

X T M I N C .

XTM INC.

Suite 437, 67 Mowat Street
Toronto, Ontario, M6K 1E3

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 12, 2022**

AND

MANAGEMENT INFORMATION CIRCULAR

SEPTEMBER 9, 2022

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this document, you should immediately contact your advisor.

Neither the Canadian Securities Exchange nor any securities regulatory authority has, in any way, passed upon the merits of the transactions described in this management information circular.

XTM Inc.

Suite 437, 67 Mowat Street
Toronto, Ontario, M6K 1E3

NOTICE OF ANNUAL MEETING

NOTICE IS HEREBY GIVEN that the annual meeting (the “**Meeting**”) of the shareholders of XTM Inc. (the “**Company**”) will be held at the offices of Gowling WLG (Canada) LLP (1600 – 1 First Canadian Place, 100 King Street West, Toronto, Ontario, M5CX 1G5, Canada), on October 12, 2022, beginning at 1:00 pm (Toronto time) for the following purposes:

1. to place before the Meeting the audited financial statements of the Company for the fiscal year ended December 31, 2021, and the accompanying report of the auditors thereon;
2. to set the number of directors of the Company at four and to elect Marilyn Schaffer, Olga Balanovskaya, Randy Khalaf and Keith McKenzie as directors of the Company to hold office until the next annual meeting of the Company, or until their earlier resignation or such time as their successors are duly elected or appointed in accordance with the Company’s constating documents;
3. to appoint MNP LLP as the auditors of the Company for the fiscal year ending December 31, 2022 and remuneration to be fixed by the board of directors of the Company (the “**Board**”);
4. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The management information circular (the “**Information Circular**”) accompanying this notice of Meeting (the “**Notice of Meeting**”) provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting. The Board has fixed September 9, 2022 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the Information Circular.

Your vote is very important to us. Registered shareholders are entitled to vote at the Meeting in person or in advance of the Meeting by dating, signing and returning the enclosed form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the form of proxy must be deposited with the Company’s registrar and transfer agent, Odyssey Trust Company: (i) by mail, using the enclosed return envelope or one addressed to Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department; (ii) by hand delivery to Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8; or (iii) through the internet by using the control number located at the bottom of your form of proxy at <https://login.odysseytrust.com/pxlogin>, on or before 1:00 p.m. (Toronto time) on Friday, October 7, 2022 or not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof. Late proxies may be accepted or rejected by the chairman of the Meeting in their discretion, and the chairman is under no obligation to accept or reject any particular late proxies.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, or a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (each, an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

The Meeting is taking place at the offices of the Company’s lawyers, Gowling WLG (Canada) LLP at their Toronto offices at First Canadian Place, 16th Floor, 100 King Street West, Toronto.

To mitigate risks related to the ongoing global COVID-19 (coronavirus) public health emergency, the Company is requesting that all shareholders who wish to attend the in-person meeting register in advance with the Company by sending an email to Andrew.Avis@GowlingWLG.com no later than October 5, 2022.

In addition, in order to ensure that all shareholders have access to the Meeting, the Company is broadcasting the Meeting live to all shareholders via Zoom. Shareholders who access the Meeting via Zoom will be able listen to the Meeting, but will not be able to ask questions and will not be able to vote via Zoom. Those shareholders attending via Zoom may vote their shares in advance by appointing a proxy, and in light of COVID-19, we strongly encourage shareholders to vote in advance of the Meeting with the instructions provided in the Information Circular, rather than appearing in person or appointing an alternate proxyholder to attend the Meeting in person.

Zoom Webcast:

<https://gowlingwlgca.zoom.us/j/82003652448?pwd=K01xbzBxbE9teG42a3lsY2tUZEVuQT09>

or

<https://bit.ly/3TKM90u>

Conference Call Participation Numbers:

+1 647 374 4685	Canada
1 855 703 8985	Canada Toll-free
+1 646 876 9923	United States
1 888 788 0099	United States Toll-free
+44 203 901 7895	United Kingdom
0 800 031 5717	United Kingdom Toll-free

Meeting ID: 820 0365 2448

Password: 901689

It is the attendees' responsibility to ensure connectivity during the Meeting and the Company encourages its shareholders to allow sufficient time to log in to the Meeting before it begins.

The Company reserves the right to take any additional precautionary measures it deems appropriate in relation to the Meeting in response to further developments in respect of COVID-19 or otherwise. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. The Company does not intend to prepare or mail an amended Notice of Meeting and/or Information Circular in the event of changes to the Meeting date or format.

DATED at Toronto, Ontario, this 9th day of September, 2022.

By Order of the Board of Directors of

XTM Inc.

"Marilyn Schaffer"

Marilyn Schaffer,
CEO, Director

PLEASE VOTE. YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED FORM OF PROXY AND PROMPTLY RETURN IT AS SET OUT IN THE INSTRUCTIONS IN THE INFORMATION CIRCULAR OR THE ATTACHED FORM OF PROXY.

X T M I N C .

XTM INC.

Suite 437, 67 Mowat Street
Toronto, Ontario, M6K 1E3

MANAGEMENT INFORMATION CIRCULAR September 9, 2022

INTRODUCTION

This management information circular (the “**Information Circular**”) accompanies the notice (the “**Notice**”) of the annual meeting of shareholders (the “**Meeting**”) of XTM Inc. (the “**Company**”), to be held beginning at 1:00 pm (Toronto time) on October 12, 2022 at the offices of Gowling WLG (Canada) LLP (1600 – 1 First Canadian Place, 100 King Street West, Toronto, Ontario, M5CX 1G5, Canada), and is furnished to shareholders holding common shares of the Company (each, a “**Share**”), in connection with the solicitation by the management of the Company of proxies to be voted at the Meeting, or at any adjournment or postponement thereof.

Date and Currency

This Information Circular is dated September 9, 2022 and, unless otherwise indicated, the information provided in this Information Circular is given as of such date. Unless otherwise stated, all amounts herein are in Canadian dollars.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by management of the Company will be conducted primarily by mail and may be supplemented by telephone or other personal contact to be made without special compensation to any of the directors, officers and employees of the Company. No solicitation is expected to be made by specifically engaged employees or soliciting agents. The costs of the solicitation of proxies by management for use at the Meeting will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized or is unlawful, or in which the person making such solicitation is not qualified to do so.

