

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Edge Total Intelligence Inc. (the "**Company**")
1501 Lee Highway #301
Arlington, VA 22209

Item 2 Date of Material Change

September 25, 2024.

Item 3 News Release

A news release was issued on September 25, 2024, disseminated through Newsfile.

Item 4 Summary of Material Change

On September 25, 2024, the Company announced that, further to its news release dated August 2, 2024, the transaction pursuant to the merger agreement dated August 2, 2024 (the "**Merger Agreement**"), between the Company, Block X Capital Corp. ("**BlockX**") and 1494029 B.C. Ltd. ("**AcquisitionCo**"), a wholly owned subsidiary of the Company, has completed.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

As stated in Item 4 above, on September 25, 2024, the Company announced that, further to its news release dated August 2, 2024, the transaction pursuant to the Merger Agreement between the Company, BlockX and AcquisitionCo, a wholly owned subsidiary of the Company, has completed.

Pursuant to the Merger Agreement, the Company acquired all of the issued and outstanding shares in the capital of BlockX (the "**Transaction**"), being 4,250,000 common shares, in exchange for an equivalent number of subordinate voting shares of the Company (each, a "**SVS**") by way of a three-cornered amalgamation under the *Business Corporations Act* (British Columbia) (the "**Amalgamation**"), being 4,250,000 SVSs. The Company now holds all of the issued and outstanding shares in the capital of the corporation that resulted from the Amalgamation, being EdgeAI Technologies Inc. Each SVS issued as part of the Amalgamation to Victory Square Technologies Inc. ("**VST**"), the sole shareholder of BlockX, was issued at a deemed price per share of \$0.40 for aggregate consideration of \$1,700,000. The Company and VST share a common Chief Financial Officer, being Ms. Sheri Rempel; however, the consideration paid was determined through arm's length negotiation between the Company and BlockX. Ms. Rempel was not involved in any negotiations between the Company and Block X in relation to the consideration paid. The Company determined that \$1,700,000 is a fair offer for BlockX based on the comparative development costs if undertaken by the Company independently, which would potentially cost the Company more than \$3,000,000 when performed over a three-year period. The calculated price is reduced based on increased maturity risk as a result of little sustaining engineering since its acquisition by VST and no offsetting revenues.

The Transaction is not a related party transaction as defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*, as such, is not subject to TSX Venture Exchange Policy 5.9 - *Protection of Minority Security Holders in Special Transactions*.

A fee of \$85,000 was also paid in connection with the Transaction to a finder of the Company, being Perihelion Holdings Ltd. (the "**Finder**"), which was paid through the issuance of 197,674 SVSs at the deemed issuance price of the Market Price (as defined in the policies of the TSX Venture Exchange ("**TSXV**")) of the SVSs as of this date, being \$0.43. The Finder is arm's length to each of the Company, BlockX and VST.

No new control person and no change of control resulted from the Transaction. The Company has not assumed any long-term debt pursuant to the Transaction. No new directors or officers were added to the Company's management team in connection with the Transaction. The Transaction remains subject to the final approval of the TSX Venture Exchange.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Nick Brigman, Corporate Secretary of the Company, is knowledgeable about the material changes contained herein and may be reached at 888-771-3343.

Item 9 Date of Report

October 2, 2024