UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 18, 2024

XTI AEROSPACE, INC.
(Exact name of registrant as specified in its charter)

Nevada	**001-36404**	**88-0434915**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

8123 InterPort Blvd., Suite C Englewood, CO	**80112**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(800) 680-7412**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

□ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

□ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

□ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol(s)**	**Name of Each Exchange on Which Registered**
Common Stock	XTIA	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company □

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. □

Item 1.01 Entry into a Material Definitive Agreement.

Amendment to Business Combination Agreement

As previously disclosed in a Current Report on Form 8-K filed by XTI Aerospace, Inc. (the "Company") with the Securities and Exchange Commission (the "SEC") on October 23, 2023 (the "October 2023 8-K"), the Company entered into a Business Combination Agreement, dated as of October 23, 2023 (the "Combination Agreement"), with Damon Motors Inc., a British Columbia corporation ("Damon"), Grafiti Holding Inc., a British Columbia corporation ("Spinco"), and 1444842 B.C. Ltd., a British Columbia corporation ("Amalco Sub"), pursuant to which it is proposed that Amalco Sub and Damon amalgamate under the laws of British Columbia, Canada, with the amalgamated company continuing as a wholly-owned subsidiary of Spinco (the "Business Combination"), subject to the terms and conditions of the Combination Agreement.

On June 18, 2024, the Company, Damon, Spinco and Amalco Sub entered into an Amendment to the Business Combination Agreement (the "BCA Amendment"), which amends the Combination Agreement to, among other things, (i) grant Spinco certain consent rights under the Combination Agreement previously held by the Company, (ii) extend the date on which the Combination Agreement may be terminated from March 31, 2024 to September 30, 2024, (iii) require Damon to, immediately prior to the closing of the Business Combination (the "Closing Date"), issue to the Company such number of Damon common shares that will, upon exchange of Damon common shares for Spinco Common Shares pursuant to the Combination Agreement, have a value of $250,000 based on the initial listing price of Spinco Common Shares on Nasdaq (the "XTI Consent Fee Shares"), (iv) require Spinco to include the XTI Consent Fee Shares in its first resale registration statement filed under the Securities Act of 1933, as amended (the "Securities Act"), after the Closing Date and (v) exclude certain items, including the XTI Consent Fee Shares, from the definitions of Spinco Fully Diluted Shares and Company Fully Diluted Shares in the Combination Agreement.

The foregoing description of the BCA Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Combination Agreement, which was filed as Exhibit 2.2 to the Company's Current Report on Form 8-K filed with the SEC on October 23, 2023, and the BCA Amendment, which is filed as Exhibit 2.1 to this Current Report on Form 8-K, and are incorporated by reference herein.

Amendment to Bridge Note, Bridge Note Warrant and SPA

As previously disclosed, on October 26, 2023, the Company purchased from Damon in a private placement (the "Damon Private Placement") (i) a convertible note in an aggregate principal amount of $3.0 million (the "Bridge Note") and (ii) a five-year warrant to purchase 1,096,321 shares of Damon common stock (the "Bridge Note Warrant") for a purchase price of $3.0 million, pursuant to a securities purchase agreement (the "SPA"). The full principal balance and interest on the Bridge Note will automatically convert into common shares of Damon upon the public listing of Damon or a successor issuer thereof on a national securities exchange (a "Public Company Event") based on a formula set forth in the Bridge Note. If the Business Combination is consummated, the Bridge Note will be converted into Spinco Common Shares and the Bridge Note Warrant will become exercisable for Spinco Common Shares.

Forms of the SPA, the Bridge Note and the Bridge Note Warrant were filed as Exhibits 10.1, 10.2 and 10.3, respectively, to the October 2023 8-K. References in this Current Report on Form 8-K to the "Bridge Notes," the "Bridge Note Warrants" and the "SPAs" refer collectively to all of the convertible notes, warrants and securities purchase agreements issued or entered into by Damon, as applicable, in the Damon Private Placement.

