

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

Item 1. Name and Address

AI/ML Innovations Inc. (the “Company”)
#203, 645 Fort Street
Victoria, BC
V8W 1G2

Item 2. Date of Material Change

November 1, 2024

Item 3. News Release

The news release describing the material change was disseminated on November 1, 2024, through Accesswire, and filed on SEDAR+.

Item 4. Summary of Material Change

The Company announced that it has completed its initial closing of its previously announced (October 21, 2024) non-brokered private placement by the issue of 19,688,461 Shares and Warrants for gross proceeds of \$1,289,750.

Finders fees of \$44,070 and 504,000 broker warrants having the same terms as the subscriber warrants were issued. Securities issued at this closing shall have a statutory trading restrictions of 4 months and a day.

Item 5. Full Description of Material Change

5.1 *Full Description of Material Change*

The Company announced that it has completed its initial closing of its previously announced (October 21, 2024) non-brokered private placement by the issue of 19,688,461 Shares and Warrants for gross proceeds of \$1,289,750.

Finders fees of \$44,070 and 504,000 broker warrants having the same terms as the subscriber warrants were issued. Securities issued at this closing shall have a statutory trading restrictions of 4 months and a day.

Each Unit is comprised of one Common Share and one Warrant which will be exercisable into one (1) Common Share of the Company (each a "Warrant Share"). Each Warrant will have a term of two (2) years and will entitle the holder to purchase one (1) Warrant Share at a price of \$0.15 per share following the closing date, subject to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at \$0.25 for a 10 day period.

The Company intends to use net proceeds of the Private Placement for working capital requirements.

Pursuant to MI 61-101, the Company is required to include the following in this Material Change Report:

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

Pursuant to the Financing, 2,288,461 Units were subscribed for by two officers of the Company or its subsidiaries, representing 11.2% of the Units issued on this closing. In addition, an insider by virtue of being deemed to control over 10% of the issued and outstanding shares of the Company subscribed for an additional 7,000,000 Units, representing 35.5% of the Units on this closing.

(b) The purpose and business reasons for the transaction

The net proceeds of the Financing will be used for working capital requirements.

(c) The anticipated effect of the transaction on the Company's business and affairs

The proposed issuance of the units will provide the Company with necessary funding and working capital.

(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, and (ii) the anticipated effect of the transaction on the percentage of securities of the Company, or of an affiliated entity of the Company, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage

John Paul Duffy held 4,583,333 shares and 1,500,000 options prior to this placement and acquired 1,538,461 units under his Company, Moonshot Inc., for \$99,999.97. This purchase resulted in Mr. Duffy owning 6,121,794 common shares, being 4.16% of the issued capital of 138,042,525 on a non-diluted basis. Further, this purchase provided him with 1,538,461 warrants, representing 5.15% of the issued capital on a partially-diluted basis.

Randy Duguay held 1,908,304 shares, 2,236,539 warrants and 500,000 options prior to this placement and acquired 750,000 units for \$48,750. This purchase resulted in Mr. Duguay owning 2,658,304 common shares, being 1.81% of the issued capital of 138,042,525 on a non-diluted basis. Further, this purchase provided him with an additional 750,000 warrants, representing 2.30% of the issued capital on a partially-diluted basis.

ThreeD Capital Inc., an insider holding over 10% of the issued and outstanding shares of the Company, held 9,288,200 shares and 12,500,000 warrants prior to this placement and acquired 7,000,000 units for \$455,000. This purchase resulted in ThreeD Capital Inc. owning 16,288,200 common shares, being 11.06% of the issued capital of 138,042,525 on a non-diluted basis. Further, this purchase provided him with an additional 7,000,000 warrants, representing 15.09% of the issued capital on a partially-diluted basis.

(e) A discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the Company for the transaction, including a discussion of any materially contrary views or abstention by a director and any material disagreement between the board and the special committee

The Financing was approved by the board of directors of the Company. The Financing was approved without the establishment of a special committee. No materially contrary views were expressed.

(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 Company that relates 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 this Material Change Report, and (ii) the existence of which is known, after reasonable inquiry, to the Company or to any director or senior officer of the Company

Not applicable.

(h) The general nature and material terms of any agreement entered into by the Company, or a related party of the Company, with an interested party or a joint actor with an interested party, in connection with the transaction

Not applicable.

(i) Disclosure of the formal valuation and minority approval exemptions, if any, on which the Company is relying under sections 5.5 and 5.7 of MI 61-101, respectively, and the facts supporting reliance on the exemptions

The Company has determined that each of the transactions are exempt from the formal valuation requirement of MI 61-101 because the Units were distributed to John Paul Duffy, Randy Duguay and ThreeD Capital Inc. for cash and neither the Company nor, to the knowledge of the Company after reasonable inquiry, the related parties had knowledge of any undisclosed material information concerning the Company or its securities, as specified in section 5.5(c) of MI 61-101. Furthermore, the Company is relying on the exemption from the minority approval requirement of MI 61-101 contained in section 5.7(1)(b) of MI 61-101 on the basis that the conditions in that exemption are satisfied, including that neither the fair market value of the Units distributed in the Financing nor the consideration to be received for those Units, insofar as the Financing involves interested parties, exceeds \$2,500,000.

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

No information has been omitted in respect of this material change.

Item 8. Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Tim Daniels, Interim Chief Financial Officer
Telephone: 778 405-0882

Item 9.

Date of Report

November 4, 2024