Appointment of Proxy

The board of directors of the Company (the “**Board**”) have fixed September 9, 2022 as the record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting (the “**Record Date**”). Only shareholders of record at the close of business on the Record Date are entitled to receive notice of and vote at the Meeting. A shareholder is entitled to one vote for each Share that such shareholder holds on the Record Date on the resolutions to be voted upon at the Meeting and any other matter to come before the Meeting. Registered shareholders may attend the Meeting in person or be represented by proxy. Non-registered holders of Shares should read the information under the heading “*Advice to Beneficial Shareholders*”.

The persons named as proxyholders in the enclosed form of proxy (the “**Designated Persons**”) are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY), OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY, TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.

A SHAREHOLDER MAY EXERCISE THIS RIGHT BY STRIKING OUT THE PRINTED NAMES OF THE DESIGNATED PERSONS AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY, AND PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE MUST BRING PERSONAL IDENTIFICATION TO THE MEETING.

Your vote is very important to us. Registered shareholders are entitled to vote at the Meeting in person or in advance of the Meeting by dating, signing and returning the enclosed form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the form of proxy must be deposited with the Company’s registrar and transfer agent, Odyssey Trust Company: (i) by mail, using the enclosed return envelope or one addressed to Odyssey Trust Company (the “**Transfer Agent**”), 702-67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department; (ii) by hand delivery to Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8; or (iii) through the internet by using the control number located at the bottom of your form of proxy at <https://login.odysseytrust.com/pxlogin>, on or before 1:00 p.m. (Toronto time) on Friday, October 7, 2022 or not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof. Late proxies may be accepted or rejected by the chairman of the Meeting in their discretion, and the chairman is under no obligation to accept or reject any particular late proxies.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder’s attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

Revocation of Proxies

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing (including another completed form of proxy): (a) executed by that shareholder or by that shareholder’s attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Voting of Shares and Proxies and Exercise of Discretion by Designated Persons

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Shares represented by the proxy will be voted for, against, or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the

Shares represented will be voted or withheld from the vote on that matter accordingly. **The Shares represented by a proxy will be voted for, against, or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.**

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY, INCLUDING FOR THE ELECTION OF THE NOMINEES IDENTIFIED HEREIN AS DIRECTORS OF THE COMPANY AND THE APPOINTMENT OF THE COMPANY'S AUDITOR.

The enclosed form of proxy confers discretionary authority upon the Designated Persons with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, whether or not any such amendment or variation is routine or contested. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Shares of a shareholder on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum but will not be counted as affirmative or negative on the matter to be voted upon.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to many holders of Shares, as a substantial number of shareholders of the Company do not hold Shares in their own name. Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders are “non-registered” shareholders because the Shares they own are not registered in their names but are instead registered in the name of a brokerage firm, bank or trust company. More particularly, a person is not a registered shareholder in respect of Shares which are held on behalf of that person (i.e., such person is a “beneficial shareholder”, referred to herein as a “**Non-Registered Holder**”). Shares beneficially owned by a Non-Registered Holder are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators or self-administered RRSP's, RRIF's, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

Intermediaries are required to forward the Notice, Information Circular and form of proxy for the Meeting (collectively, the “**Meeting Materials**”) to Non-Registered Holders, unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Transfer Agent as provided above; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of a one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions,

which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit a Non-Registered Holder to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Designated Persons and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (i.e., objecting beneficial owners, referred to herein as “**OBOs**”) and those who do not object to the issuers of the securities they own knowing who they are (i.e., non-objecting beneficial owners, referred to herein as “**NOBOs**”). Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators (“**NI 54-101**”), issuers can obtain a list of their NOBOs from Intermediaries for distribution of proxy-related materials directly to NOBOs. In accordance with the requirements set out in NI 54-101, the Company has distributed copies of the Meeting Materials to the clearing agencies and Intermediaries (or their agents) for onward distribution to all Non-Registered Holders.

These Meeting Materials are being sent to both registered shareholders and Non-Registered Holders pursuant to NI 54-101. If you are a Non-Registered Holder who is a NOBO, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Shares on your behalf. The Company's management does not intend to pay for Intermediaries to forward to OBOs the Meeting Materials, and OBOs will not receive the Meeting Materials unless the OBOs' Intermediary assumes the cost of such delivery.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Shares without par value. As of the Record Date, a total of 170,754,088 Shares were issued and outstanding. Each Share carries the right to one vote on each matter at the Meeting.

Only registered shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and senior officers of the Company, as at the Record Date, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Presentation of Financial Statements

At the Meeting, the Company's audited financial statements for the fiscal year ended December 31, 2021, and the accompanying report of the auditors thereon, will be laid before shareholders at the Meeting. No vote by shareholders is required with respect to this matter.

2. Number and Election of Directors

The shareholders are required to elect the directors of the Company to hold office until the next annual meeting of shareholders or until the successors of such directors are elected or appointed.

Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors for the ensuing year at four. To be approved, an ordinary resolution needs to be passed by at least a majority of the votes cast by the shareholders present at the Meeting, or represented by proxy, and entitled to vote at the Meeting.

Management recommends the approval of setting the number of directors of the Company at four. Unless otherwise indicated, the Designated Persons will vote the Shares represented by a form of proxy FOR the resolution fixing the number of directors at four.