June 18, 2024, the Company signed a letter agreement with Damon (the "Letter Agreement"), pursuant to which the Company agreed to certain amendments to the Bridge Notes, the Bridge Note Warrant and the SPAs (collectively, the "Damon Private Placement Amendment"), which amendments are deemed effective on the date that Damon received the consent of a majority of note and warrant holders. In accordance with the terms of the Bridge Notes, the Bridge Note Warrants and the SPAs, Damon entered into substantially similar letter agreements with other Damon securityholders representing more than 50% of the aggregate principal amount of all then-outstanding Bridge Notes (which is the minimum amount required to amend the Bridge Notes) and at least 50.01% in interest of the Bridge Notes at the time of the amendments (which is the minimum amount required to amend the Bridge Note Warrants and the SPAs).

Pursuant to the Letter Agreement and the other letter agreements Damon securityholders executed in connection with the Damon Private Placement Amendment, the Bridge Notes, the Bridge Note Warrants and the SPAs were amended to, among other things, (i) extend the maturity date of the Bridge Notes to September 30, 2024, (ii) amend the definition of Permitted Indebtedness in the Bridge Notes to (x) increase the amount of indebtedness Damon is permitted to incur on or after the initial closing of the Damon Private Placement for working capital and equipment financing, (y) include the incurrence of any debt or the issuance of any debt securities, whether secured or unsecured or in priority to the obligations of the Bridge Notes or not, by Damon or its subsidiaries to Spinco or Streeterville Capital, LLC and their respective affiliates, and any guarantee by Damon or its subsidiaries in respect of any such debt and any guarantee by Damon of any debt incurred by Spinco to Streeterville Capital, LLC and its affiliates (collectively, "Grafiti Indebtedness") and (z) include accounts receivable factoring of Scientific Research and Experimental Development tax incentive receivables of Damon, (iii) amend the exercise price of the Bridge Note Warrants to $2.7364 (as adjusted thereunder), (iv) remove provisions from the Bridge Note Warrants that had entitled the holders thereof to liquidated damages and increases in the number of their warrant shares if the warrant shares were not covered by an effective registration statement within 180 days following the consummation of the Public Company Event, (v) remove full ratchet price protection provisions from the Bridge Note Warrants and (vi) waive the "most favored nation" right provided in Section 4.10 of each SPA in respect of any and all Grafiti Indebtedness.

The foregoing description of the Letter Agreement and the Damon Private Placement Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Letter Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
2.1	Amendment to Business Combination Agreement, dated as of June 18, 2024, by and among XTI Aerospace, Inc., Grafiti Holding Inc., 1444842 B.C. Ltd. and Damon Motors Inc.
10.1	Letter Agreement, signed June 18, 2024, by and between Damon Motors Inc. and XTI Aerospace, Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

XTI AEROSPACE, INC.

Date: June 24, 2024

By: /s/ Scott Pomeroy
Name: Scott Pomeroy
Title: Chief Executive Officer

Exhibit 2.1

AMENDMENT TO BUSINESS COMBINATION AGREEMENT

THIS AMENDING AGREEMENT (this "**Agreement**") is made and entered into as of June 18, 2024 by and among:

A. XTI Aerospace, Inc., a Nevada corporation (the "**Parent**");

B. Grafiti Holding Inc., a British Columbia company ("**Spinco**");

C. 1444842 B.C. Ltd., a British Columbia company ("**Amalco Sub**"); and

D. Damon Motors Inc., a British Columbia company (the "**Company**").

The Parent, Spinco, Amalco Sub and the Company are sometimes referred to herein individually as a "Party" and, collectively, as the "Parties."

WHEREAS:

A. The Parties entered into a Business Combination Agreement (the "**Combination Agreement**") with an effective date of October 23, 2023.

B. The Parties wish to amend the Combination Agreement as set out herein.

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants hereafter contained, the parties hereto covenant and agree with each other that said Combination Agreement is hereby amended effective the day first written above, as follows:

1. **Defined Terms.** All capitalized terms used in this Agreement, but not defined herein, shall have the meanings ascribed thereto in the Combination Agreement.

