

**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**”)
2704-401 Bay Street, Box 4, Toronto, Ontario, M5H 2Y4

2. **Date of Material Change**

February 24, 2023

3. **News Release**

A news release with respect to the material change referred to in this report was disseminated through Newsfile on February 27, 2023, and filed on the system for electronic document analysis and retrieval (SEDAR).

4. **Summary of Material Change**

On February 27, 2023, the Company announced that it had signed a definitive agreement to acquire the software-as-a-service (“SaaS”) AI powered automotive shopping platform EAFdigital Inc., doing business as EchoDigital.

5. **Full Description of Material Change**

On February 27, 2023, the Company announced that it had signed an Asset Purchase Agreement dated February 24, 2023 (the “**APA**”) with EAF Group of Companies (“**EAF GROUP**” or the “**Vendor**”) to purchase substantially all of the assets of EAFdigital Inc. (“**EchoDigital**”), an artificial intelligence (“AI”) driven, SaaS fueled automobile shopping and delivery platform EchoDigital is being acquired for aggregate consideration of \$892,450 (the “**Transaction**”). The APA is the definitive agreement governing the Company’s previously announced acquisition of EchoDigital.

EchoDigital, a SaaS employing its proprietary AI, establishes and uses psychological aptitude to qualify a lead and seamlessly match it with the most suitable customer service/sales representative (“CSR”) to complete the sale. EchoDigital is easily scalable, customizable and applicable to almost any CSR-dependent sales system.

Pursuant to the terms of the APA, the Company will purchase assets of EchoDigital for consideration of 8,924,495 common shares of the Company (the “**Shares**”). Based on the closing price of the Company’s common shares on February 24, 2023, the Shares are valued at \$892,450.

The Shares issuable under the Transaction will be subject to the customary four (4) month resale restriction under applicable securities laws as well contractual restrictions

on trading, such that 50% may not be traded until five months after the closing of the Transaction, and the remaining 50% may not be traded until 10 months after the closing. The Shares will be issued upon closing of the Transaction, which is expected to occur on or about March 6, 2023, subject to customary closing conditions including the receipt of any required regulatory and exchange approvals.

In addition to the Shares issued to the Vendor, a finder's fee equal to equal to 892,450 common shares of the Company, representing approximately 10% of the value of the Transaction (the "**Finder's Fee**") will be payable to an arm's-length party and subject the customary four (4) month resale restriction under applicable securities laws. The Finder's Fee will be satisfied upon closing through the issuance of additional common shares of the Company.

Upon closing of the Transaction, EchoDigital will be operated as a wholly owned subsidiary of the Company. Pursuant to a royalty and service-based management agreement to be executed on closing by the parties, EAF GROUP will provide management services relating to EchoDigital, while EchoDigital will continue to support the sales efforts of the EAF GROUP, for at least 10 years.

The parties to the Transaction will prior to closing also enter into a voting support and lock-up agreement pursuant to which the recipients of the Shares will agree to vote any Shares that they then hold in favour of Xigem's board of directors and management for a period encompassing each of the Company's next two annual meetings of shareholders, subject to certain limitations.

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

9. **Date of Report**

March 6, 2023