Management Nominees

The following table sets out certain biographical and other information with respect to each of the directors of the Company who will be nominated by management of the Company for election to the Board (the “Nominees”):

Name, Place of Residence and Position(s) with the Company	Principal Occupation ⁽¹⁾	Director Since	Number of Shares Beneficially Owned ⁽¹⁾
Marilyn Schaffer ⁽²⁾ <i>Mississauga, ON, Canada</i> <i>CEO and Director</i>	CEO of XTM Inc.; CMO at Paymobile from 2014 -2015.	Dec, 2005	5,000,000 Shares
Keith McKenzie ⁽²⁾ <i>Ontario, Canada</i> <i>Proposed Director</i>	Co-Founder of Payfare Inc. (2018 to present). Prior to that Co-Founder of Prepaid Telecom & Payments Co. (1999 to 2015).	N/A	11,400,000 Shares
Olga Balanovskaya <i>Oakville, Ontario</i> <i>Proposed Director</i>	CFO of the Company from May 2019 to June 2021; CFO of Organic Potash Corporation from March 2016 to November 2019; CFO of Organic Garage Ltd. from October 2016 to June 2018; CFO of Adex Mining Inc. from October 2017 to June 2, 2021.	N/A	614,125 Shares ⁽³⁾
Randy Khalaf ⁽²⁾ <i>St. Louis, Missouri, USA</i> <i>Director</i>	EVP and Chief Financial Officer, Watlow Electric Manufacturing Co. (December 2021 to present). Prior to this, Chief Financial & Enterprise Systems Officer, EVP, and Treasurer of Novus International.	May, 2021	264,286 Shares

Notes:

- (1) Information has been furnished by the respective nominees individually.
- (2) Proposed member of the Audit Committee of the Board. For more information, please see the heading entitled “*Audit Committee Disclosure*”.
- (3) 114,125 Shares are held personally and 500,000 Shares are held by Koral Financial Inc.

Management does not contemplate that any of the Nominees will be unable to serve as directors. If any vacancies occur in the slate of Nominees listed above before the Meeting, then, subject to applicable law, the Designated Persons intend to exercise discretionary authority to vote the Shares represented by proxies for the election of any other persons as directors. Ms. Schaffer is standing for re-election as a director of the Company. Mr. McKenzie and Ms. Balanovskaya and Mr. Khalaf are nominated for inaugural election and further details about Mr. McKenzie and Ms. Balanovskaya are provided below.

Randy Khalaf

Based in St. Louis, Missouri, Mr. Khalaf’s current role is Chief Financial Officer and EVP of Watlow Electric Manufacturing. Watlow is a global leader in designing and manufacturing highly-engineered thermal technologies and solutions, including those related to the semiconductors, medical, general industries, aerospace and defense, energy and heavy vehicle. Mr. Khalaf is recognized for his business acumen and success in growing EBITDA, overseeing operations, and leading global finance across several companies including Novus International and UGN Incorporated.

Olga Balanovskaya

Ms. Balanovskaya is a CPA, CGA and ACCA and she has an extensive background with over 18 years in financial management of privately owned and public companies, M&A, tax, and financing. Ms. Balanovskaya has extensive experience with fast paced, fast growth companies; she has acted as the CFO of four public companies, Organic Potash Corporation (CNSX: OPC); Organic Garage Ltd. (TSXV: OG) and Adex Mining Inc. (TSXV: ADE) and is the former CFO of the Company. She is also a co-founder of Koral Financial Inc., which provides outsourced CFO and consulting services for public and privately owned companies. She is a member of the Chartered Professional Accountants of Ontario as well as the Association of Chartered Certified Accountants (UK) and has a Diploma in International Accounting Standards from the Institute of Financial Accountants (UK).

Keith McKenzie

Mr. McKenzie is the co-founder of Payfare Inc. and previously served as the Payfare Inc.'s Vice President, Business Development until its IPO on February 5, 2021. Before joining Payfare Inc., Mr. McKenzie co-founded Prepaid Telecom & Payments Co. ("**Prepaid**"). Prepaid's rapid growth to more than \$100 million in annual sales resulted in it being ranked four times as one of Canada's Fastest Growing Companies by The Profit 100, as well as one of North America's Fastest-Growing Tech Companies on the Deloitte 500 and one of Canada's top technology firms. Together with the other founders, Mr. McKenzie was instrumental in driving Prepaid's growth and in securing contracts with major corporations in Canada. They also led a partnership with Mastercard to launch North America's first prepaid EMV government disbursement solution for the Province of Ontario and City of Toronto, which received the prestigious award of Best Global Prepaid Card Program. Before that, Mr. McKenzie spearheaded multiple telecom ventures, including a residential long-distance provider, a competitive local exchange carrier and a wireless retail chain across the Midwest U.S. He also started the first residential phone service reseller and voice-over-IP long distance network in Canada.

Management recommends the election of each of the Nominees as a director of the Company. The Designated Persons intend to vote FOR the election of each of the Nominees, unless a shareholder has specified in their form of proxy that the Shares represented by such a form of proxy are to be withheld from voting in respect thereof.

Corporate Cease Trade Orders

To the best of management's knowledge, no proposed director of the Company has, within 10 years before the date of this Information Circular, been a director or officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied that person or company access to any exemption under securities legislation for a period of more than 30 consecutive days, or (ii) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

Bankruptcies

To the best of management's knowledge, no proposed director of the Company: (i) is or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties and Sanctions

To the best of management's knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

3. Appointment of Auditor

It is proposed that MNP LLP, be appointed as auditor of the Company for the financial year ending December 31, 2022.

At the Meeting, shareholders will be asked to vote for the appointment of MNP LLP, to serve as auditor of the Company for the Company's fiscal year ending December 31, 2022, at a remuneration to be fixed by the Board.

Management recommends shareholders vote FOR the appointment of MNP LLP as the Company's auditor for the Company's fiscal year ending December 31, 2022 at remuneration to be fixed by the Board. Unless the shareholder has specified in the enclosed form of proxy that the Shares represented by that proxy are to be withheld from voting in the appointment of auditors, the persons named in the enclosed form of proxy intend to vote FOR the foregoing resolution. To be effective, the resolution respecting the appointment of auditors must be approved by at least a majority of the votes cast at the Meeting.