2. **Section References**. All references in this Agreement to a Section or Article refer to such Section or Article of the Combination Agreement.

3. **Confirmation of other Provisions.** Except as specifically amended, altered, deleted, supplemented or otherwise revised pursuant to the provisions of this Agreement, all of the terms and conditions set out in the Combination Agreement will remain unaltered and in full force and effect as of and after the date of this Agreement.

4. Amendments.

a. In the introduction to Section 1.2: the phrase "reasonably acceptable to the Parent" is hereby replaced with "reasonably acceptable to Spinco"; and the phrase "in cooperation with the Parent" is hereby replaced with "in cooperation with Spinco".

b. Section 1.2(i) is hereby amended to read as follows:

"(i) for such other matters as Spinco may reasonably require, subject to obtaining the prior consent of the Company, acting reasonably."

c. Section 1.4 is hereby amended such that each instance therein of the term "the Parent" is hereby replaced with "Spinco".

d. Section 1.7 is hereby amended to read as follows:

"Prior to the Closing, the Parent will consummate the Spinout by contributing the Spinout Assets to Spinco and issuing Spinout Common Shares to the Parent Securityholders in accordance with the terms and conditions of the Separation and Distribution Agreement and the Grafiti Holding Inc. Liquidating Trust Agreement, dated as of December 7, 2023 (as each may be amended from time to time)."

e. Section 1.10(b) is hereby amended to read as follows:

"Spinco shall cause the Spinco Organizational Documents to be amended and restated on or prior to the Closing Date in form and substance mutually agreeable to Spinco and the Company not inconsistent with the other terms of this Agreement."

f. In Section 1.13(d)(vii) , the phrase "(the form and substance of which notices shall be subject to review and approval of the Parent)" is hereby deleted.

g. In Section 1.13(d)(ix), the phrase "(the form and substance of which notices shall be subject to review and approval of the Parent)" is hereby deleted.

h. Each instance of the term "the Parent" in the introductory sentence of Article V is hereby replaced with the words "the Parent and Spinco". Each instance of the term "the Parent" in Sections 5.1, 5.7, 5.12, 5.15, 5.19(b) is hereby replaced with the words "the Parent and Spinco". The term the "Parent" in Section 5.8 is hereby replaced with the term "Spinco".

i. In the first paragraph of Section 6.1, each instance of the words "the Parent and its Representatives" or "the Parent or its Representatives" is hereby replaced with the words "the Parent, Spinco and their respective Representatives" or "the Parent, Spinco or their respective Representatives," as applicable.

j. In the third sentence of Section 6.2, the phrase "without the prior written consent of the Parent" is hereby replaced with "without the prior written consent of Spinco".

k. In Section 6.7, each instance of the term "the Parent" is hereby replaced with the term "Spinco".

l. In Section 6.10(e), the parenthetical "(without the written consent of the Parent)" is hereby replaced with "(without the written consent of Spinco)".

m. In Section 6.11(d): the phrase "reasonably satisfactory to counsel to the Parent" is hereby replaced with "reasonably satisfactory to counsel to Spinco"; the phrase "reasonably requested by counsel to the Parent" is hereby replaced with "reasonably requested by counsel to Spinco"; and the phrase "as may be requested by counsel to the Parent" is hereby replaced with "as may be requested by counsel to Spinco".

n. In Section 6.13(a): the phrase "without the prior written consent of the Parent" is hereby replaced with "without the prior written consent of Spinco".

o. The Combination Agreement is hereby amended to add new Section 6.22, entitled "Multiple Voting Shares," as follows:

