change**

April 1, 2025

3. **News Release**

A news release with respect to the material change referred to in this report was disseminated through Newsfile on April 1, 2025, and filed on the system for electronic document analysis and retrieval (SEDAR).

4. **Summary of Material Change**

On April 1, 2025, the Company announced that it had secured funding to support its EchoDigital business unit.

5. **Full Description of Material Change**

On April 1, 2024, the Company announced that on March 31, 2025, it entered into a tripartite loan agreement (the “**TLA Facility**”) to provide up to \$500,000 in capital to support its EchoDigital business unit through an arrangement that provides funding to a significant customer of the Company (as described below). The parties to the TLA Facility include: the Company, Carnance Inc. (“**Carnance**”) and Physiomed Health Inc. (the “**Lender**”). The Lender is an entity controlled by Dr. Scott Wilson, a Director of the Company. The sole purpose of of the TLA Facility is to provide Carnance with the further ability to purchase non-commercial passenger cars, light trucks and sport utility/activity vehicles (“**Vehicles**”) inventory for re-sale into the nearly USD18 Billion Canadian used car market, as estimated by Mordor Intelligence (the “**Purpose**”). Carnance is a customer of the Company which, pursuant to a [previously disclosed](#) exclusive ten year royalty and service based management agreement, has been and continues to be obligated to use the Company’s EchoDigital asset in all of its sales efforts.

EchoDigital is the Company’s proprietary Saas-based, AI employing platform which assists in seamlessly capturing and converting used car consumer leads from traditional sources. EchoDigital can then assess and qualify the leads in part to determine their aptitude, and subsequently match them with a used car dealer’s most suitable customer sales representative. EchoDigital has been solely responsible for the Company’s growth in its most recent three fiscal quarters.

In addition to the funds being made available to Carnance through the TLA Facility, Brian Kalish, the Company’s CEO and a Director arranged for and personally guaranteed a line of credit for Carnance from a financial institution (the “**Carnance Line of Credit**”) in

August 2024. The Carnance Line of Credit as with the TLA Facility was arranged with the goal of increasing the Vehicle inventory available to Carnance, as it exclusively employs the Company's EchoDigital asset in line with the Purpose described in this press release. Management expects that the combination of funds from the Carnance Line of Credit and the TLA facility may have a positive impact on Carnance's business and then as a result, on that of the Company. Xigem has no obligations with respect to the Carnance Line of Credit.

The provisions of the TLA include but are not limited to the following:

- The Lender agreeing to lend funds to the Company, which shall in turn lend such funds to Carnance for the Purpose described in this press release (and more fully described in the TLA Facility).
- The Lender receiving fees paid by the Company as follows: (i) \$50,000 satisfied through the issuance of common shares in the capital of the Company, priced at \$0.05 per common share and (ii) \$50,000 satisfied through the issuance of common share purchase warrants entitling the Lender to acquire additional common shares in the capital of the Company valued at an aggregate of \$50,000 at an exercise price of \$0.05 per common share, for a 24 month period (collectively, the "**Fee Based Shares**").
- A fee equal to 12.5% of the total value of the loan, paid in cash, in advance, by Carnance.
- The Lender receiving a senior ranking security over all of the assets of the Company.

All Fee Based Shares will be subject to a four-month and one-day hold period. No new control person of the Company will be created pursuant to the TLA transaction. All shares issued in connection with the TLA will be issued in accordance with the policies of the Canadian Securities Exchange (the "CSE").

Completion of the TLA is subject to customary closing conditions associated with a transaction of its type. It is currently anticipated that closing will take place on or before April 11, 2025. Brian Kalish may be eligible to receive an arrangement fee paid for exclusively by Carnance.

Issuance of the Fee Based Shares would constitute a "related party transaction" as defined in Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"). Carnance, an entity controlled by an insider of the Company, is anticipated to receive an aggregate of 1,000,000 common shares of the Company due to the issuance of the Fee Based 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(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the TLA by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

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

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

For further information, contact Brian Kalish, CEO of Xigem Technologies Corporation at (647) 250-9824 ext.4  
Email: [investors@xigemtechnologies.com](mailto:investors@xigemtechnologies.com)

9. **Date of Report**

April 3, 2025