STATEMENT OF EXECUTIVE COMPENSATION

General

Securities laws require that a "Statement of Executive Compensation" in accordance with Form 51-102F6V be included in this Information Circular. Form 51-102F6V prescribes the disclosure requirements in respect of the compensation of certain executive officers (NEOs, as defined below) and directors of reporting issuers. For the purposes of this Information Circular:

"NEO" or "named executive officer" means each of the following individuals:

- (a) each individual who served as chief executive officer ("CEO") of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year;
- (b) each individual who served as chief financial officer ("CFO") of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year;
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

For the purposes of this Statement of Executive Compensation, the following people were NEOs for the financial year ended December 31, 2021: Marilyn Schaffer, Paul Dowdall, Dan Tyler, and Olga Balanovskaya.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company and its subsidiaries, excluding compensation securities, to each NEO and director, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for service provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof, for the periods indicated:

Name and Position	Year ⁽¹⁾	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽²⁾ (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Marilyn Schaffer <i>CEO and Director</i>	2021	295,000	-	-	-	30,000	325,000
	2020	184,000	-	-	-	-	184,000
Paul Dowdall ⁽²⁾ <i>CFO</i>	2021	76,293	-	-	-	-	76,293
	2020	-	-	-	-	-	-
Dan Tyler ⁽³⁾ <i>Former CFO</i>	2021	69,173	-	-	-	-	69,173
	2020	-	-	-	-	-	-
Olga Balanovskaya ⁽⁴⁾ <i>Former CFO</i>	2021	64,250	-	-	-	-	64,250
	2020	60,000	-	-	-	-	60,000
Cameron Chell <i>Director</i>	2021	35,292	-	-	-	-	35,292
	2020	-	-	-	-	-	-
Randy Khalaf ⁽⁵⁾ <i>Director</i>	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
Paul Haber ⁽⁶⁾ <i>Former Director</i>	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-

Notes:

- (1) For the financial years of the Company ended December 31, 2021 and 2020.
- (2) Paul Dowdall was appointed CFO on September 13, 2021.
- (3) Dan Tyler acted as CFO from June 1, 2021 and ceased being CFO on August 31, 2021.
- (4) Olga Balanovskaya ceased being CFO on June 1, 2021.
- (5) Randy Khalaf was appointed a director on May 21, 2021.
- (6) Paul Haber resigned from the Board on May 21, 2021.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company, or any subsidiary thereof, in the year ended December 31, 2021 for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Marilyn Schaffer <i>CEO and Director</i>	Shares	2,000,000 1.2%	January 1, 2021	0.15	0.155	0.38	-
Paul Dowdall <i>CFO</i>	-	-	-	-	-	-	-
Dan Tyler <i>Former CFO</i>	-	-	-	-	-	-	-
Olga Balanovskaya <i>Former CFO</i>	-	-	-	-	-	-	-
Cameron Chell <i>Director</i>	Restricted Stock Units	350,000 0.2%	June 15, 2021	0.345	0.345	0.38	-
Randy Khalaf <i>Director</i>	Restricted Stock Units	150,000 0.1%	May 20, 2021	0.36	0.36	0.38	-
Paul Haber <i>Former Director</i>	-	-	-	-	-	-	-

Notes:

(1) Represents the percentage of the issued and outstanding Shares of the Company as at December 31, 2021, being 167,833,427 Shares.

Exercise of Compensation Securities by Directors and NEOs

The following table sets out all exercised or redeemed compensation securities by any director or NEO of the Company during the Company's most recently completed fiscal year ended December 31, 2021.

Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Marilyn Schaffer <i>CEO and Director</i>	Shares	2,000,000	0.15	January 17, 2021	0.155	0.005	310,000

Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Paul Dowdall <i>CFO</i>	-	-	-	-	-	-	-
Dan Tyler <i>Former CFO</i>	-	-	-	-	-	-	-
Olga Balanovskaya <i>Former CFO</i>	Options	500,000	0.17	December 2, 2021	0.375	0.205	102,500
Cameron Chell <i>Director</i>	Restricted Share Units	50,000	0.365	July 13, 2021	0.47	0.105	23,500
Randy Khalaf <i>Director</i>	Restricted Share Units	150,000	0.43	June 25 – September 28, 2021	0.51	0.08	76,594
Paul Haber <i>Former Director</i>	-	-	-	-	-	-	-

Overview of Compensation

The Board is responsible for setting the overall compensation strategy of the Company and for evaluating and approving the compensation of directors and executive officers based on recommendations of management. It is the objective of the Company’s executive compensation program to attract and retain highly qualified executives and to link incentive compensation to performance and shareholder value.

The Company’s executive compensation program currently consists of: (i) a base salary, (ii) discretionary cash bonuses, and (iii) options (“**Options**”) granted pursuant to the share compensation plan (the “**Share Compensation Plan**”) and restricted share units (“**RSUs**”) granted pursuant to the Restricted Share Unit Plan (the “**RSU Plan**”).

When determining compensation policies and individual compensation levels for the Company’s executive officers, a variety of factors are considered including: the overall financial and operating performance of the Company; each executive officer’s individual performance and contribution towards meeting corporate objectives; each executive officer’s level of responsibility and length of service; and industry comparables.

The Company’s compensation philosophy for its executive officers will follow three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with other companies in the industry in which it operates, which are of similar size and scope of operations, so as to attract and retain talented executives; and to align the interests of its executive officers with the long-term interests of the Company and its shareholders through stock related programs.

Share Compensation Plan

The Share Compensation Plan is a 20% “rolling” plan pursuant to which the aggregate maximum number of Shares available for issuance under the Share Compensation Plan, together with Shares reserved for issuance pursuant to other security based compensation arrangements of the Company, shall not exceed at any one time, 20% of the number of issued and outstanding Shares from time to time. The issuance of Options pursuant to the Share Compensation Plan must at all times be compliant with applicable securities laws and the policies of the Canadian Securities Exchange (the “**CSE**”) in all respects.

The Share Compensation Plan provides participants, who may include participants who are citizens or residents of the United States, with the opportunity, through Options, to acquire an ownership interest in the Company. The Options are rights to acquire Shares upon payment of monetary consideration (i.e., the exercise price), subject also to vesting criteria determined at the time of the grant. See “*Options – Vesting Provisions*” below.

Purpose of the Share Compensation Plan

The stated purpose of the Share Compensation Plan is to advance the interests of the Company and its subsidiaries, and its shareholders by: (a) ensuring that the interests of participants are aligned with the success of the Company and its subsidiaries; (b) encouraging stock ownership by such persons; and (c) providing compensation opportunities to attract, retain and motivate such persons.