> "Subject to compliance with the rules, regulations and interpretive guidance of the Nasdaq Stock Market LLC, as applicable, the Parties shall take all actions necessary to (a) cause the Spinco Organizational Documents, as amended and restated in accordance with and subject to Section 1.10(b), to provide for the issuance of multiple voting shares and (b) cause the Amalgamation Consideration issuable to Jay Giraud, the Company's Chief Executive Officer, to include such number of multiple voting shares as necessary to endow Mr. Giraud with an aggregate of thirty percent (30%) of the total votes of Spinco immediately following the Closing. The multiple voting shares shall not provide any economic preference over the common shares of Spinco."

p. The Combination Agreement is hereby amended to add new Section 6.23, entitled "Payment by Company of Spinco and Parent Expenses," as follows:

"The Company shall be responsible for payment of all reasonable and documented Transaction Fees and Expenses of Spinco incurred from April 1, 2024 through the earlier of the Closing or the termination of this Agreement for any reason. Notwithstanding the foregoing and Section 9.3(b)(ii), neither Parent nor Spinco shall be required to disclose to the Company any information or documentation in respect of their respective Transaction Fees and Expenses that is subject to the attorney-client privilege."

q. In the introduction to Section 8.3, the parenthetical "(by the Parent and Spinco)" is hereby replaced with "(by Spinco)".

r. In Section 8.3(b), the phrase "has been waived in writing by the Parent" is hereby replaced with "has been waived in writing by Spinco".

s. Section 9.1(a) is hereby amended to read as follows:

"(a) by mutual written consent of Spinco and the Company;"

t. The introduction to Section 9.1(b) is hereby amended to read as follows:

"(b) by written notice by either Spinco or the Company to other Party if:"

u. The introduction to Section 9.1(c) is hereby amended to read as follows:

"(c) by written notice by the Company to the Parent and Spinco if:"

v. In Section 9.1(c)(ii), the phrase "is provided by the Company to the Parent." is hereby replaced with "is provided by the Company to the Parent and Spinco."

w. The introduction to Section 9.1(d) is hereby amended to read as follows:

"(d) by written notice by Spinco to the Company if:"

x. The proviso at the end of Section 9.1(d)(i) is hereby amended to read as follows:

"provided, Spinco shall not have the right to terminate this Agreement pursuant to this Section 9.1(d)(i) if at such time the Parent, Spinco or Amalco Sub is in material uncured breach of this Agreement;"

y. Section 9.1(d)(ii) is hereby amended to read as follows:

"(ii) if there has been a Company Material Adverse Effect following the date of this Agreement which is uncured for at least twenty (20) days after written notice of such Company Material Adverse Effect is provided by Spinco to the Company."

z. Section 9.3(b)(ii) is hereby amended to read as follows:

"(ii) if this Agreement is terminated by Spinco pursuant to Section 9.1(b)(i), Section 9.1(b)(iii) or Section 9.1(d), the Company shall (A) pay the Parent, by wire transfer of immediately available funds within thirty (30) days after such termination, all reasonable and documented Transaction Fees and Expenses of the Parent and Spinco incurred through March 31, 2024, subject to a maximum amount of $1,000,000, and (B) pay Spinco, by wire transfer of immediately available funds within thirty (30) days after such termination, all reasonable and documented Transaction Fees and Expenses of Spinco incurred from April 1, 2024 until and including the date of termination;"

aa. Section 9.3(d) is hereby amended such that the following sentence is added to the end of such section:

"Notwithstanding the foregoing, the Company shall not be deemed to be in breach of this Section 9.3(d) if the sum of the Company's bank account balance plus the amount of net proceeds received by Spinco pursuant to one or more debt or equity financing transactions of Spinco (after deduction of legal, accounting and audit expenses and commissions payable by Spinco) remaining in Spinco's bank account as of the Closing Date, equals or exceeds $3,000,000 as of immediately prior to the Effective Time."

bb. Section 10.1 is hereby amended such that the notice address for the Parent and Spinco, respectively, and the introduction thereto, are as follows:

"If to the Parent, Spinco or Amalco Sub, as applicable, to:

