

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

**Item 1 – Name and Address of Corporation**

XTM Inc. (the “**Corporation**”)  
Suite 437 – 67 Mowat Street  
Toronto, ON M6K 1E3

**Item 2 – Date of Material Change**

April 25, 2023

**Item 3 – News Release**

A news release disclosing the material change was issued by the Corporation on April 25, 2023 and subsequently filed on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4 – Summary of Material Change**

In a press release dated April 25, 2023, the Corporation announced that it did not anticipate being in a position to file its audited annual financial statements, management’s discussion and analysis and related certifications (collectively, the “**Issuer Statements**”) for the financial year ended December 31, 2022 on or before May 1, 2023, as required, due to a recent change of auditor for the Corporation and audit requirements resulting from increased transaction volume experienced by the Corporation.

**Item 5 – Full Description of Material Change**

*5.1 – Full Description of Material Change*

In a press release dated April 25, 2023, the Corporation announced that it did not anticipate being in a position to file the Issuer Statements for the financial year ended December 31, 2022 on or before May 1, 2023, as required, due to a recent change of auditor for the Corporation and audit requirements resulting from increased transaction volume experienced by the Corporation.

Accordingly, the Corporation requested the issuance of a management cease trade order (“**MCTO**”) under the provisions of National Policy 12-203 – *Management Cease Trade Orders* (“**NP 12-203**”) to permit the continued trading in the Corporation’s common shares by persons other than insiders and employees of the Corporation.

The MCTO was granted by the Ontario Securities Commission on May 2, 2023, as previously disclosed in a press release of the Corporation dated May 4, 2023. The Corporation’s finance and accounting teams are working diligently with its auditors, and the Corporation expects to have the audit of the Issuer Statements completed, and the Issuer Statements filed, no later than May 19, 2023.

Pursuant to the provisions of NP 12-203 the Corporation intends to issue bi weekly default status reports for so long as the Corporation remains in default of the financial statement filing requirement, containing any material changes to the information in this release, all actions taken by the Corporation to remedy the default, particulars of any failure by the Corporation to fulfill these provisions, any subsequent defaults of the Corporation requiring a default announcement and any other material information concerning the affairs of the Corporation not previously disclosed. The Corporation is not subject to any

insolvency proceedings nor is there in other material information concerning the affairs of the Corporation that has not been generally disclosed.

*5.2 – Disclosure for Restructuring Transactions*

Not applicable.

**Item 6 – Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 – Omitted Information**

No significant facts remain confidential in, and no information has been omitted from, this report.

**Item 8 – Executive Officer**

Marilyn Schaffer  
Chief Executive Officer  
(416) 260-1641

**Item 9 – Date of Report**

May 5, 2023.