The following people are eligible to participate in the Share Compensation Plan: any employee, executive or consultant (as such terms are defined in the Share Compensation Plan) of the Company or of any subsidiary of the Company.

Administration of the Share Compensation Plan

The Share Compensation Plan is administered by the Board. The Board determines the eligibility of persons to participate in the Share Compensation Plan, when Options will be awarded or granted, the number of Options to be awarded or granted, the vesting criteria for each grant of Options and all other terms and conditions of each grant, in each case in accordance with applicable securities laws and the requirements of the CSE.

Mechanics for Options

Options granted pursuant to the Share Compensation Plan will entitle the holder thereof to the issuance of such number of Shares as determined by the Board at the time of the grant upon achievement of the vesting criteria and payment of the applicable exercise price.

Vesting Provisions

The Share Compensation Plan provides that the Board may determine when any Option will become exercisable and may determine that Options shall be exercisable in instalments or pursuant to a vesting schedule. Option agreements pursuant to which any Options are granted will disclose any vesting conditions, as determined by the Board.

Termination, Retirement and Other Cessation of Employment in connection with Options

Upon the death of a participant or the termination of their service to the Company, a participant shall no longer be entitled to receive Options and all unvested options held by a participant shall expire. Any vested options shall expire on the earlier of the expiration date of the Option and (i) in the case of termination of employment by the Company or a subsidiary of the Company without cause, or the failure of a director of the Company standing for election to be re-elected, or the failure by the Company or a subsidiary to renew a contract for services at the end of its term, the date that is 90 days after the Termination Date (as such term is defined in the Share Compensation Plan), (ii) in the case of the death of the participant, the date that is one year after the death, and (iii) in the case of the disability or retirement of the participant, the date that is one year after the Termination Date, and (iv) in all other cases, the Termination Date.

Other Terms

The Board will determine the exercise price and term/expiration date of each Option, provided that the Board must not grant Options with an exercise price lower than the greater of the closing market prices of the underlying securities on the trading day prior to the date of grant of the Options and the minimum price permissible pursuant to the policies of the CSE.

No Option shall be exercisable after ten years from the date the Option is granted. Under the Share Compensation Plan, should the term of an Option expire on a date that falls within a blackout period or within nine business days

following the expiration of a blackout period, such expiration date will be automatically extended to the tenth business day after the end of the blackout period.

Transferability

Options granted under the Share Compensation Plan or any rights of a participant cannot be transferred, assigned, charged, pledged or hypothecated, or otherwise alienated, whether by operation of law or otherwise.

Restricted Share Unit Plan

The RSU Plan provides that RSUs may be granted by the Board, or, if the Board so delegates, by the a compensation committee as may be set up by the Board, which administers the RSU Plan to eligible employees, directors, officers and consultants of the Company or an affiliate in a calendar year as a bonus for services rendered to the Company or an affiliate in the fiscal year ending in such year, as determined in the sole and absolute discretion of the Board. The number of RSUs awarded will be credited to the participant's account effective as of the grant date. The Board shall from time to time determine the participants to whom RSUs shall be granted and the provisions and restrictions with respect to such grant and the Board may take into consideration the present and potential contributions of and the services rendered by the particular participant to the success of the Company and any other factors which the Board deems appropriate and relevant.

Maximum Number of RSUs Issuable

The aggregate maximum number of Shares available for issuance under the RSU Plan, together with Shares reserved for issuance pursuant to other security based compensation arrangements of the Company, shall not exceed at any one time, 20% of the number of issued and outstanding Shares from time to time. The maximum number of RSUs available for grant to any one person, in a 12 month period, pursuant to the RSU Plan and any other security based compensation arrangements of the Company, is 5% of the total number of Shares then outstanding. The maximum number of RSUs available for grant to all investor relations persons within any 12 month period is 1% of the total number of Shares then outstanding.

Vesting

Each RSU granted to a participant for services rendered entitles the holder, subject to the terms of the RSU Plan, to receive: (i) one Share for each RSU; or (ii) a cash payment equal to the number of RSUs multiplied by the fair market value (as defined in the RSU Plan) of one Share on the vesting date; or (iii) a combination of (i) and (ii), as determined by the Board in its sole discretion, on the date when the RSU is fully vested (the "**Participant's Entitlement Date**").

The Board will have the absolute discretion to credit a participant with additional RSUs equal to the aggregate amount of any dividends that would have been paid to the participant if the RSUs had been Shares, divided by the market value of the Shares on the date on which dividends were paid by the Company.

Unless otherwise determined by the Board, in the event that any Participant's Entitlement Date expires during, or within 48 hours after a self-imposed blackout period on the trading of securities of the Company, such expiry will occur on the day immediately following the end of the blackout period, or such 48 hour period, as applicable, provided that under no circumstances shall the Participant's Entitlement Date be later than December 15th of the third calendar year following the calendar year in which the RSUs were granted.

Termination of Employment

If the employment or services of the participant that has been continuously employed by the Company or an affiliate since the date the RSUs were granted are terminated prior to the Participant's Entitlement Date, for any reason other than death, disability, termination without cause or resignation for good reason, then, except as provided for in the RSU grant letter or as determined by the Board in its sole discretion, all unvested RSUs will be forfeited by the participant, and be of no further force and effect, as of the date of termination. In the event of termination without cause or resignation for good reason, the participant's unvested RSUs will vest in full on the date of termination and

the Shares and/or cash underlying the RSUs credited to the participant's account shall be issued and/or paid to the participant as soon as practicable thereafter, subject to certain restrictions for participants that are United States taxpayers. In the event of death, all unvested RSUs credited to the participant will vest on the date of the participant's death and the Shares and/or cash underlying the RSUs credited to the participant's account shall be issued and/or paid to the participant's estate as soon as practicable thereafter, subject to certain restrictions for participants that are United States taxpayers. In the event of the total disability of a participant, all unvested RSUs credited to the participant will vest in full within 90 days following the date on which the participant is determined to be totally disabled, and the Shares and/or cash underlying such RSUs credited to the participant's account shall be issued and/or paid to the participant as soon as practicable thereafter, subject to certain restrictions for participants that are United States taxpayers. If, within 12 months of a Change of Control (as defined in the RSU Plan), the employment of a participant is terminated other than for just cause, all unvested RSUs outstanding shall immediately vest on the date of such termination, subject to certain restrictions for participants that are United States taxpayers.