XTI Aerospace Inc. (formerly, Inpixon)
8123 InterPort Blvd.
Suite C
Englewood, CO 80112

Attention: [***]
Email: [***]

Grafiti Holding Inc. and Amalco Sub
405 Waverley Street
Palo Alto, CA 94301

Attention: [***]
Email: [***]"

cc. The definition of "Nasdaq" as set out in Article XI is hereby amended to read as follows: "**Nasdaq**" means any market tier of the Nasdaq Stock Market LLC."

dd. The definition of "Outside Date" as set out in Article XI is hereby amended such that "March 31, 2024" is replaced with "September 30, 2024".

ee. All instances of the phrase "mutually agreed upon by the Parties" or "mutually agreeable to the Parties" or "as the Parties may mutually agree" or similar phrases in the Combination Agreement are hereby amended such that the word "Parties" in such phrases is replaced with "Spinco and the Company".

5. **Issuance of Company Common Shares to the Parent**. As consideration for the agreement herein by the Parent to extend the Outside Date as provided above and allow for the creation by Spinco of a class of multiple voting shares as provided herein, and in consideration of the Parent relinquishing certain consent rights under the Combination Agreement as provided herein, immediately prior to the Closing, the Company shall issue to the Parent such number of Company Common Shares that will, upon exchange of Company Common Shares for Spinco Common Shares pursuant to Section 1.13(d)(i), have a value of $250,000 based on the initial listing price of Spinco Common Shares on Nasdaq (such Spinco Common Shares issued to Parent pursuant to the Combination Agreement, the "**XTI Consent Fee Shares**"). Spinco shall include the XTI Consent Fee Shares in its first resale registration statement filed under the Securities Act after the Closing Date registering the resale of shares by selling shareholders thereunder, and Parent shall provide Spinco with such information regarding Parent and its ownership of the XTI Consent Fee Shares as Spinco may reasonably request in connection with such registration statement.

6. **Fully Diluted Shares - Exclusions**. For the avoidance of doubt, (i) any commitment fee or similar fee payable by Spinco in shares or other equity securities of Spinco in respect of any equity financing transaction involving Spinco or the Company entered into in connection with the Amalgamation or the Arrangement, (ii) any investment banking advisory fees or placement agent fees payable by Spinco in shares or other equity securities of Spinco in connection with the Amalgamation or the Arrangement, and (iii) the XTI Consent Fee Shares, shall not be included in Spinco Fully Diluted Shares or Company Fully Diluted Shares.

7. **Company Consent to Certain Spinco Financing Transactions.** As required pursuant to Sections 6.3(b) and 6.3(d), the Company hereby consents to the incurrence of Indebtedness by Spinco to Streeterville Capital, Chicago Venture Partners or their respective affiliates, in any amount and on such terms as Spinco shall determine in its sole discretion, including Indebtedness that may be convertible into or exchanged for equity securities of Spinco, on such terms of conversion or exchange as Spinco shall determine in its sole discretion.

8. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts by the Parties hereto and may be delivered via facsimile or other functionally equivalent means of electronic communication. Each such executed counterpart shall be deemed to be an original and all such counterparts together shall constitute one agreement.

9. **Enurement.** This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

10. **Governing Law.** This Agreement shall be governed by, construed and enforced in accordance with the Laws of the Province of British Columbia and the federal Laws applicable therein, without regard to any choice of law or conflict of laws principles thereof that would cause the application of the Law of any jurisdiction other than the Province of British Columbia. Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the British Columbia courts situated in the City of Vancouver and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

[**SIGNATURE PAGE FOLLOWS**]

IN WITNESS WHEREOF the parties hereto have executed this Amendment Agreement as of the day and year first above written.

XTI AEROSPACE, INC.

By: /s/ Scott Pomeroy
Name: Scott Pomeroy
Title: CEO

GRAFITI HOLDING INC.

By: /s/ Nadir Ali
Name: Nadir Ali
Title: CEO

1444842 B.C. LTD.

By: /s/ Nadir Ali
Name: Nadir Ali
Title: CEO

DAMON MOTORS INC.

