



July 7, 2023

Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission  
Canadian Securities Exchange

**RSM Canada LLP**  
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Dear Sirs/Mesdames:

**Re: XTM, Inc. (the “Corporation”)  
Notice of Change of Auditor**

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We acknowledge receipt of a Notice of Change of Auditor (the “**Notice**”) dated June 30, 2023 delivered to us by the Corporation in respect of the change of auditor of the Corporation as it relates to RSM Canada LLP.

Pursuant to National Instrument 51-102 of the Canadian Securities Administrators, please accept this letter as confirmation that we have reviewed the Notice and, based on our knowledge as at the time of receipt of the Notice, we respond below in numbered paragraphs corresponding to the Notice.

1. We agree that on June 30, 2023, the Corporation asked the firm to submit its resignation to the Corporation and notified the firm of its intention to appoint MNP LLP as successor auditor. The firm disagrees that it submitted its “resignation effective June [14], 2023.”
2. We agree with the statements set forth in this paragraph.
3. We have no basis to agree or disagree with the statements set forth in this paragraph.
4. We agree with the statements set forth in this paragraph.
5. We disagree with the statements set forth in this paragraph. The firm believes there are four reportable events as defined in NI 51-102, set forth below. We have no basis to agree or disagree with the implied statement that there were no consultations with the successor auditor.
  - a. The firm believes there is an unresolved issue relating to revenue from the issuance of prepaid debit cards. The firm notified management of the Corporation in June 2023 of our view that card issuance revenue should be recognized over time, rather than at a point in time. The firm believes the revenue recognition practices for accounting for prepaid debit cards could have had a material impact on the financial statements under audit and previously issued financial statements during the relevant period of NI 51-102. The firm was unable to reach a conclusion as to this matter’s implications before June 30, 2023.

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- b. The firm believes there is an unresolved issue relating to the necessity for going concern disclosure in the financial statements under audit. The firm notified management of the Corporation in February 2023 that a going concern disclosure may be required and requested information as to the Corporation's ability to continue as a going concern. The firm believes the disclosure could have had a material impact on the financial statements under audit and the firm audit report. The firm was unable to reach a conclusion as to this matter's implications before June 30, 2023.
- c. The firm believes there is an unresolved issue relating to accounting for customer deposit liabilities and restricted cash. The firm notified management of the Corporation in April 2023 that the Corporation would need to quantify any errors from accounting for such customer deposit liabilities and restricted cash for the year under audit and prior periods. The firm believes previous and current practices for accounting for customer deposit liabilities and restricted cash could have a material impact on the financial statements under audit and previously issued financial statements during the relevant period of NI 51-102. The firm was unable to reach a conclusion as to this matter's implications before June 30, 2023.
- d. The firm believes there is an unresolved issue regarding financial statement presentation of cash flows and cash balances from restricted accounts. The firm notified management of the Corporation in May 2023 of our view that restricted cash from customer deposits should be included as a component of cash and cash equivalents and disaggregated from operating cash in the statements of cash flows and the statements of financial position. The firm believes the presentation could have a material impact on the financial statements under audit and previously issued financial statements during the relevant period of NI 51-102. The firm was unable to reach a conclusion on this matter's implications before June 30, 2023.

Should you require clarification or further information, please do not hesitate to contact the writer.

Yours truly,

*RSM Canada LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario

c.c. Marilyn Schaffer, Chief Executive Officer  
Paul Dowdall, Chief Financial Officer  
Randy Khalaf, Audit Committee Chair