Amendments to the RSU Plan

Pursuant to the terms of the RSU Plan, the Board may discontinue or amend the RSU Plan at any time, provided that, without the consent of a participant, such discontinuance or amendment may not in any manner adversely affect the participant's rights under any RSU granted under the RSU Plan. The Board, subject to receipt of requisite regulatory and shareholder approval, has broad powers to make changes to the RSU Plan.

Transferability

Except as otherwise may be expressly provided for under the RSU Plan or pursuant to a will or by the laws of descent and distribution, no RSU and no other right or interest of a participant is assignable or transferable, and any such assignment or transfer in violation of the RSU Plan shall be null and void.

Benefits

The Company offers certain benefits to its employees, including NEOs, as part of a group insurance plan.

Perquisites

Certain NEOs are eligible for car allowance and expense reimbursement for business expenses reasonably incurred while fulfilling their duties.

Employment, Consulting and Management Agreements

Other than as set out below, there were no agreements or arrangements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were: (a) performed by a director or named executive officer; or (b) performed by any other party but are services typically provided by a director or a named executive officer.

Marilyn Schaffer Employment Contract

Ms. Schaffer performs the services of CEO of the Company pursuant to an employment contract. Under the terms of the employment contract, Ms. Schaffer is entitled to earn as compensation:

- \$295,000 base salary, until such time as the Company achieves 60% of its revenues in United States Dollars, at which point her salary shall be payable in United States currency in the amount of US\$295,000; and
- Bonus in the amount of no less than 50% of her base salary in the form of cash or securities of the Company.

Upon a change of control of the Company, (i) Ms. Schaffer’s outstanding RSUs and Options shall immediately vest; (ii) Ms. Schaffer’s outstanding RSUs and Options shall automatically convert to Shares of the Company or shares of the resulting issuer from such change of control; or (iii) the Company shall pay the cash fair market value of Ms. Schaffer’s outstanding RSUs and Options. In addition, Ms. Schaffer shall be entitled to a payment equal to twice her base salary and minimum bonus amount in the event of a change of control of the Company or her termination without cause.

Paul Dowdall

Mr. Dowdall performs the services of CFO of the Company pursuant to an employment contract. Under the terms of the employment contract, Mr. Dowdall is entitled to earn as compensation \$250,000 as a base salary and such bonus amounts as the Board determines, in its sole discretion. Mr. Dowdall is entitled to receive up to 400,000 RSUs upon one year of service and the achievement of certain performance milestones. Mr. Dowdall is also entitled to receive up to 250,000 RSUs upon certain Company milestones being achieved (“**Dowdall Milestone RSUs**”).

Upon a change of control of the Company, (i) the Dowdall Milestone RSUs shall be granted and immediately vest; (ii) the Dowdall Milestone RSUs shall automatically convert to Shares of the Company or shares of the resulting issuer from such change of control; or (iii) the Company shall pay the cash fair market value of the Dowdall Milestone RSUs. In addition, Mr. Dowdall shall be entitled to a payment equal to twice his base salary and minimum bonus amount in the event of a change of control or his termination without cause.

Dan Tyler

Mr. Tyler performed the services of CFO of the Company pursuant to an employment contract from June 1, 2021 until August 31, 2021. Under the terms of the employment contract, Mr. Tyler was entitled to earn as compensation \$125,000 as a base salary and such bonus amounts as the Board determined, in its sole discretion. Mr. Tyler was entitled to receive up to 150,000 RSUs which were to vest quarterly over 12 months (all were subsequently forfeited).

Olga Balanovskaya

Ms. Balanovskaya performed the services of CFO of the Company pursuant to a services agreement entered into with Koral Financial Inc. (“**Koral**”) from May 19, 2019 to June 1, 2021. Under the services agreement, Koral charged a fee of \$5,000 plus HST per month and was entitled to participate in the Company’s security based compensation arrangements under which Koral received 500,000 options in May 2020 with an exercise price of \$0.17.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details regarding the number of Shares authorized for issuance from treasury under the Company’s Share Compensation Plan as at December 31, 2021.

Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
RSU Plan	0	n/a	n/a
Share Compensation Plan	3,375,000	\$0.18	30,191,685
Total	3,375,000	\$0.18	30,191,685

For information regarding the material terms of the Company’s Share Compensation Plan, please see the heading entitled “*Statement of Executive Compensation – Overview of Compensation*”.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of the audit committee of the Board (the “**Audit Committee**”) and its relationship with its independent auditor.

The Audit Committee Charter

The full text of the Company’s Audit Committee Charter is attached to this Information Circular at Schedule “A”.

Composition of the Audit Committee

The proposed composition of the Company’s Audit Committee is Marilyn Schaffer, Randy Khalaf, and Keith McKenzie. Neither Keith McKenzie nor Randy Khalaf are executive officers, employees or control persons of the Company or of an affiliate of the Company. Marilyn Schaffer is the CEO of the Company. Each of the Audit Committee members are considered “financially literate”, as such terms are defined in NI 52-110. Each Audit Committee member has the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The mandate of the Audit Committee is to provide assistance to the Board in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to the Company’s financial statements and the financial reporting process, the systems of internal accounting and financial controls, the internal audit function, the annual independent audit of the Company’s financial statements, and the legal compliance and ethics programs as established by management and the Board.

Relevant Education and Experience

Randy Khalaf

See biography under the heading “Number and Election of Directors - Management Nominees”.

Marilyn Schaffer

Ms. Schaffer is a serial entrepreneur. Ms. Schaffer founded NEO Communications, which was acquired by Omnicom (NYSE: OMC). Ms. Schaffer subsequently founded the Company where her team worked with a number of mid-size and large brands including Bell Canada, Bell Mobility, Rogers, Tangerine, Canada Post and AT&T. As part of her role founding and managing a variety of businesses, Ms. Schaffer has worked directly with external accounting firms to prepare annual reports and filings.