By: /s/ Jay Giraud
Name: Jay Giraud
Title: CEO

Exhibit 10.1

Letter Agreement

CONFIDENTIAL

June 15, 2024

Dear Damon Motors Inc. Securityholder,

RE: Amendment of Notes, Warrants and Purchase Agreement of Damon Motors Inc. (the "**Company**")

The Company has completed an offering (the "**Offering**") in multiple tranches of 12% convertible notes (each a "**Note**" and collectively, the "**Notes**") and common share purchase warrants of the Issuer (each a "**Warrant**" and collectively, the "**Warrants**", and collectively with the Notes, the "**Securities**") to the investors pursuant to several Securities Purchase Agreements in substantially the same form (each, a "**Purchase Agreement**", collectively, the "**Purchase Agreements**") and as compensation to Joseph Gunnar & Co., LLC.

Pursuant to section 13 of the certificates evidencing the Notes (the "**Note Certificates**"), each Note and the obligations of the Company and the rights of the Investor (as defined therein) under each Note may be amended, waived, discharged or terminated (either generally or in a particular instance, either retroactively or prospectively and either for a specified period of time or indefinitely) with the prior written consent of the Company and the "Requisite Holders", being the Holders holding an aggregate principal amount of Notes representing more than fifty percent (50%) of the aggregate principal amount of all then-outstanding Notes.

Pursuant to Section 4(l) of the certificates evidencing the Warrants ("**Warrant Certificates**"), the amendment of the Warrants is subject to section 5.4 of the underlying securities purchase agreement pursuant to which Warrants were issued (the "**Purchase Agreement**").

Pursuant to section 5.4 of the Purchase Agreement, the Purchase Agreement (and by extension, the Warrants) may be waived, modified, supplemented or amended by written instrument signed, in the case of an amendment, by the Company and "Purchasers" (as defined therein) holding at least 50.01% in interest of the Notes (the "**Majority Purchasers**") at the time of the respective amendment or modification.

You were a participant in the Offering and executed Purchase Agreement(s) and are a holder of Note Certificate(s) and Warrant Certificate(s). The Company is seeking your agreement to certain amendments to the Notes, Warrants and Purchase Agreement as set forth in this Agreement. The Company requires the "Requisite Holder" approval to amend the Note Certificates and the "Majority Purchasers" approval to amend the Purchase Agreements and the Warrant Certificates. If those approval thresholds are achieved, your Note Certificate, Warrant Certificate and Purchase Agreement may be amended notwithstanding you have not entered into this Agreement.

If the amendments set forth in this Agreement are acceptable to you, please countersign this Agreement by executing the signature page at the end of this Agreement.

In consideration of the mutual covenants hereafter contained, the undersigned hereto covenants and agrees that said Warrant Certificates, Note Certificates and Purchase Agreements are hereby amended, and the waivers herein are hereby provided, effective as of the day first written above, as follows, subject to receiving the "Requisite Holder" approval and the "Majority Purchasers" approval, as applicable.

1. Note Certificate Amendments:

a. Section 3(a) of each Note Certificate is hereby deleted and replaced with "September 30, 2024 (the "**Maturity Date**"); or".

b. The definition of Permitted Indebtedness in each Note Certificate is hereby amended such that:

i. in item (i) thereof, the words "clauses (a) through (h) above" are hereby replaced with "clauses (a) through (k) hereof";

ii. in item (c) thereof, the dollar amount of "$2,000,000" is hereby replaced with "$5,000,000" with a retroactive effectiveness to the date of each Note Certificate, as applicable; and

iii. the following additional permitted indebtedness provisions are hereby added:

"(j) the incurrence of any debt or the issuance of any debt securities, whether secured or unsecured or in priority to the obligations of the Notes or not, by the Company or its Subsidiaries to Grafiti Holding Inc. or Streeterville Capital, LLC and their respective Affiliates, and any guarantee by the Company or its Subsidiaries in respect of any such debt and any guarantee by the Company of any debt incurred by Grafiti Holding Inc. to Streeterville Capital, LLC and its Affiliates (collectively, "**Grafiti Indebtedness**"); or

(k) accounts receivable factoring of Scientific Research and Experimental Development (SR&ED) tax incentive receivables of the Company."

