

OTCQB Certification

I, Marilyn Schaffer, CEO & Director of XTM Inc. (“the Company”), certify that:

1. The Company is registered or required to file periodic reporting with the SEC or is exempt from SEC registration as indicated below:

REGISTERED or REPORTING WITH THE SEC:

- Company is registered under Section 12(g) of the Exchange Act
 Company is reporting under Section 15(d) of the Exchange Act.
 Company is a bank that reports to a Bank Regulator under Section 12(i) of the Exchange Act
 Company is reporting under Regulation A (Tier 2)
 Other (describe) _____

EXEMPT FROM SEC REGISTRATION/NO SEC REPORTING OBLIGATIONS:

- Company is exempt from registration under Exchange Act Rule 12g3-2(b)
 Company is a bank that is non-SEC reporting but is current in its reporting to a Banking Regulator
 Company is reporting under the Alternative Reporting Company Disclosure Guidelines and is otherwise exempt from registration and not required to file periodic reporting with the SEC

2. The Company is current in its reporting obligations as of the most recent fiscal year end and any subsequent quarters, and such information has been posted either on the SEC’s EDGAR system or the OTC Disclosure & News Service, as applicable. ie. Not Applicable. The Company is exempt from registration under Exchange Act Rule 12g3-2(b). At the date of filing the Company was under a Management Cease Trade Order (“CTO”) from the Company’s lead regulator the Ontario Securities Commission (“OSC”) as the Company was late in filing its Audited Annual Financial Statements for fiscal 2023, and the accompanying Management Discussion and Analysis for fiscal 2023. The CTO prevents the Directors and Senior Officers and certain insiders of the Company in trading shares in the Company until the CTO is removed. The Company is working with its auditor to complete the 2023 Audited Financial Statements and once the 2023 Audit is filed onto SEDAR (Canada’s EDGAR equivalent) the Company will be compliant and “up to date” in its reporting obligations and the CTO will be revoked / removed. To view the Company’s online SEDAR filings, please visit the following link listed below and type “XTM Inc.” in the search field.

<https://www.sedarplus.ca/>

3. The company is duly organized, validly existing and in good standing under the laws of Ontario, Canada in which the Company is organized or does business.
4. The share information below is for the primary OTCQB traded security as of the latest practicable date:

US Trading Symbol:		XTMIF	As of (date):
Shares Authorized	(A)	<u>Unlimited</u>	<u>July 12, 2024</u>
Total Shares Outstanding	(B)	<u>210,591,317</u>	<u>July 12, 2024</u>
Number of Restricted Shares ¹	(C)	<u>16,829,085</u>	<u>July 12, 2024</u>
Unrestricted Shares Held by Officers, Directors, 10% Control Persons & Affiliates	(D)	<u>14,120,000</u>	<u>July 12, 2024</u>
Public Float: <i>Subtract Lines C and D from Line B</i>	(E)	<u>179,642,232</u>	<u>July 12, 2024</u>

¹ Restricted Shares means securities that are subject to resale restrictions for any reason. Your transfer agent should be able to provide the total number of restricted securities.

% Public Float: <i>Line E Divided by Line B (as a %)</i> ²	(F)	85.3%	July 12, 2024
Number of Beneficial Shareholders of at least 100 shares ³	(G)	575	July 12, 2024

5. Convertible Debt:

The following is a complete list of all promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities that were issued or outstanding at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this OTCQB Certification. **(If the note is no longer outstanding as of the current date, but was outstanding during the previously described period, the note must still be disclosed in the table below.):**

Check this box to confirm there were no promissory notes, convertible notes, or other convertible debt arrangements issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ⁴	Name of Noteholder (entities must have individual with voting / investment control disclosed), ⁵	Reason for Issuance (e.g., Loan, Services, etc.)
Feb 23, 2025	\$11,028,468	\$11,028,468	Feb 23, 2025	The principal amount of each Convertible Debenture will be convertible into Common Shares at a conversion price of US\$0.185 per Common Share at the option of the holder of a Convertible Debenture at any time prior to the close of business on the Maturity Date.	0/NIL	59,613,340	Not Applicable	Non-Brokered Private Placement of Convertible Debentures
Total Outstanding Balance:		\$11,028,468	Total Shares:		0 / Nil	59,613,340		

² Public Float means the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "10 percent Control Person"), or any Affiliates thereof, or any Family Members of officers, directors, and control persons. Family Member shall mean a Person's spouse, parents, children, and siblings, whether by blood, marriage or adoption, or anyone residing in such Person's home. OTCQB traded securities are required to have a freely traded public float of at least 10% of the shares outstanding unless an exemption applies.

³ Beneficial Shareholder means any person who, directly or indirectly has or shares voting power of such security or investment power, which includes the power to dispose, or to direct the disposition of, such security. OTCQB traded securities are required to have at least 50 beneficial shareholders unless an exemption applies.

⁴ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

⁵ International Reporting Companies may elect not to disclose the names of noteholders who are non-affiliates of the company. "Affiliate" is a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, an officer, a director, or a shareholder beneficially owning 10 percent or more of the Company's outstanding shares.

Use the space below to provide any additional details, including footnotes to the table above:

Further to XTM Inc.'s news releases of Dec. 13, 2023, and Feb. 6, 2024, the company announced that it had completed its previously announced non-brokered private placement offering of secured convertible debentures for aggregate gross proceeds of \$11,028,468 (U.S.), oversubscribed from the original maximum offering size from \$5-million (U.S.). The secured convertible debentures will bear interest at the rate of 12.0 per cent per annum from the date of issuance, calculated and payable quarterly beginning on Sept. 30, 2024. The debentures shall be convertible at the option of the holder thereof into units of the company at a price of 11 U.S. cents per unit. Each unit shall entitle the holder thereof to receive one common share of the company, and one warrant to purchase a common share upon payment of 11 U.S. cents to the company for a period of 24 months from the date of issuance, provided, however, that if the daily volume-weighted average trading price of the common shares on the Canadian Securities Exchange is greater than 50 cents for any five consecutive trading days (the acceleration trigger), the company may, within three trading days of the acceleration trigger, accelerate the expiry date of the warrants to a date that is at least 30 days following the date of such written notice. The debentures mature on the date (the maturity date) that is 24 months from the date of issuance. The debentures will be a secured obligation of the company ranking junior in right of payment to all existing secured credit agreements and financing arrangements of the company, and senior in right of payment to all current and future unsecured obligations of the company. In connection with the offering, XTM paid a further cash finder's fee in the amount of \$400,000 (U.S.) to a finder. The closing of the offering is subject to certain conditions, including, but not limited to, the satisfaction of customary closing conditions and the receipt of regulatory approvals, including the approval of the exchange. The company intends to use the proceeds of the offering for general corporate and working capital purposes, including to satisfy working capital requirements of its U.S. subsidiary, Q-Rails, as well as to as well as to extinguish an obligation of \$1,058,342 (U.S.) concurrently with the closing. The offering closed in three tranches on Jan. 25, 2024, Feb. 16, 2024, and Feb. 23, 2024. The company increased the maximum size of the offering from \$5-million (U.S.) to \$12-million (U.S.) to accommodate closing on gross proceeds of \$11-million (U.S.).

6. Disclosure and Administrative Service Providers:

Annual Report Preparation:

List any law firm(s) and attorney(s) (including internal counsel) that acted as the Company's primary legal counsel in preparing its most recent annual report. (If no attorney assisted in putting together the disclosure, identify the person(s) who prepared the disclosure and their relationship to the company.)

MNP LLP
Accounting, Business Consulting and Tax Services
1 Adelaide St.E., Suite 1900
Toronto
M5C 2V9

Ongoing Disclosure and Administrative Services:

List any other attorney or service provider, if different than the primary legal counsel listed above, that assisted the company during the prior fiscal year on any matter related to preparation of company disclosure documents, corporate actions and activities related to submission of a Form 211 or OTC Markets' Application. **Please include the following items in this list: firm name, firm address, primary contact name and description of services provided.** If none, please state "None."

Gowling WLG
1 First Canadian Place,
100 King St. West, Suite 1600
Toronto, ON
M5X1G5
Sharagim Habibi: Partner, Security Law

7. Investor Relations Providers:

The following is a complete list of third-party providers engaged by the Company, its officers, directors or controlling shareholders, at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this OTCQB Certification, to provide investor relations services, public relations services, marketing, brand awareness, stock promotion, or any other related services to the Company. **Please include the following items in this list: firm name, firm address, primary contact name and description of services provided.** If none, please state "None."

OakHill Financial
161 Bay Street, Suite 2640
Toronto, ON
M5J 2S1
646,468,5803
Anil Singh
Investor Relations

8. Officers, Directors and 5% Control Persons:

The following is a complete list of Officers, Directors and 5% Control Persons (control persons are beneficial owners of five percent (5%) or more of any class of the issuer's equity securities). Preferred shares, options, warrants that can be converted into common shares within the next 60 days should be included in the shareholdings listed below.

For beneficial shareholders that are corporate entities: Provide the name and address of the person(s) owning or controlling such corporate entities. If the corporate entity owning 5% or more does not have a person(s) owning or controlling it, provide a note explaining why. If the corporate entity is a publicly traded company, provide the company's trading symbol and market.

For nominee accounts owning 5% or more: Provide the name of the 5% beneficial shareholder for this account. If there are no beneficial shareholders of 5% or more behind a nominee account, the nominee account does not need to be included in the table below.

For issuers exempt from registration under Exchange Act Rule 12g3-2(b): Complete the table below with the information described above for Officers, Directors and 10% Control Persons.

Name (First, Last)	Position/company affiliation (ex: CEO, 5% control person)	City and State (And Country if outside US)	Number of Shares Owned (List common, preferred, warrants and options separately)	Class of shares owned	Percentage of Class of Shares Owned (undiluted)
Marilyn Schaffer	Officer and Director	Mississauga, Ontario, Canada	9,000,000	Common	4.3%
Keith McKenzie	Director	Toronto, Ontario, Canada	3,000,000	Common	1.4%
Olga Balanovskaya	Director	Oakville, Ontario, Canada	1,500,000	Common	0.7%
Chad Arthur	Officer	Toronto, Ontario, Canada	620,000 shares, 600,000 options	Common	0.3%

Use the space below to provide any additional details, including conversion terms of any class of the issuer's equity securities:

9. Certification:

Date: July 12, 2024

Name of Certifying CEO or CFO: Marilyn Schaffer

Title: CEO & Director

Signature: /s/ Marilyn Schaffer
 (Digital Signatures should appear as "/s/ [OFFICER NAME]")