Keith McKenzie

See biography under the heading “Number and Election of Directors - Management Nominees”.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110, which exempts all non-audit services provided by the Company’s auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor’s annual fees charged to the Company;
- (b) the exemption in subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*) of NI 52-110;
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110; or
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, other than it should consider non-audit services performed by the auditor in the context of auditor independence.

External Auditor Service Fees

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company’s external auditor in the last two fiscal years, by category, are as follows:

Year Ended December 31	Audit Fees	Audit Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees ⁽²⁾
2021	\$95,300	\$0	\$3,885	\$13,392
2020	\$69,550	\$0	\$3,745	\$34,359

Notes:

- (1) “**Audit Related Fees**” refers to fees billed for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under the “Audit Fees” column of the above table.
- (2) “**Tax Fees**” refers to fees billed for products and services provided by the Company’s external auditor, other than the services reported under the “Audit Fees” or “Audit Related Fees” columns of the above table.
- (3) “**All Other Fees**” refers to fees billed for products and services provided by the Company’s external auditor other than the services reported under the other columns of the above table.

Exemption

The Company is relying on the exemption provided by Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110 by virtue of the fact that not all the member of the Audit Committee are independent and the Company has not filed an annual information form, respectively.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out the aggregate indebtedness of all directors, executive officers or employees of the Company or its subsidiaries or former directors, executive officers or employees of the Company or its subsidiaries, as at September 9, 2022, entered into in connection with a purchase of securities or otherwise.

Purpose	Aggregate Indebtedness	
	To the Company or its Subsidiaries (\$)	To Another Entity (\$)
Share purchases	nil	nil
Other	990,266 ⁽¹⁾	nil

Notes:

- (1) See indebtedness of directors and executive officers table below and related notes thereto.

Other than as provided above, none of the directors, executive officers or employees of the Company or its subsidiaries or former directors, executive officers or employees of the Company or its subsidiaries have any indebtedness outstanding to the Company or any of its subsidiaries or indebtedness outstanding to another entity that is subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries as of the date hereof.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS (\$)					
Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During the Year Ended December 31, 2021	Amount Outstanding as at September 9, 2022⁽⁴⁾	Security for Indebtedness	Amount Forgiven During the Year Ended December 31, 2021
Marilyn Schaffer, CEO	Lender	nil	\$656,411 ⁽¹⁾	Principal amount and interest amount is secured against Marilyn Schaffer's Shares of the Company	nil
2427090 Ontario Ltd.	Lender	\$105,944.72	\$105,945 ⁽¹⁾	None	nil
2550214 Ontario Inc.	Lender	\$227,909.54	\$227,910 ⁽³⁾	None	nil

Notes:

- (1) Marilyn Schaffer is indebted to the Company in the principal amount of \$656,411 pursuant to a promissory note dated June 30, 2022, which matures on September 30, 2022. The principal amount of the note is \$650,000. Interest accumulates on the promissory note at the rate of 6% per annum and the entire amount of the promissory note is secured against Ms. Schaffer's shares in the Company.
- (2) 2427090 Ontario Ltd., a company of which Marilyn Schaffer is the sole shareholder, is indebted to the Company in the amount of \$105,944.72
- (3) 2550214 Ontario Inc., a company of which Marilyn Schaffer is the sole shareholder, is indebted to the Company in the amount of \$227,910 pursuant to a non-interest bearing loan advanced to Marilyn Schaffer by the Company.
- (4) The Company owes Marilyn Schaffer \$59,408 for deferred compensation and \$163,532.54 pursuant to certain advances and charges paid on behalf of the Company by Marilyn Schaffer.

Other than as provided above, no individual who is, or at any time during the Company's last fiscal year was, a director or executive officer of the Company, proposed management nominee for director of the Company or associate of any such director, executive officer or proposed nominee is as at the date hereof, or at any time since the beginning of the Company's last fiscal year has been, indebted to the Company or any of its subsidiaries or to another entity where the indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, including indebtedness for security purchase or any other programs.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as otherwise disclosed in this Information Circular, to the knowledge of management of the Company, no (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both, carrying more

than ten percent of the voting rights attached to the Shares outstanding (an “**Insider**”); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with respect to an interest arising from the ownership of Shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Shares.

MANAGEMENT CONTRACTS

Other than as disclosed in this Information Circular, there were no management functions of the Company that were, to any substantial degree, performed by a person other than the directors or executive officers of the Company for the period ended December 31, 2021.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Company. National Instrument 58-201 - *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

In accordance with NI 58-101, the Company’s corporate governance practices are summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

Board of Directors

The proposed composition of the Company’s four person Board is Marilyn Schaffer, Olga Balanovskaya, Randy Khalaf and Keith McKenzie. The Board facilitates its exercise of independent supervision over management by ensuring sufficient representation by directors independent of management.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NI 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. The independent directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary. Olga Balanovskaya, as the former CFO of the Company, is not considered to be “independent” within the meaning of NI 58-101. Marilyn Schaffer, as the CEO of the Company, is not considered “independent” within the meaning of NI 58-101. Keith McKenzie and Randy Khalaf are considered “independent” within the meaning of NI 58-101.

The independent directors will meet separately from the non-independent directors, as determined necessary from time to time, in order to facilitate open and candid discussion among the independent directors. Given the Company’s relatively small size and nature, the Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company, and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management.

Board Mandate

The Board does not presently have a written mandate describing how the Board delineates its role and responsibilities. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors have regular and full access to management. Further supervision is performed through the

Audit Committee which is composed of a majority of independent directors who meet with the Company's auditors without management being in attendance.

Position Descriptions

Chairperson of the Board

Marilyn Schaffer is the Chairperson, and in such role, she is principally responsible for overseeing the operations and affairs of the Board, as well as reviewing notices of meetings, overseeing meeting agendas, conducting and chairing meetings in accordance with good practices, and reviewing minutes of meetings.

Lead Independent Director

Randy Khalaf is the proposed lead independent director of the Board and ensures that the Board discharges its responsibilities, that the Board evaluates performance of management objectively and that the Board understands the boundaries between the responsibilities of the Board and of management.

CEO

The duties and responsibilities for the Company's CEO are commensurate with the position of CEO of a fintech company comparable in size to the Company and include overseeing all operations of the Company, and developing and devising the means to implement general strategies for the direction and growth of the Company as instructed by the Board.

Meetings of Independent Directors

The Board will hold regularly-scheduled quarterly meetings as well as ad hoc meetings from time to time. In the course of meetings of the Board or of committees of the Board, the independent directors hold meetings, or portions of such meetings, at which neither non-independent directors nor officers of the Company are in attendance.

If a director or officer holds an interest in a transaction or agreement under consideration at a Board meeting or a Board committee meeting, that director or officer shall not be present at the time the Board or the Board committee deliberates such transaction or agreement and shall abstain from voting on the matter, subject to certain limited exceptions provided for under applicable law.

Directorships

The following table sets out the directors of the Company that are directors of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Market or Exchange Traded On	Position	From	To
Keith McKenzie	Payfare Inc.	TSX	Director	March 2018	Present

Orientation and Continuing Education

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are encouraged to review the Company's public disclosure records and are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company will take steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company's legal counsel continually reviews the latest securities rules and policies and is on the mailing list of the CSE to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors and management.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources management has made numerous contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

Compensation

The Board periodically reviews the Company's general compensation structure, policies and programs in consideration of industry standards and the Company's financial situation.

Committees of the Board

The Board has established an Audit Committee. For further details, see "Audit Committee Disclosure".

Assessments

Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director is informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

To the knowledge of management of the Company, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, nor any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors, the appointment of the auditor and the confirmation of the Share Compensation Plan.

ADDITIONAL INFORMATION

Shareholders may contact the Company at its office by mail at Suite 437, 67 Mowat Street, Toronto, Ontario, M6K 1E3 to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "MD&A"). Financial information is provided in the Company's audited financial statements and MD&A for the year ended December 31, 2021, which are available, together with additional information relating to the Company, under the Company's profile on SEDAR at www.sedar.com.

OTHER MATTERS

Other than the above, management of the Company know of no other matters to come before the Meeting other than those referred to in the Notice. If any other matters that are not currently known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the Designated Persons to vote on such matters in accordance with their best judgment.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular, and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory authorities, has been authorized by the Board.

Dated at Toronto, Ontario this 9th day of September, 2022.

ON BEHALF OF THE BOARD OF DIRECTORS OF

XTM INC.

“Marilyn Schaffer”

Marilyn Schaffer,
CEO, Director

SCHEDULE “A”

XTM INC.

AUDIT COMMITTEE CHARTER

Organization

This charter governs the operations of the audit committee. The committee shall review and reassess the charter at least annually and obtain the approval of the board of directors. The committee shall be appointed by the board of directors and shall comprise at least three directors, each of whom are unrelated directors. Members of the committee shall be considered unrelated if they are independent of management and are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. All committee members shall be financially literate, or shall become financially literate within a reasonable period of time after appointment to the committee, and at least one member shall have accounting or related financial management expertise. “Financial literacy” means the ability to read and understand a balance sheet, an income statement and a cash flow statement. “Accounting or related financial expertise” is the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles.

Statement of Policy

The audit committee shall provide assistance to the board of directors in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to the Company’s financial statements and the financial reporting process, the systems of internal accounting and financial controls, the internal audit function, the annual independent audit of the Company’s financial statements, and the legal compliance and ethics programs as established by management and the board. In so doing, it is the responsibility of the committee to maintain free and open communication between the committee, independent auditors, the internal auditors, and management of the Company. In discharging its oversight role, the committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the power to retain outside counsel, or other experts for this purpose.

Responsibilities and Processes

The primary responsibility of the audit committee is to oversee the Company’s financial reporting process on behalf of the board and report the results of their activities to the board. While the audit committee has the responsibilities and powers set forth in this Charter, it is not the duty of the audit committee to plan or conduct audits or to determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Management is responsible for preparing the Company’s financial statements, and the independent auditors are responsible for auditing those financial statements. It is not the duty of the audit committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor, or to assure compliance with laws and regulations and the Company’s Code of Conduct, if any.

The committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The committee should take appropriate actions to set the overall corporate “tone” for quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal recurring processes of the audit committee in carrying out its oversight responsibilities. The processes are set forth as a guide with the understanding that the committee may supplement them as appropriate.

The committee shall have a clear understanding with management and the independent auditors that the independent auditors are ultimately accountable to the board and the audit committee, as representatives of the Company’s shareholders. The committee shall have the ultimate authority and responsibility to evaluate and, where appropriate,

recommend the replacement of the independent auditors. The committee shall discuss with the auditors their independence from management and the Company and shall consider the compatibility of non-audit services with the auditors' independence. Annually, the committee shall review and recommend to the board the selection of the Company's independent auditors, subject to shareholders' approval.

The committee shall discuss with the internal auditors and the independent auditors the overall scope and plans for their respective audits, including the adequacy of staffing and compensation. Also, the committee shall discuss with management, the internal auditors, and the independent auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's system to monitor and manage business risk, and legal and ethical compliance programs, including the Company's Code of Conduct. Further, the committee shall meet separately with the internal auditors and the independent auditors, with and without management present, to discuss the results of their examinations and will provide sufficient opportunity for the internal auditors and the independent auditors to meet privately with the members of the committee.

The committee shall review the interim financial statements with management and the independent auditors prior to the filing of the Company's interim financial reports. Also, the committee shall discuss the results of the quarterly review and any other matters required to be communicated to the committee by the independent auditors under generally accepted auditing standards. The chair of the committee may represent the entire committee for the purposes of this review.

The committee shall review with management and the independent auditors the financial statements to be included in the Company's Annual Report including their judgment about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements. Also, the committee shall discuss the results of the annual audit and any other matters required to be communicated to the committee by the independent auditors under generally accepted auditing standards.