2. Warrant Certificate Amendments:

a. Section 2(b) of each Warrant Certificate is hereby deleted in its entirety and replaced with "The exercise price per Common Share under this Warrant shall be $2.7364 (as adjusted hereunder, the "**Exercise Price**")".

b. The following paragraph in Section 2(c) of each Warrant Certificate is hereby deleted in its entirety: "If at any time after the Registration Deadline, there is a Registration Default, then, (i) the Holder shall be entitled to liquidated damages for each $1,000 of the Holder's Warrant Shares subject to such exercise (based on the VWAP of the Common Shares on the date of the applicable Notice of Exercise),$ 20 per Trading Day for each trading day thereafter until such Warrant Shares are delivered or the Holder rescinds the applicable Notice of Exercise not to exceed $250,000 in the aggregate during the term of this Warrant, and (ii) for each thirty (30) days following the Registration Deadline, or portion of any thirty (30) day period thereafter in which a Registration Default exists, the amount of Warrant Shares of Holder shall be automatically increased by three percent (3%) over the Warrant Shares which are held by the Holder as on such dates (which percentage shall be prorated in the case of a partial month) not to exceed in the aggregate an additional eight percent (8%); provided that the foregoing shall not apply if (A) the Company is current in all of its filing obligations under the Exchange Act as of the time of the applicable Notice of Exercise, and (B) there is no delay with the delivery of the Warrant Shares pursuant to Section 2(d)."

c. Section 3(b) of each Warrant Certificate is hereby deleted in its entirety and replaced with "Intentionally Deleted".

d. In the second paragraph of each Warrant Certificate, the term "Placement Agent (as defined in the Purchase Agreement)" is hereby replaced with "Grafiti Holding Inc.".

3. **Purchase Agreement Amendments and Waiver**:

   a. Section 4.15(j) of each Purchase Agreement is hereby amended such that "Placement Agent" is replaced with the "Company".

   b. The definition of "Maximum Amount" in Section 1.1 of each Purchase Agreement is hereby amended such that the term "Placement Agent" used therein is replaced with "Grafiti Holdings Inc.".

   c. The "most favored nation" right provided in Section 4.10 of each Purchase Agreement is hereby waived in respect of any and all Grafiti Indebtedness.

4. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts by the parties hereto and may be delivered via facsimile or other functionally equivalent means of electronic communication. Each such executed counterpart shall be deemed to be an original and all such counterparts together shall constitute one agreement.

5. **Enurement.** This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

6. **Binding on Holders.** Pursuant to the amending provisions of the Note Certificates, Warrant Certificates and Purchase Agreements, the amendments set forth in this Agreement shall be binding on each holder of Notes and Warrants if the "Requisite Holder" approval and the "Majority Purchasers" approval, as applicable, are achieved.

7. **Governing Law.** This Agreement shall be governed by, construed and enforced in accordance with the Laws of the Province of British Columbia and the federal Laws applicable therein, without regard to any choice of law or conflict of laws principles thereof that would cause the application of the Law of any jurisdiction other than the Province of British Columbia. Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the British Columbia courts situated in the City of Vancouver and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

Yours Truly,

Damon Motors Inc.

By: /s/ Jay Giraud
Name: Jay Giraud
Title: President and Chief Executive Officer

[**SIGNATURE PAGE FOLLOWS**]

Agreed and accepted this June 18, 2024.

Securityholder, if an entity:

XTI Aerospace Inc
Entity Name

By: /s/ Scott Pomeroy
Name: Scott Pomeroy
Title: CEO

Securityholder, if an individual:

Name: