

**Report Pursuant to National Instrument 62-103 and
Section 5.2 of Multilateral Instrument 62-104 1**

This report is made pursuant to the provisions of the securities legislation referred to above in connection with the acquisition (“Acquisition”) of subordinate voting shares (“SV Shares”) and proportionate voting units (“PV Units”) of XS Financial Inc. (the “Company”), 1901 Avenue of the Stars, Suite 120, Los Angeles, California, 90067. Each PV Unit consists of one proportionate voting share of the Company (a “PV Share”) and one share purchase warrant (a “PV Warrant”) exercisable to acquire one additional PV Share at an exercise price of \$450.00 for a period of two years.

1. Name and Address of Acquirer

Archytas Ventures, LLC (the “Acquiror”), 1901 Avenue of the Stars, Suite 120, Los Angeles, California, 90067. The transaction described in item 1 above took place through a series of transactions ending on March 5, 2021, and did not involve any joint actor of the Acquirer.

2. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class or securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances.

Through a series of transactions ending on March 5, 2021, the Acquirer acquired ownership and control of 5,251 PV Units (the “Subject Units”); and (ii) 1,432,545 SV Shares (the “Subject Shares”) of the Company. The Subject Shares represented approximately 2.0% of all issued and outstanding SV Shares of the Company and the PV Shares comprising the Subject Units represented approximately 18.5% of all issued and outstanding PV Shares of the Company as of March 5, 2021, resulting in a corresponding change to the percentage ownership by the Acquirer.

3. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release.

Immediately before the Acquisition described above, the Acquirer held an aggregate of 1,278,619 SV Shares, 10,761.311 PV Shares and convertible securities entitling the Acquirer to acquire an additional 693,728 SV Shares, representing approximately 4.0% of the issued and outstanding SV Shares and 46.6% of the issued and outstanding PV Shares (or approximately 22.7% of the issued and outstanding SV Shares assuming conversion and exercise of such PV Shares and convertible securities only). Immediately following the Acquisition described above, the Acquiror held an aggregate of 2,711,164 SV Shares, 16,012.311 PV Shares and convertible securities entitling the Acquiror to acquire an additional 693,728 SV Shares and 5,251 PV Shares, representing approximately 3.7% of the issued and outstanding SV Shares and 56.5% of the outstanding PV Shares of the Company (or approximately 22.9% of the outstanding SV Shares assuming conversion and exercise of such PV Shares and convertible securities only).

4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph (c) over which (i) the offeror, either alone or together with any joint actors, has ownership and control:

See item 3 above.

(ii) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:

Nil

(iii) the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:

Nil

5. The name of the market in which the transaction or occurrence that gave rise to the news release took place:

The Subject Units and Subject Shares were acquired directly from treasury and not through the facilities of any stock exchange.

6. The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release:

The Subject Units were acquired for consideration of at a price of \$300.00 per Subject Unit, or aggregate proceeds of \$1,575,300. The Subject Shares were acquired in satisfaction of outstanding indebtedness in the aggregate amount of \$429,763.56, at a deemed price of \$0.30 per Subject Share.

7. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.

The holdings of securities of the Company by the Acquiror are managed for investment purposes. The Acquiror may from time to time acquire additional securities of the Company, dispose of some or all of the existing or additional securities it holds or will hold, or may continue to hold its current positions.

8. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities.

The Subject Units were acquired pursuant to a subscription agreement containing standard terms and conditions.

9. The names of any joint actors in connection with the disclosure required by this Form.

Not applicable.

10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror.

See item 6 above.

11. If applicable, a description of any change in any material fact set out in a previous report by the offeror under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities.

Not Applicable.

12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.

Regulation D of United States Securities Act of 1933.

DATED this 5th day of March, 2021

Archytas Ventures, LLC

“David Kivitz”

Authorized Signatory