MERGER AGREEMENT

THIS MERGER AGREEMENT made as of the ____ day of November, 2020
02 November 2020 | 20:05 PST

AMONG:

ELEPHANT HILL CAPITAL INC., a corporation existing under the laws of Alberta ("**EH**");

-and-

ESPORTS LIMITED, a company existing under the laws of the Isle of Man ("**Esports**").

WHEREAS EH and Esports are parties to a binding letter of intent dated May 11, 2020, as amended;

AND WHEREAS EH has agreed to form EH Subco to merge with Esports pursuant to *Isle of Man Companies Act 2006* and, in consideration therefor, EH has agreed to issue certain of its securities to the securityholders of Esports;

AND WHEREAS the board of directors of Esports has unanimously: (i) determined that the transactions contemplated by this Agreement are fair and in the best interests of Esports and the Esports Shareholders (as defined below); (ii) approved this Agreement and the transactions contemplated hereby; and (iii) determined to recommend that the Esports Shareholders vote in favour of the transactions contemplated by this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree with each other as follows:

ARTICLE I
DEFINITIONS

1.1 **Definitions.** In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following words and terms set forth in this Article I shall have the following meanings:

(a) "**Acquisition Proposal**" means any merger, amalgamation, consolidation, arrangement, business combination, recapitalization, take-over bid, sale of material assets, material sale of treasury shares or rights or interests therein or thereto (other than a public offering of treasury shares) or similar transactions involving EH, or a proposal to do so, excluding the transactions contemplated hereby;

(b) "**Act**" means the *Companies Act 2006 (Isle of Man),* as now in effect and as it may be amended from time to time prior to the Effective Date;

(c) "**Agreement**" means this Agreement and all instruments supplemental hereto or in amendment or confirmation hereof; "herein", "hereof" and similar expressions mean and refer to this Agreement and not to any particular article, section, clause or subclause; and "Article", "Section", "clause" or "subclause" means and refers to the specified article, section, clause or subclause of this Agreement, and where applicable, the Schedule hereto;

(d) "**Anti-Corruption Laws**" means all laws, rules and regulations of any jurisdiction applicable to Esports and the Subsidiaries concerning or relating to bribery or corruption including the *US Foreign Corrupt Practices Act* and the *Bribery Act 2013 (Isle of Man)*;

(e) "**Anti-Money Laundering Laws**" means any and all laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes, case law or treaties including those that: (i) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (ii) prohibit transactions that are intended to conceal or disguise the nature, location, source, ownership, or control of the proceeds of unlawful activity; (iii) require identification and documentation of the parties with whom each of Esports or the Subsidiaries conducts business; or (iv) are designed to disrupt the flow of funds to terrorist organizations or other criminal organizations or parties. Such laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes, case law or treaties shall be deemed to include financial record keeping and reporting requirements of the *Proceeds of Crime Act* 2008 and the *Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018 and Anti-Money Laundering and Countering the Financing of Terrorism Code 2019*;

(f) "**Applicable Securities Laws**" includes, without limitation, all applicable securities, corporate and other laws, rules, regulations, instruments, notices, blanket orders, decision documents, published statements, circulars, published procedures and policies in the Provinces of Alberta and British Columbia and any other jurisdiction in which securities of EH or Esports (as applicable) have or will be issued, including, without limitation, the policies and by-laws of the TSXV;

(g) "**Arm's Length**" has the same meaning ascribed thereto in the *Income Tax Act* (Canada);

(h) "**Business Day**" means a day other than a Saturday or Sunday on which the principal commercial banks located in Calgary, Alberta or the Isle of Man are open for business during normal banking hours;

(i) "**Closing**" or "**Closing Date**" means the completion of the Merger as set forth herein, including the issuance of Resulting Issuer Securities described herein, which is intended to take place on the Effective Date;

(j) "**Consolidation**" means the consolidation of the EH Shares on the basis of one post-consolidated EH Share for every 4.2 pre-consolidated EH Shares issued and outstanding at the time Articles of Amendment effecting the consolidation are filed with the Registrar of Corporations in Alberta;

(k) "**CPC**" means a capital pool company listed on the TSXV;

(l) "**CPC Filing Statement**" means the CPC Filing Statement of the CPC which shall be prepared in accordance with the TSXV Form of Filing Statement (Form 3B2) and which shall provide full, true and plain disclosure of all Material Facts relating to EH, Esports, EH Subco and the Merger;

(m) "**Dissent Rights**" means such rights of dissent as provided in the manner set forth in Section 191 of the *Business Corporations Act* (Alberta) in connection with the Consolidation;

(n) "**Dissenting EH Shareholder**" means a registered shareholder of EH who validly exercises and does not wish to withdraw the Dissent Rights provided under the *Business Corporations Act* (Alberta) in connection with the special resolution of the EH shareholders approving the Consolidation;

(o) "**Dissenting Esports Shareholder**" means a registered shareholder of Esports who validly exercises and does not wish to withdraw the right to dissent to the Merger provided under the *Act*;

(p) "**Effective Time**" means 12:01 am on the Effective Date;

(q) "**Effective Date**" means the date of Merger as set forth in the certificate of merger for the Surviving Company issued by the Isle of Man Registrar of Companies pursuant to Section 154(3)(b) of the Act;

(r) "**EH**" means Elephant Hill Capital Inc., a corporation existing under the laws of Alberta;

(s) "**EH's Business**" means operating as a CPC;

(t) "**EH Financial Statements**" means the unaudited financial statements of EH for the three and six month periods ended June 30, 2020, and the audited financial statements of EH for the years ended December 31, 2019 and 2018, consisting of the interim statement of financial position, interim statement of loss and comprehensive loss, statement of changes in shareholders' equity, statement of cash flows and all notes thereto;

(u) "**EH Meeting**" means the annual and special meeting of EH shareholders to be called to consider and, if thought fit, authorize, approve the Consolidation and Name Change and related matters, and includes any adjournments thereof;

(v) "**EH Options**" means, after giving effect to the Consolidation, the 166,666 incentive stock options granted to the directors and officers of EH pursuant to EH's stock option plan, each of which entitles the holder thereof to acquire one EH Share at a price of $0.10 per EH Share on or before June 15, 2023;

(w) "**EH Shares**" means common shares in the capital of EH;

(x) "**EH Subco**" means **a company to be formed under the Act which shall be** a wholly owned subsidiary of EH;

(y) "**EH Subco Shares**" means the ordinary shares in the capital of EH Subco;

(z) "**EH Superior Proposal**" has the meaning ascribed thereto in Section 5.2;

(aa) "**Esports**" means Esports Limited, a private company existing under the laws of the Isle of Man;

(bb) "**Esports' Assets**" means all of Esports' material assets including those assets set out in Esports' Financial Statements;

(cc) "**Esports Broker Warrants**" means the 1,093,497 broker warrants of Esports that were issued in connection with the Interim Financing and other Esports equity financings. Each Esports Broker Warrant entitles the holder thereof to acquire one unit of Esports at an exercise price per Esports Broker Warrant equal to $0.42 for a period of 24 months from the closing of the Proposed Transaction, and each such unit will be comprised of one Esports Share and one half of one Esports Share purchase warrants exercisable at $0.63 for a period of 24 months from the closing of the Proposed Transaction. Such Esports Broker Warrants will be exchanged for Resulting Issuer Broker Warrants in connection with the Proposed Qualifying Transaction;

(dd) "**Esports' Business**" means the esports betting business carried out on Esports' technology platform previously and heretofore carried on and also includes the online gambling, traditional sports betting and casino business proposed to be carried on by Esports;

(ee) "**Esports Compensation Options**" means, collectively the 95,238 compensation options issued by Esports in connection with the Interim Financing and other financing activity, each entitling the holder thereof to purchase one unit of Esports at an exercise price of $0.42 for a period of 24 months from the closing of the Proposed Transaction, and each such unit will be comprised of one Esports Share and one-half of one Esports share purchase warrant exercisable at $0.63 for a period of 24 months from the closing of the Proposed Transaction. All Esports Compensation Options shall be exchanged for Resulting Issuer Compensation Options in connection with the Proposed Transaction;

(ff) "**Esports Compensation Subscriber Warrants**" means, collectively, the 3,810 compensation warrants issued by Esports in connection with a financing completed in November 2019, each entitling the holder thereof to purchase one Esports Share at an exercise price of $0.63 for a period of 24 months from the closing of the Proposed Transaction;

(gg) "**Esports' Financial Statements**" means the unaudited financial statements of Esports as at and for the six month period ended June 30, 2020, and the audited financial statements of as at and for the fiscal years ended December 31, 2019 and 2018, consisting of the combined statement of profit or loss and other comprehensive income, combined statement of financial position, combined statement of changes in equity, combined statement of cash flows and combined statement of comprehensive income and and all notes thereto;

(hh) "**Esports Meeting**" means the general meeting of Esports Shareholders to be called to consider and, if thought fit, authorize, approve and adopt the Scheme of Merger and related matters, and includes any adjournments thereof;

(ii) "**Esports Shareholder**" means a holder of Esports Shares;

(jj) "**Esports Shares**" means the ordinary shares with a par value of £0.01 each in the capital of Esports;

(kk) "**Esports Subscription Receipts**" means the subscription receipts issued by Esports in connection with the Interim Financing. The Esports Subscription Receipts provide that immediately prior to the completion of the Merger with no further acts or payments required of the holders of the Esports Subscription Receipts, and as a result of such conversion, the holders will receive, in aggregate, 10,847,320 units of Esports with each unit comprised of one Esports Share and one-half of one Esports share purchase warrant (with each whole warrant being exercisable at $0.42 per to acquire one Esports Share for a period of 24 months from the date of the completion of the Proposed Transaction;

(ll) "**Esports Superior Proposal**" has the meaning ascribed thereto in Section 5.4;

(mm) "**Esports Warrants**" means collectively: (i) 1,667,244 common share purchase warrants of Esports that were issued by Esports and entitle the holder to acquire one Esports Share at an exercise price of $0.63 for a period of 24 months from the completion of the Proposed Transaction; (ii) 5,423,660 common share purchase warrants of Esports that will be issued to holders of Esports Subscription Receipts immediately prior to completion of the Merger and entitle the holder to acquire one Esports Share at an exercise price of $0.42 for a period of 24 months from the completion of the Proposed Transaction; and (iii) 595,238 common share purchase warrants of Esports that will be issued by Esports in connection with the conversion of the Expoworld Note and entitle the holder to acquire one Esports Share at an exercise price of $0.42 for a period of 24 months from the completion of the Proposed Qualifying Transaction. All Esports Warrants will be exchanged for Resulting Issuer Warrants on equivalent terms in connection with the Proposed Transaction;

(nn) "**Expoworld Note**" means the non-interest bearing unsecured convertible note in the principal amount of $500,000, due December 31, 2020 issued by Esports on July 10, 2020, which is convertible into units of Esports, at a price of $0.42 per unit, whereby each unit consists of one Esports Share and one-half of one share purchase warrant, and each whole warrant is exercisable at $0.42 per share for a period of 24 months from the closing of the Proposed Transaction;

(oo) "**GAAP**" means Generally Accepted Accounting Principles, being the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation is made or required to be made in accordance with such principles;

(pp) "**IFRS**" means International Financial Reporting Standards, being the International Financial Reporting Standards of accounting, applicable as at the date on which such calculation is made or required to be made in accordance with such standards;

(qq) "**Intellectual Property**" means all intellectual property rights, both statutory and common law rights, if applicable, including: (i) copyrights, registrations and applications for registration thereof; (ii) trademarks, service marks, trade names, brand names, corporate names, slogans, domain names, logos, trade dress, and other identifiers of source or goodwill, and registrations and applications of registrations thereof; (iii) patents, as well as any re-issued and re-examined patents and extensions corresponding to the patents and any patent applications, as well as any related continuation, continuation in part and divisional applications and patents issuing therefrom; (iv) trade secrets and confidential information, including, rights in software, ideas, designs, concepts, compilations of information, methods, techniques, procedures, processes and other know-how, whether or not patentable; and (v) any rights in databases;

(rr) "**Interim Financing**" means private placements by Esports of: (i) subscription receipts and or other securities; and (ii) the issuance by Esports of debt, to raise minimum gross proceeds of $4,000,000, which financing will be completed prior to the completion of the Proposed Transaction;

(ss) "**Material Adverse Effect**" means, when used in connection with a company, any change or effect (or any condition, event or development involving a prospective change or effect) in or on the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, concessions, rights or liabilities, whether contractual or otherwise, of the company, taken as a whole, and which change or effect may reasonably be expected to significantly reduce the value of the equity securities of the company other than a change or effect: (i) which arises out of a matter that has been publicly disclosed or otherwise disclosed in writing by the company to the other party prior to the date hereof; (ii) resulting from conditions affecting the esports industry as a whole; or (iii) resulting from general economic, financial, currency exchange, securities or commodity market conditions (including, without limitation, commodity prices, changes in taxation laws or currency exchange rates);

(tt) "**Material Fact**" in relation to any party hereto includes, without limitation, any fact that significantly affects, or would reasonably be expected to have a significant effect on, the price or value of the shares of such party;

(uu) "**Merger**" means the statutory merger of Esports and EH Subco pursuant to this Agreement and in accordance with the Act;

(vv) "**Merging Corporations**" means, collectively, Esports and EH Subco;

(ww) "**Name Change**" means the name change of EH to "Esports Holdings Ltd.", or such other name to be determined by the parties;

(xx) "**Person**" means any individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;

(yy) "**Prescribed Laws**" means collectively: (i) the Anti-Money Laundering Laws; (ii) Sanctions; (iii) Anti-Corruption Laws; and (iv) all other legal requirements relating to money laundering, terrorism, bribery or corruption;

(zz) "**Proposal**" means, with respect to either EH or Esports as the circumstances require) any merger, amalgamation, consolidation, arrangement, business combination, recapitalization, take-over bid, sale of material assets, material sale of treasury shares or rights or interests therein or thereto or similar transactions involving Esports, or a proposal or expression of interest to do so, excluding the transactions contemplated hereby;

(aaa) "**Proposed Transaction**" means the proposed acquisition by EH of all of the issued and outstanding securities of Esports, directly and indirectly, upon the terms and subject to the conditions set forth in this Agreement and as described herein, including the Consolidation, Name Change, completion of the Merger and completion of the Interim Financing, such acquisition intended to constitute EH's Qualifying Transaction;

(bbb) "**Public Record**" means all information filed by or on behalf of EH on the System for Electronic Document Analysis and Retrieval at www.sedar.com, and any other information filed with any securities commission in compliance, or intended compliance, with any Applicable Securities Laws;

(ccc) “**Qualifying Transaction**” has the meaning ascribed to such term under Policy 2.4 of the Corporate Finance Manual of the TSXV;

(ddd) “**Resulting Issuer**” means EH (which shall have changed its name to “Esports Holdings Ltd.”) as it exists after completion of the Proposed Transaction;

(eee) “**Resulting Issuer Broker Warrants**” means the common share purchase warrants of the Resulting Issuer that will be issued upon Closing of the Merger in exchange for Esports Broker Warrants;

(fff) “**Resulting Issuer Options**” means the options of the Resulting Issuer that will be issued upon Closing of the Merger in exchange for EH Options, each entitling the holder thereof to purchase one Resulting Issuer Share at a price of $0.42 per share, after giving effect to the Consolidation, until the date that is 12 months from the Closing Date;

(ggg) “**Resulting Issuer Compensation Options**” means the common share purchase warrants of the Resulting Issuer that will be issued upon Closing of the Merger in exchange for Esports Compensation Options;

(hhh) “**Resulting Issuer Securities**” means, collectively, the Resulting Issuer Shares, Resulting Issuer Broker Warrants, Resulting Issuer Compensation Options, Resulting Issuer Options, the Resulting Issuer Subscriber Compensation Warrants and Resulting Issuer Warrants;

(iii) “**Resulting Issuer Shares**” means the common shares in the capital of the Resulting Issuer after giving effect to the Merger and after giving effect to the Consolidation;

(jjj) “**Resulting Issuer Subscriber Compensation Warrants**” means the common share purchase warrants of the Resulting Issuer that will be issued upon Closing of the Merger in exchange for Esports Subscriber Compensation Warrants;

(kkk) “**Resulting Issuer Warrants**” means the common share purchase warrants of the Resulting Issuer that will be issued upon Closing of the Merger in exchange for Esports Warrants;

(lll) “**Sanctioned Country**” means, at any time, a country, region or territory which is itself the subject or target of any comprehensive country Sanctions;

(mmm) “**Sanctioned Person**” means, at any time: (i) any Person listed in any Sanctions related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, by the United Nations Security Council or the Counsel of the European Union (each, a “**Sanctions Authority**” and, collectively, the “**Sanctions Authorities**”); (ii) any Person operating, organized or resident in a Sanctioned Country; or (iii) any Person owned or controlled by any such Person or Persons;

(nnn) “**Sanctions**” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any Sanctions Authority;

(ooo) “**Scheme of Merger**” means the proposed statutory scheme of merger in respect to the Merger as set forth in Schedule “A” hereto;

(ppp) “**Subsidiaries**” means the subsidiaries of Esports, namely: (i) Esports Tech Limited, a company incorporated on April 25, 2019, under the laws of the Isle of Man, and its wholly owned subsidiary, Real Time Games Development Limited, a company formed on November 22, 2017, under the laws of Bulgaria; (ii) Real Time Games Holdings, a company incorporated on September 4, 2016, under the laws of the Isle of Man, and its wholly owned subsidiary, Real Time Games Services Ltd., a company incorporated on October 26, 2017, under the laws of the Isle of Man;

(qqq) “**Surviving Company**” means Esports, the surviving company upon completion of the Merger;

(rrr) "**Tax Laws**" shall mean any applicable provincial, or foreign income taxation statute(s), as from time to time amended, and any successors thereto;

(sss) "**Termination Date**" has the meaning ascribed thereto in Section 7.1;

(ttt) "**Third Party**" means any Person other than the parties to this Agreement; and

(uuu) "**TSXV**" means the TSX Venture Exchange Inc.

1.2 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in Canadian funds.

1.3 **Tender.** Any tender of documents or money hereunder may be made upon the parties or their respective counsel and money may be tendered by bank draft or by certified cheque.

1.4 **Number and Gender.** Where the context requires, words imparting the singular shall include the plural and vice versa, and words imparting gender shall include all genders.

1.5 **Headings.** Article and Section headings contained in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the content thereof and shall not be considered part of this Agreement or affect the construction or interpretation of any provision hereof.

1.6 **Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with GAAP or IFRS, as the case may be.

1.7 **Date for any Action.** In the event that any date by or on which any action is required or permitted to be taken hereunder by any of the parties is not a Business Day in the place where the action is required or permitted to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.8 **To the Best Knowledge.** Whenever a representation and warranty herein is qualified by the phrase "to the knowledge of" or words to the similar effect, such qualification refers to the actual knowledge of the Person giving the representation and warranty and the knowledge that they would have had if they had conducted a reasonable inquiry of senior management of the Person into the relevant subject matter thereof.

1.9 **Schedules.** The Schedules to this Agreement shall be construed with and be considered an integral part of this Agreement to the same extent as if the same had been set forth *verbatim* herein. The following Schedule is attached hereto:

Schedule "A" Scheme of Merger

ARTICLE II
MERGER

2.1 **Agreement to Merge and Merger.** Upon the terms and subject to the conditions set forth in this Agreement and the Scheme of Merger, the parties hereto shall cause the Merger to be completed by Esports and EH Subco jointly executing and filing the Scheme of Merger with the Isle of Man Registrar of Companies, together with such other resolutions, statutory declarations, notices, consents and other documents required to be filed in accordance with section 154(1) of the Act. Subject to the terms and conditions of this Agreement and the Scheme of Merger, on the Effective Date, EH Subco shall be merged with and into Esports in accordance with, and with the effects provided for in, the applicable provisions of the Act, and Esports shall be the Surviving Company resulting from the Merger and, as a result, shall become a wholly owned subsidiary of EH, shall continue to be governed by the laws of the Isle of Man in accordance with the Act and shall succeed to and assume all of the rights and obligations of EH Subco, and EH Subco shall be struck off by the Isle of Man Registrar of Companies and deemed to be dissolved.

2.2 Upon the issue of a certificate of merger giving effect to the Merger, Esports and EH Subco shall be merged and shall continue as one company, effective as of the Effective Date, under the terms and conditions prescribed in the Scheme of Merger.

The Merger shall become effective on the Effective Time. The Merger shall have the effects set forth in this Agreement, the Scheme of Merger and the Act (including Section 156 thereof). Without limiting the generality of the foregoing, and subject thereto, on the Effective Date:

(a) EH Subco will merge with and into Esports, with Esports being the Surviving Company and a wholly owned subsidiary of EH in accordance with section 153 of the Act;

(b) the share issuances and conversions particularised at Article 3.1 below shall be effected in accordance with the provisions of this Agreement and the Scheme of Merger;

(c) assets of every description, including choses in action, the business, rights, privileges, powers and franchises of Esports and EH Subco shall immediately vest in the Surviving Company; and

(d) all claims, debts, liabilities and obligations of Esports and EH Subco shall become the claims, debts, liabilities and obligations of the Surviving Company.

2.3 **Name.** The name of the Surviving Company shall be “Esports Limited”, or such other name as shall be determined in the sole discretion of Esports.

2.4 **Surviving Company Shares.** The Surviving Company shall have one class of shares consisting of an unlimited number of shares to be designated as “ordinary voting shares” with no par value, which shall have the rights, privileges, restrictions and conditions set forth in the memorandum and articles of association of the Surviving Company.

2.5 **Fiscal Year End.** The fiscal year end of the Surviving Company shall be the year end of Esports.

2.6 **Business.** Subject to any registration or licencing requirements for certain types of business activity that may apply to the Surviving Company under any Applicable Laws, there shall be no restrictions on the business which the Surviving Company is authorized to carry on.

2.7 **Esports Subscription Receipts.** Immediately prior to the Effective Time any Esports Subscription Receipts issued in connection with the Interim Financing shall be automatically converted into the securities underlying such Subscription Receipts in accordance with their terms.

2.8 **Directors and Officers of and Other Details Concerning the Surviving Company.**

(a) The directors of Esports immediately prior to the Effective Date shall be the directors of the Surviving Company immediately following the Effective Date, until their respective successors are duly elected or appointed and qualified or their earlier death, resignation or removal in accordance with the Memorandum and articles of association of the Surviving Company.

(b) The officers of Esports immediately prior to the Effective Date shall be the officers of the Surviving Company immediately following the Effective Date, until their respective successors are duly elected or appointed and qualified or their earlier death, resignation or removal in accordance with the Memorandum and articles of association of the Surviving Company.

(c) The registered agent of Esports immediately prior to the Effective Date shall be the registered agent of the Surviving Company immediately following the Effective Date, until such time as it may be replaced or resign in accordance with the Act.

(d) The registered office of Esports immediately prior to the Effective Date shall be the registered office of the Surviving Company immediately following the Effective Date, until such time as it may be changed in accordance with the Act.

2.9 **Memorandum and Articles of Association.** The Memorandum and articles of association, as amended and in effect immediately prior to the Effective Date, shall be amended in the Scheme of Merger to be in substantially in the form of attached as an Exhibit to the Scheme of Merger, as so amended, such Memorandum and articles of association shall be the Memorandum and articles of association of the Surviving Company until thereafter amended as provided therein or by the Act.

2.10 **Stated Capital.** The stated capital of the Surviving Company immediately after the Merger becomes effective shall be equal to the aggregate stated capital of each of the Merging Corporations.

2.11 **Amendments to Structure.** Notwithstanding the foregoing, the parties hereto agree that the foregoing structure for the Merger may be amended to accommodate certain tax planning and operational efficiencies of any party provided that such amendments shall not have a detrimental effect on any party and shall not negatively impact the business combination of EH and Esports evidenced hereby. In no event shall the structure be amended unless such amendment is permitted by the Act and the rules and policies of the TSXV.

ARTICLE III
ISSUANCE OF SURVIVING COMPANY AND THE RESULTING ISSUER SECURITIES

3.1 **Issuance of Shares.** In consideration of the agreement of the parties and their respective shareholders to the actions set forth herein, subject to the approval of the TSXV, on the Effective Date:

(a) each ordinary share of EH Subco issued and outstanding immediately prior to the Effective Date shall be automatically converted into and become one (1) validly issued, fully paid and non-assessable ordinary share, no par value, of the Surviving Company;

(b) subject to Section 3.2, holders of securities of Esports shall be entitled to receive the following:

  (i) one Resulting Issuer Share for each Esports Share held;

  (ii) one Resulting Issuer Warrant for each Esports Warrant held;

  (iii) one Resulting Issuer Compensation Option for each Esports Compensation Option held;

  (iv) one Resulting Issuer Broker Warrant for each Esports Broker Option held; and

  (v) one Resulting Issuer Subscriber Compensation Warrant for each Esports Subscriber Compensation Warrant held; and

(c) the Surviving Company shall issue to EH one fully-paid and non-assessable ordinary share with no par value for each Esports Share outstanding immediately prior to the Effective Time.

3.2 **Fractional Shares.** No fractional shares or convertible securities shall be issued by the Resulting Issuer pursuant to this Agreement. Any exchange that results in less than a whole number of shares or convertible securities shall be rounded down to the next whole number.

3.3 **Restrictions on Securities.** The parties acknowledge and agree that foregoing securities of the Resulting Issuer issued pursuant to the terms and conditions provided herein will be subject to compliance with Applicable Securities Laws.

3.4 **CPC Filing Statement**

As promptly as practicable after execution of this Agreement, Esports and EH shall prepare the CPC Filing Statement and shall, on a timely basis, use their reasonable commercial efforts to co-operate in the preparation of all other documents and filings and the seeking and obtaining of all consents, orders and approvals, including regulatory and judicial orders and approvals and other matters reasonably determined by Esports and EH to be necessary in connection with the CPC Filing Statement, including TSXV approval. Esports and EH shall ensure that the CPC Filing Statement and other documents, filings, consents, orders and approvals contemplated by this Section 3.4 are prepared in compliance with, made and/or obtained in accordance with Applicable Securities Laws, the Act, TSXV Form 3B1/3B2 and all other applicable laws and will include the EH Financial Statements and the Esports' Financial Statements. Esports agrees to prepare and make available to EH prospectus level disclosure with respect to Esports and the Subsidiaries, prepared in accordance with TSXV Form 3B1/3B2, including the Esports' Financial Statements, and, after review of, and after being provided an opportunity to comment on, the CPC Filing Statement, agrees to certify in a consent letter to EH and the TSXV that the information in the CPC Filing Statement with respect to Esports constitutes full, true and plain disclosure. EH shall submit the CPC Filing Statement to the TSXV for review and approval, all in accordance with Applicable Securities Laws, other applicable laws and the requirements of any other regulatory authority having jurisdiction. Esports and EH each shall use all reasonable commercial efforts to obtain and furnish the information required to be included in the CPC Filing Statement. Information regarding Esports for use in the CPC Filing Statement and information regarding EH for use in the CPC Filing Statement, on both the date the CPC Filing Statement is first provided to the TSXV and on the date the CPC Filing Statement has received TSXV approval and is filed with the securities regulatory authorities through SEDAR, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not be misleading and will comply in all material respects with all applicable requirements of law, and Esports and EH each agree to correct promptly any such information provided by either of them for use in the CPC Filing Statement which has ceased to meet such standard. In any such event, EH shall prepare a supplement or amendment to the CPC Filing Statement or such application or other document, as required and as the case may be, and, if required, shall cause the same to be filed with the relevant securities regulatory authorities and/or other governmental entity after Esports and its counsel and advisors and the TSXV have had a reasonable opportunity to review and comment on all such documentation and all such documentation is in form and content reasonably satisfactory to Esports and EH as contemplated herein.

3.5 **Esports Meeting**

Esports shall take all action necessary in accordance with the Esports Articles of Association, the Act, Applicable Securities Laws (including making all necessary applications to Canadian securities regulatory authorities that may be necessary to consummate the transactions contemplated by this Agreement, including the Merger), other applicable Canadian and Isle of Man laws, and any regulatory authority having jurisdiction: (a) to duly call and give notice of the Esports Meeting on or before December 7, 2020; and (b) to convene and hold the Esports Meeting no later than December 30, 2020. Esports may, at its sole discretion, permit the dates contemplated in this Section 3.5 to be modified.

3.6 **Dissenting Esports Shareholders**

Each registered shareholder of Esports may exercise its right to dissent to the Merger pursuant to and in the manner set forth in sections 160 and 161 of the Act. In such event, Esports shall give EH: (i) prompt notice of any written notices of exercise of rights of dissent, withdrawals of such notices, and any other instruments or notices served pursuant to sections 160 and 161 of the Act and received by Esports; and (ii) the opportunity to participate in all negotiations and proceedings with respect to such rights. Without the prior written consent of EH, except as required by the Act and other applicable laws, Esports shall not make any payment with respect to any such rights or offer to settle or settle any such rights.

3.7 **EH Meeting**

EH shall take all action necessary in accordance with Applicable Securities Laws (including making all necessary applications to Canadian securities regulatory authorities that may be necessary to approve the

Consolidation and Name Change), other applicable Canadian laws, the EH governing documents, the *Business Corporations Act* (Alberta) and any other regulatory authority having jurisdiction: (a) to duly call and give notice of the EH Meeting on or before September 30, 2020; and (b) to convene and hold the EH Meeting no later than November 30, 2020. EH may, at its sole discretion, permit the dates contemplated in this Section 3.6 to be modified.

3.8 **Dissenting EH Shareholders**

Each registered shareholder of EH may exercise Dissent Rights in connection with the Consolidation pursuant to and in the manner set forth in the *Business Corporations Act* (Alberta). In such event, EH shall give Esports: (i) prompt notice of any written notices of exercise of rights of dissent, withdrawals of such notices, and any other instruments served pursuant to the *Business Corporations Act* (Alberta) and received by EH; and (ii) the opportunity to participate in all negotiations and proceedings with respect to such rights. Without the prior written consent of Esports, except as required by applicable laws, EH shall not make any payment with respect to any such rights or offer to settle or settle any such rights.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

4.1 **Representations and Warranties of EH.** EH hereby represents and warrants to Esports that:

(a) EH is a corporation incorporated and subsisting under the laws of its jurisdiction of incorporation, has all legal capacity and requisite corporate power to own its properties and to conduct its business as it is presently being conducted, and is duly registered or otherwise qualified to carry on business in all jurisdictions in which the nature of its assets or business makes such registration or qualification necessary or advisable;

(b) subject to obtaining any required regulatory approvals, EH has the full legal capacity and corporate power to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the other actions and transactions contemplated in this Agreement and to fulfill its obligations under this Agreement; all necessary corporate action has been taken or will be taken prior to the Effective Date, by or on the part of EH to authorized the execution and delivery of this Agreement, including the approval of the Merger by special resolution of the EH Subco Shareholders, and the taking, performing or executing of such proceedings, acts and instruments as are necessary or advisable for consummating the actions and transactions contemplated in this Agreement and for fulfilling their respective obligations hereunder;

(c) this Agreement has been duly executed and delivered by EH and this Agreement constitutes a legal, valid and binding obligation of EH enforceable against EH in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency, re-organization or other laws relating to the enforcement of creditors' rights generally;

(d) neither the execution, nor delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor compliance with and fulfillment of the terms and provisions of this Agreement, will:

(i) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under:

(1) any of the constating documents of EH or the Memorandum and articles of association of EH Subco; or

(2) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which EH or EH Subco is a party or by which EH or EH Subco is bound; and

(ii) except as otherwise described herein, require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of EH or EH Subco or any party to any agreement to which EH or EH Subco is a party or by which EH or EH Subco is bound, except as shall have been obtained prior to Closing;

(e) other than any required regulatory approvals, no consent, licence, approval, order or authorization of, or registration, filing or declaration with any governmental authority that has not been obtained or made by EH and no consent of any Third Party is required to be obtained by EH in connection with the execution, delivery and performance by EH of this Agreement or the consummation of the transactions contemplated hereby;

(f) the authorized capital of EH as of the date hereof consists of an unlimited number of Common shares without nominal or par value, of which 7,000,000 Common shares are currently validly issued and outstanding as fully paid and non-assessable shares in the capital of EH and such shares have been issued under a valid prospectus or in accordance with applicable prospectus and dealer registration exemptions from Applicable Securities Laws;

(g) except for the EH Options, no Person, firm or corporation has or will have any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from EH of any EH Shares or for the subscription, allotment or issuance of any unissued shares in the securities of EH;

(h) other than the 2,000,000 EH Shares now subject to escrow under the escrow agreements dated February 1, 2017 among EH, TSX Trust Company and the founding shareholders of EH, none of the outstanding EH Shares are subject to escrow restrictions, pooling arrangements, voting trusts or unanimous shareholders agreements, whether voluntary or otherwise;

(i) other than pursuant to this Agreement and in connection with the formation of EH Subco, no Person, firm or corporation has or will have any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from EH Subco of any EH Subco Shares or for the subscription, allotment or issuance of any unissued shares in the securities of EH Subco;

(j) EH will be the registered and beneficial holder of all of the issued and outstanding EH Subco Shares and EH holds such shares free and clear of all liens, mortgages, charges, pledges, security interests, demands, adverse claims, rights or any other encumbrances whatsoever;

(k) other than EH Subco which is still to be formed, EH does not hold or own, beneficially or otherwise, any securities of any other corporate entity;

(l) all corporate records and minute books of EH have been provided to Esports or its legal counsel and contain complete and accurate minutes of all meetings of and corporate actions or written consents by the directors and shareholders of EH, including all by-laws and resolutions passed by the board of directors and shareholders of EH since the incorporation of EH and all such meetings were duly called and held;

(m) EH does not have any of its records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of EH and at Closing, EH and EH Subco will have originals or copies of all such records, systems, controls, date or information in its possession or control;

(n) the books and records of EH fairly and correctly set out and disclose in all material respects, the financial position of EH as at the date thereof and all material financial transactions of EH relating to EH's Business have been accurately recorded in such books and records;

(o) the EH Financial Statements fairly present the financial position of EH, as at the date indicated therein and fairly present the results of operations for the periods ended on such dates, all in accordance with IFRS, consistently applied throughout the period covered thereby, save and except as stated therein. EH's books of account reflect items of income and expense and all assets and liabilities and accruals required to be reflected therein;

(p) except as expressly referred to in EH Financial Statements or as otherwise expressed in writing to Esports:

(i) EH does not have outstanding any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever and EH is not bound under any agreement to create, issue or incur any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever; and

(ii) EH is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.

(q) save and except for matters which are disclosed in the EH Financial Statements or otherwise expressly set out in this Agreement or as otherwise disclosed in writing to Esports, EH does not have (nor have either of them agreed to) since December 31, 2019:

(i) incurred any debts, obligations or liabilities (absolute, accrued, contingent or otherwise and whether due or to become due), except debts, obligations and liabilities incurred in the ordinary course of business;

(ii) discharged or satisfied any liens or paid any obligation or liability other than liabilities shown on EH Financial Statements, other than in the ordinary course of business;

(iii) declared or made any payment, distribution or dividend based on its shares or purchased, redeemed or otherwise acquired any of the shares in its capital or other securities or obligated itself to do so;

(iv) mortgaged, pledged or subjected to lien or other security interest any of its assets, tangible or intangible other than the usual security granted to secure a bank line of credit or other than in the ordinary course of business;

(v) sold, assigned, leased, transferred or otherwise disposed of any of its assets (excluding inventory) having either a book value or fair market value in excess of $5,000, whether or not in the ordinary course of business;

(vi) increased materially the compensation payable or to become payable by EH to any of its officers, directors or employees, or in any bonus payment to or arrangement made with any officer, director or employee, or made any material changes in the personnel policies or employee benefits of EH;

(vii) cancelled, waived, released or compromised any debt, claim or right resulting in a Material Adverse Effect on the business, prospects or financial condition of EH;

(viii) significantly altered or revised any of its accounting principles, procedures, methods or practices except as required under IFRS or other regulatory guidelines;

(ix) changed its credit policy as to provision of services, sales of inventories or collection or accounts receivable except as dictated by competitive conditions;

(x) suffered any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the properties, business or prospects of EH;

(xi) entered into any transaction, contract or commitment other than in the ordinary course of business except for the transactions set forth in this Agreement;

(xii) made or authorized any capital expenditures in excess of $50,000 to any party;

(xiii) issued or sold any shares in its capital stock or other securities, or granted any options with respect thereto except as otherwise disclosed in writing to EH; or

(xiv) suffered or experienced any material adverse change in, or event or circumstance affecting, the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business, operations or prospects and EH has no knowledge, information or belief of any fact, event or circumstances which might reasonably be expected to affect materially and adversely the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business operations or prospects and has not changed any shares of its capital stock, whether by way of reclassification, stock split or otherwise;

(r) since incorporation, no payments have been made or authorized by EH to its officers, directors, employees, shareholders or former directors, officers, employees or shareholders or to any Person not dealing at Arm's Length with any of the foregoing, except those expressly disclosed herein, reflected in EH Financial Statements or as disclosed in writing to Esports or made in the ordinary course of business and at the regular rates payable to them of salary, pension, bonuses or other remuneration of any nature;

(s) EH has filed all tax returns required to be filed by them prior to the date hereof in all applicable jurisdictions and have paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at present. All such tax returns, if any, properly reflect, and do not in any respect understate the income, taxable income or the liability for taxes of EH in the relevant period and the liability of EH for the collection, payment and remittance of tax under applicable Tax Laws;

(t) adequate provision has been made in EH Financial Statements for all taxes, governmental charges and assessments, including interest and penalties thereon, payable by EH for all periods up to the date of the balance sheets comprising part of EH Financial Statements;

(u) EH has withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including December 31, 2019;

(v) prior to the Closing Date, EH Subco will not operate or engage in any business activities, operations or management of any nature or kind whatsoever;

(w) EH does not operate or engage in any business activities, operations or management of any nature or kind whatsoever other than EH's Business;

(x) EH is conducting and has always conducted EH's Business in substantial compliance with all applicable laws, rules and regulations of each jurisdiction in which EH's Business is carried on, are not currently in material breach of any such laws, rules or regulations in each jurisdiction in which EH is a reporting issuer;

(y) EH is a reporting issuer under the *Securities Act* (Alberta) and the *Securities Act* (British Columbia) and, to the knowledge of EH, no securities commission, nor the TSXV, has issued any order preventing the transactions contemplated by this Agreement or the trading of any securities of EH;

(z) the information and statements set forth in the Public Record were true, correct, and complete in all material respects and did not contain any misrepresentation, as of the date of such information or statements and were prepared in accordance with and complied with Applicable Securities Laws and EH has not filed any confidential material change reports still maintained on a confidential basis;

(aa) to the knowledge of EH, all issuances of securities of EH have been completed in accordance with all Applicable Securities Laws and regulations;

(bb) no employee has made any claim or, to the knowledge of EH, has any basis for any action or proceeding against EH arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation;

(cc) EH has not made any agreements with any labour union or employee association nor made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements;

(dd) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the employees of EH by way of certification, interim certification, voluntary recognition, designation or successor rights;

(ee) there is no action, lawsuit, claim, proceeding, or to the knowledge of EH, investigation pending or, threatened against, relating to or affecting EH before any court, government agency, or any arbitrator of any kind, in any jurisdiction in Canada or internationally. To the knowledge of EH there are no existing grounds on which any such proceeding might be commenced with any reasonable likelihood of success and there is not presently outstanding against EH any judgment, decree, injunction, rule or order of any court, governmental agency, or arbitrator relating to or affecting EH. No waivers have been filed by EH with any taxing authority in any jurisdiction in Canada or internationally;

(ff) there are no outstanding written or oral employment contracts, sales, services, management or consulting agreements, employee benefit or profit-sharing plans, or any bonus arrangements with any employee of EH, nor are there any outstanding oral contracts of employment which are not terminable on the giving of reasonable notice in accordance with applicable law. There are no pension or retirement plans established by or for EH for the employees of EH;

(gg) to the knowledge of EH, there is not now outstanding any arrangement (contractual or otherwise) between EH and any Person which will or may be, terminated or, prejudicially affected as a result of the Merger contemplated herein; and

(hh) no representation or warranty made by EH in this Agreement and no statement made in any schedule, exhibit, certificate or other document furnished pursuant to this Agreement, contains, or will contain, any untrue statement of a Material Fact or omits, or will omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading. To the knowledge of EH there does not exist any facts EH which, if known to the other parties hereto would deter them from consummating the transactions contemplated herein.

4.2 No investigations made by or on behalf of Esports at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by EH herein or pursuant hereto and no waiver by Esports of any condition, in whole or in part, shall operate as a waiver of any other conditions.

4.3 **Representations and Warranties of Esports.** Esports hereby represents and warrants to EH, except as specifically set forth in the Disclosure Letter to be delivered separately by Esports to EH on the date hereof, as applicable (the "**Disclosure Letter**") that:

(a) each of Esports and the Subsidiaries is a corporation incorporated and subsisting under the laws of its jurisdiction of incorporation and has all legal capacity and requisite corporate power to own its properties and to conduct its business as it is presently being conducted, and is duly registered or otherwise qualified to carry on business in all jurisdictions in which the nature of its assets or business makes such registration or qualification necessary or advisable;

(b) Esports has the full legal capacity and corporate power to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the other actions and transactions contemplated in this Agreement and to fulfill its obligations under this Agreement; all necessary corporate action has been taken or will be taken prior to the Effective Date, by or on the part of Esports to authorize the execution and delivery of this Agreement, including the approval of the Merger by the form of resolution of the Esports Shareholders as required by the Act, and the taking, performing or executing of such proceedings, acts and instruments as are necessary or advisable for consummating the actions and transactions contemplated in this Agreement and for fulfilling their respective obligations hereunder;

(c) this Agreement has been duly executed and delivered by Esports and this Agreement constitutes a legal, valid and binding obligation of Esports enforceable against Esports in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency, re-organization or other laws relating to the enforcement of creditors' rights generally;

(d) neither the execution, nor delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor compliance with and fulfillment of the terms and provisions of this Agreement will:

(i) conflict with or result in a material breach of the terms, conditions or provisions of, or constitute a material default under:

(1) any of the Memorandum and articles of association of Esports or the constating documents of any of the Subsidiaries; or

(2) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which Esports or the Subsidiaries is a party or by which Esports of the Subsidiaries is bound; and

(ii) except as otherwise described herein, require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of Esports or the Subsidiaries or any party to any agreement to which Esports or the Subsidiaries is a party or by which Esports or the Subsidiaries is bound, except as shall have been obtained prior to Closing;

(e) other than any required regulatory approvals, no consent, licence, approval, order or authorization of, or registration, filing or declaration with any governmental authority that has not been obtained or made by Esports or the Subsidiaries and no consent of any Third Party is required to be obtained by Esports or the Subsidiaries in connection with the execution, delivery and performance by Esports of this Agreement or the consummation of the transactions contemplated hereby;

(f) the authorized capital of Esports as of the date hereof consists of an unlimited number of ordinary shares with a par value of £0.01 each. As the date hereof, 34,025,156 ordinary shares are validly issued and outstanding as fully paid and non-assessable shares in the capital of Esports. The Esports Shares have been issued in accordance with applicable prospectus and dealer registration exemptions from Applicable Securities Laws;

(g) except for an aggregate of 21,500,587 Esports Shares that may be issued upon exercise of the Esports Compensation Options, Esports Broker Warrants, the Esports Subscription Receipts, the Esports Warrants and the Expoworld Note in connection with the Interim Financing, no Person, firm or corporation has or will have any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from Esports of any Esports Shares or other securities or for the subscription, allotment or issuance of any unissued shares or other securities of Esports;

(h) except as disclosed to EH in writing, none of the outstanding Esports Shares are subject to escrow restrictions, pooling arrangements, voting trusts, unanimous shareholders agreements or other similar agreements, whether voluntary or otherwise;

(i) Esports owns all the outstanding securities of the Subsidiaries and no Person, firm or corporation has or will have any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from the Subsidiaries or from Esports of any securities of the Subsidiaries;

(j) all corporate records and minute books of Esports have been provided to EH or its legal counsel and contain complete and accurate minutes of all meetings of and corporate actions or written consents by the directors and shareholders of Esports, as applicable, including all by-laws and resolutions passed by the board of directors and shareholders of Esports since the incorporation of Esports and all such meetings were duly called and held;

(k) Esports does not have any of its records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of Esports and at Closing, Esports will have originals or copies of all such records, systems, controls, date or information in its possession or control;

(l) the books and records of Esports and the Subsidiaries fairly and correctly set out and disclose in all material respects, the financial position of Esports and the Subsidiaries as at the dates thereof and all material financial transactions of Esports and the Subsidiaries relating to Esports' Business have been accurately recorded in such books and records and, in respect of any information provided or requested, did not knowingly omit data or information necessary to make any data or information provided not misleading as at the respective dates thereof;

(m) other than as disclosed in writing to EH, as at the date hereof, there are no material contracts or agreements to which Esports and the Subsidiaries is a party or by which it is bound. For the purposes of this subparagraph, any contract or agreement pursuant to which Esports and the Subsidiaries will, or may reasonably be expected to, result in a requirement of Esports to expend more than an aggregate of $50,000 or receive or be entitled to receive revenue of more than $100,000 in either case in the next 12 months, or is out of the ordinary course of business of Esports and the Subsidiaries, shall be considered to be material;

(n) except as would not reasonably be expected to have a Material Adverse Effect, Esports and each of the Subsidiaries: (i) owns, or possesses the right to use in all material respects, all Intellectual Property used or held for use in or otherwise reasonably necessary for the present conduct the Esports' Business; (ii) to the knowledge of Esports, each of Esports and the Subsidiaries are not interfering with, infringing upon, misappropriating or otherwise violating Intellectual Property of any person; (iii) no claim or litigation regarding any of the Intellectual Property owned by Esports and the Subsidiaries is pending or, to the knowledge of Esports, threatened in writing; and (iv) no claim or litigation regarding any other Intellectual Property described in the foregoing clauses (i) and (ii) is pending or, to the knowledge of Esports, threatened;

(o) each of Esports and the Subsidiaries or, to the knowledge of Esports, none of the respective officers, directors, or agents of Esports and the Subsidiaries has materially violated or is in material violation of any Prescribed Laws. Each of Esports and the Subsidiaries has implemented and maintains in effect policies and procedures reasonably designed to ensure compliance by Esports and the Subsidiaries and their respective directors, officers, employees and agents with the Prescribed Laws. Each of Esports and the

Subsidiaries and their respective officers, and, to the knowledge of Esports, upon reasonable inquiry, their directors, employees and agents, are in compliance with all Prescribed Laws in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in a material violation of any Prescribed Laws. None of Esports and the Subsidiaries or, to the knowledge of Esports, any of their respective directors, officers, employees or agents is a Person that is, or is owned or controlled by Persons that are: (i) a Sanctioned Person; (ii) located, organized or resident in a Sanctioned Country; or (iii) has been previously indicted for or convicted of any violation of any of the Prescribed Laws. None of Esports, nor the Subsidiaries, nor, to the knowledge of Esports, any of their respective officers, directors, employees or agents, has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any person while knowing that all or some portion of the money or value will be offered, given or promised to anyone to improperly influence official action, to obtain or retain business or otherwise to secure any improper advantage;

(p) to the knowledge of Esports, the Esports' Financial Statements fairly present the financial position of Esports and the Subsidiaries, as at the date indicated therein and fairly present the results of operations for the periods ended on such dates, all in accordance with IFRS consistently applied throughout the period covered thereby, save and except as stated therein. Esports' and the Subsidiaries' books of account reflect items of income and expense and all assets and liabilities and accruals required to be reflected therein in all material respects;

(q) except as expressly referred to in Esports' Financial Statements and this Agreement, or as otherwise expressed in writing to Esports:

(i) each of Esports and the Subsidiaries does not have outstanding any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever and each of Esports and the Subsidiaries is not bound under any agreement to create, issue or incur any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever; and

(ii) each of Esports and the Subsidiaries is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.

(r) save and except for matters which are disclosed in the Esports' Financial Statements or otherwise expressly set out in this Agreement or as otherwise disclosed in writing to EH, each of Esports and the Subsidiaries has not (nor has it agreed to) since December 31, 2019:

(i) incurred material any debts, obligations or liabilities (absolute, accrued, contingent or otherwise and whether due or to become due), except debts, obligations and liabilities incurred in the ordinary course of business;

(ii) discharged or satisfied any liens or paid any obligation or liability other than liabilities shown on Esports' Financial Statements, other than in the ordinary course of business;

(iii) declared or made any payment, distribution or dividend based on its shares or purchased, redeemed or otherwise acquired any of the shares in its capital or other securities or obligated itself to do so;

(iv) mortgaged, pledged or subjected to lien or other security interest any of its assets, tangible or intangible other than the usual security granted to secure a bank line of credit or other than in the ordinary course of business;

(v) sold, assigned, leased, transferred or otherwise disposed of any of its assets (excluding inventory) having either a book value or fair market value in excess of $50,000, whether or not in the ordinary course of business, except for transactions involving the Esports Properties previously disclosed in writing to EH;

(vi) increased materially the compensation payable or to become payable by Esports or the Subsidiaries to any of its officers, directors or employees, or in any bonus payment to or arrangement made with any officer, director or employee, or made any material changes in the personnel policies or employee benefits of Esports and the Subsidiaries;

(vii) cancelled, waived, released or compromised any debt, claim or right resulting in a Material Adverse Effect on the business, prospects or financial condition of Esports and the Subsidiaries;

(viii) significantly altered or revised any of its accounting principles, procedures, methods or practices except as required under IFRS or other regulatory guidelines;

(ix) changed its credit policy as to provision of services, sales of inventories or collection or accounts receivable except as dictated by competitive conditions;

(x) suffered any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting Esports' Assets, Esports' Business or prospects of Esports and the Subsidiaries;

(xi) entered into any transaction, contract or commitment other than in the ordinary course of business except for the transactions set forth in this Agreement;

(xii) made or authorized any capital expenditures in excess of $50,000 in the aggregate except for commitments made in respect of the Esports Properties previously disclosed in writing to EH;

(xiii) issued or sold any shares in its capital stock or other securities, or granted any options with respect thereto except as otherwise disclosed in writing to EH; or

(xiv) suffered or experienced any material adverse change in, or event or circumstance affecting, the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business, operations or prospects and Esports has no knowledge, information or belief of any fact, event or circumstances which might reasonably be expected to affect materially and adversely the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business operations or prospects and has not changed any shares of its capital stock, whether by way of reclassification, stock split or otherwise;

(s) since incorporation, no payments have been made or authorized by Esports or the Subsidiaries to their officers, directors, employees, shareholders or former directors, officers, employees or shareholders or to any Person not dealing at Arm's Length with any of the foregoing, except those expressly disclosed herein, reflected in Esports' Financial Statements or as disclosed in writing to EH or made in the ordinary course of business and at the regular rates payable to them of salary, pension, bonuses or other remuneration of any nature;

(t) to the knowledge of Esports, each of Esports and the Subsidiaries has made all filings required under applicable laws with the applicable regulatory authorities in substantial compliance, and all such filings and information and statements contained therein and any other information or statements disseminated to the public by Esports were true, correct and complete in all material respects and did not contain any misrepresentation, as at the date of such information or statements;

(u) to the knowledge of Esports, each of Esports and the Subsidiaries has filed all tax returns required to be filed by them prior to the date hereof in all applicable jurisdictions and have paid, collected and remitted all taxes, customs, duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at present. To the knowledge of Esports, all such tax returns properly reflect, and do not in any material respect understate the income, taxable income or the liability for taxes of Esports and the Subsidiaries in the relevant period and the liability of Esports and the Subsidiaries for the collection, payment and remittance of tax under applicable Tax Laws;

(v) adequate provision has been made in Esports' Financial Statements for all taxes, governmental charges and assessments, including interest and penalties thereon, payable by Esports and the Subsidiaries for all periods up to the date of the balance sheets comprising part of Esports' Financial Statements;

(w) each of Esports and the Subsidiaries has withheld and remitted all material amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including December 31, 2019;

(x) neither Esports nor any of the Subsidiaries operates or engages in any business activities, operations or management of any nature or kind whatsoever other than Esports' Business;

(y) each of Esports and the Subsidiaries is conducting and has always conducted Esports' Business in substantial compliance with all applicable laws, rules and regulations of each jurisdiction in which Esports' Business is carried on, are not currently in material breach of any such laws, rules or regulations and are duly licensed, registered or qualified, in each jurisdiction in which each of Esports and the Subsidiaries owns, leases or has any interest of claim in property or carries on Esports' Business, to enable Esports' Business to be carried on as now conducted and its property and assets to be owned, leased licensed or otherwise and operated, and all such licences, registrations, claims, interests and qualifications are valid and subsisting and in good standing and none of the same contains any burdensome term, provision, condition or limitation which has or may have an Material Adverse Effect on the operation of Esports' Business;

(z) Esports is not a reporting issuer under any province or jurisdiction in Canada and, to the knowledge of Esports, no securities commission, nor the TSXV, has issued any order preventing the transactions contemplated by this Agreement or the trading of any securities of Esports;

(aa) each of Esports and the Subsidiaries maintains sufficient property, general liability and third party insurance and all of such insurance policies are in good standing and in the opinion of management of Esports are sufficient, in all material respects, to protect Esports against potential liabilities of Esports' Business;

(bb) in respect of the Esports' Assets and the Esports' Business, each of Esports and the Subsidiaries holds all valid licenses, permits and similar rights and privileges that are material and required and necessary under applicable law to operate the Esports' Assets as Esports' Business as presently operated or as proposed to be operated except where the failure to so hold such licenses and permits would not have a Material Adverse Effect on Esports and the Subsidiaries;

(cc) to the knowledge of Esports, except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect on Esports, in respect of Esports:

(i) it is not in material violation of any applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental health or safety matters (collectively, the "**Environmental Laws**");

(ii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Esports that have not been remedied;

(iii) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the Esports' Assets and Esports' Business; and

(iv) it holds all licenses, permits and approvals required under any Environmental Laws in connection with the operations of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and Esports has not received any notification pursuant to any Environmental Laws that any work, repairs, construction, or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;

(dd) Esports is not a party to any unanimous shareholders' agreement, pooling agreement, voting trust or other similar type of arrangement in respect of the outstanding securities of Esports;

(ee) to the knowledge of Esports, all issuances of securities of Esports have been completed in accordance with all Applicable Securities Laws and regulations;

(ff) no employee has made any claim or, to the knowledge of Esports, has any basis for any action or proceeding against Esports and the Subsidiaries arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation;

(gg) neither Esports nor any of the Subsidiaries has made any agreements with any labour union or employee association nor made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements;

(hh) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the employees or Esports and the Subsidiaries by way of certification, interim certification, voluntary recognition, designation or successor rights;

(ii) there is no action, lawsuit, claim, proceeding, or investigation pending or, to the knowledge of Esports, threatened against, relating to or affecting Esports and the Subsidiaries before any court, government agency, or any arbitrator of any kind, in any jurisdiction in Canada or internationally. To the knowledge of Esports there do not exist any grounds on which any such proceeding might be commenced with any reasonable likelihood of success and there is not presently outstanding against Esports or the Subsidiaries any judgment, decree, injunction, rule or order of any court, governmental agency, or arbitrator relating to or affecting Esports, the Subsidiaries or Esports' Assets or Esports' Business. No waivers have been filed by Esports or the Subsidiaries with any taxing authority in any jurisdiction in Canada or internationally;

(jj) other than as disclosed to EH, there are no outstanding written or oral employment contracts, sales, services, management or consulting agreements, employee benefit or profit-sharing plans, or any bonus arrangements with any employee of Esports and the Subsidiaries, nor are there any outstanding oral contracts of employment which are not terminable on the giving of reasonable notice in accordance with applicable law. There are no pension or retirement plans established by or for Esports and the Subsidiaries for the employees of Esports;

(kk) neither Esports nor any of the Subsidiaries has in place or in effect any employment agreements, consulting agreements or other change of control agreements which provide for a payment accruing as a result of the Merger or other change of control of Esports and Esports has disclosed in writing to EH all severance amounts, consulting contract termination obligations and/or retention or bonuses that may be payable by Esports and the Subsidiaries and each of Esports and the Subsidiaries does not have any consulting agreements that are not terminable on more than one month's notice; there is not now outstanding any arrangement (contractual or otherwise) between Esports or the Subsidiaries and any Person which will or may be, terminated or, to the knowledge of Esports, prejudicially affected as a result of the Merger contemplated herein;

(ll) no representation or warranty made by Esports in this Agreement and no statement made in any schedule, exhibit, certificate or other document furnished pursuant to this Agreement, contains, or will contain, any untrue statement of a Material Fact or omits, or will omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading. To the knowledge of Esports, there are no facts which, if known to the other parties hereto would deter them from consummating the transactions contemplated herein;

(mm) the board of directors of Esports have reserved and allotted a sufficient number of Esports Shares as are issuable pursuant to the Interim Financing;

(nn) there are no accrued bonuses payable to any officers, directors or employees of Esports and the Subsidiaries;

(oo) the board of directors of Esports has unanimously endorsed the Merger and approved this Agreement, has unanimously determined that the Merger is fair, from a financial point of view, to holders of the Esports Shares and has resolved to unanimously recommend approval of the Merger by Esports Shareholders;

(pp) as of the date hereof, each of Esports and the Subsidiaries has no authorizations for expenditures or other like commitments outstanding;

(qq) to the knowledge of Esports, all accounts receivable in any material amount of Esports and the Subsidiaries are collectible;

(rr) Esports' Assets are free and clear of all mortgages, pledges, liens, charges and encumbrances (other than those in favour of its banker as security for its bank credit facility or those arising in the ordinary course of business) and other than those encumbrances which do not and will not have a Material Adverse Effect on the ownership or operation of Esports' Assets, it has not done any act or suffered or permitted any action to be done whereby any person has acquired or may acquire an interest in or to its material properties or assets, nor has it done any act, omitted to do any act or permitted any act to be done that may adversely affect or defeat its title to any of its material properties or assets;

(ss) no director, officer, employee or insider of Esports and the Subsidiaries or other non arm's length party to Esports and the Subsidiaries is indebted to Esports and the Subsidiaries;

(tt) neither Esports nor any of the Subsidiaries is indebted to any of its directors, officers, employees or consultants, any of its shareholders or any of their respective associates or affiliates;

(uu) there is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which Esports or the Subsidiaries is a party or by which it is otherwise bound that would now or hereafter in any way limit the business or operations of Esports and the Subsidiaries in a particular manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction of Esports and the Subsidiaries from engaging in its business or from competing with any person or in any geographic area;

(vv) neither Esports nor any of the Subsidiaries have any rights to purchase any assets, properties or undertakings of Third Parties, nor have any obligation to sell assets, properties or undertakings, under any agreements to purchase or sell that have not closed;

(ww) each of Esports and the Subsidiaries is not a party to or bound by any agreement, guarantee, indemnification (other than in the ordinary course of business and to officers and directors pursuant to Esports' or the Subsidiaries' by laws and standard indemnity agreements, to Esports' bankers, pursuant to underwriting, agency or financial advisor agreements pursuant to the standard indemnity provisions in agreements of that nature and indemnities contained in flow through subscription agreements), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person;

(xx) a complete and accurate description of the Esports' Assets as at the date hereof has been disclosed in writing to EH;

(yy) to the knowledge of Esports, there are reasonable grounds for believing that no creditor of Esports or the Subsidiaries will be prejudiced by the Merger; and

(zz) each of Esports and the Subsidiaries is presently able to pay its liabilities as they become due.

4.4 No investigations made by or on behalf of EH at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by Esports herein or pursuant hereto and no waiver by EH of any condition, in whole or in part, shall operate as a waiver of any other condition.

ARTICLE V
COVENANTS

5.1 **General Covenants of EH.** EH covenants and agrees that, until Closing or the date on which this Agreement is terminated, and unless otherwise contemplated herein, it shall (and shall procure that EH Subco shall (where applicable)):

(a) take all requisite action to:

(i) approve this Agreement;

(ii) call and hold the EH Meeting to consider and approve the Consolidation (or an equivalent consolidation) and the Name Change;

(iii) cause EH Subco to be duly and validly formed; and

(iv) approve such actions as the other parties hereto may determine to be necessary or desirable for the purposes hereof;

(b) in consultation with Esports and its counsel, use all reasonable commercial efforts to prepare and file the CPC Filing Statement in accordance with applicable laws;

(c) use its reasonable commercial efforts to preserve intact as a going concern its business organization and goodwill, to keep available the services of its officers and employees as a group, to maintain its business relationships and to ensure that EH's Business shall be conducted only in the usual and ordinary course of business consistent with past practice;

(d) not carry on any business other than as a CPC and once formed, cause EH Subco not to carry on any business;

(e) give its consent (and provide such other reasonable assurances as may be required) and use all reasonable commercial efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;

(f) upon EH receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, disclose such information promptly in writing to the solicitors for Esports;

(g) in consultation with Esports and its counsel, forthwith use its reasonable commercial efforts to obtain all necessary regulatory approvals and to make application to the TSXV for the listing of Resulting Issuer Shares and the Resulting Issuer Shares underlying the Resulting Issuer Broker Warrants, the Resulting

Issuer Compensation Options, the Resulting Issuer Options, the Resulting Issuer Subscriber Compensation Warrants, the Resulting Issuer Warrants and the Expoworld Note on the TSXV following the Closing and assist in making all submissions, preparing all press releases and circulars and making all notifications required with respect to this transaction and the issuance of shares as contemplated hereunder;

(h) not directly or indirectly do or permit to occur any of the following: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares; (iii) issue or agree to issue any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares, other than the issuance of EH Shares pursuant to the exercise of the EH Options; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) split, combine or reclassify any of its securities; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution or reorganization of EH; (vii) reduce the stated capital of EH or any of its outstanding shares; (viii) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere or affect the consummation of the Merger; or (ix) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;

(i) promptly notify Esports in writing of any material change (actual, anticipated, contemplated or, to the knowledge of EH threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, or of any change in any representation or warranty provided by EH in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and EH shall in good faith discuss with Esports any change in circumstances (actual, anticipated, contemplated, or to the knowledge of EH threatened) which is of such a nature that there may be a reasonable question as to whether notice needs to be given to Esports pursuant to this provision;

(j) not: (i) grant any officer, director or employee an increase in compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment of any severance or termination pay policies or arrangements for any directors, officers or employees, except as contemplated herein; (iv) adopt or amend (other than to permit accelerated vesting of currently outstanding rights) any stock option plan or the terms of any outstanding rights thereunder; nor (v) advance any loan to any officer, director or any other party not at Arm's Length;

(k) not adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock purchase plan, fund or arrangement for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;

(l) use all reasonable commercial efforts to take all steps necessary to make proper disclosure within such time as required by any regulatory authority and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;

(m) maintain its status as a reporting issuer in Alberta and British Columbia;

(n) use its best efforts to maintain the accuracy and currency of the Public Record;

(o) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article VI to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Merger, including using its reasonable commercial efforts to:

  (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;

(ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;

(iii) effect all necessary registrations and filings and submissions of information requested by governmental entities required to be effected by it in connection with the Merger and participate and appear in any proceedings of either party before governmental entities in connection with the Merger;

(iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affect the ability of the parties to consummate the transactions contemplated hereby;

(v) fulfill all conditions and satisfy all provisions of this Agreement;

(vi) cooperate with the other parties to this Agreement in connection with the performance by EH of its obligations hereunder; and

(vii) not take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement or that would reasonably be expected to significantly impede the consummation of the Merger;

(p) not incur any material liabilities of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which EH may become liable on or after the Closing Date, except as set out in EH Financial Statements and except for those public company and transactional costs incurred prior to Closing, which will be disclosed in writing to Esports at Closing;

(q) validly issue the Resulting Issuer Shares in accordance with Article III hereof as fully paid and non-assessable common shares in the capital of the Resulting Issuer, free and clear of all mortgages, liens, charges, security deposits, adverse claims, pledges, encumbrances, options, warrants, rights, privileges and demands whatsoever;

(r) validly issue the Resulting Issuer Broker Warrants, Resulting Issuer Compensation Options, Resulting Issuer Options, the Resulting Issuer Subscriber Compensation Warrants and Resulting Issuer Warrants and properly reserve for issuance Resulting Issuer Shares to allow for the full conversion or exercise of such securities (including the Expoworld Note);

(s) validly effect the appointment of Drew Green, Maruf Raza, Lloyd Melnick, Michael Stevens and Quentin Martin as directors of the Resulting Issuer at Closing;

(t) validly appoint Manning Elliott LLP, Chartered Accountants as the auditors of the Resulting Issuer at Closing;

(u) to file, duly and timely, all tax returns required to be filed by it and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency; and

(v) neither declare nor pay any dividends or other distributions or returns of capital on EH Shares from the date of this Agreement until the Closing Date without the prior consent of Esports.

5.2 **EH's Covenant Regarding Non-Solicitation.** EH shall not, directly or indirectly, through any officer, director, employee, representative or agent, solicit, initiate, invite or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in, any inquiries or proposals regarding a Proposal; provided, however, that nothing contained in this Section 5.2 or other provisions of this Agreement shall prevent the board of directors of EH from responding to, considering, negotiating, approving, providing materials for due diligence, investigations, conducting due diligence or recommending to its shareholders an agreement in respect of an unsolicited bona fide written Proposal: (a) in respect of which the board of directors of EH determines (having consulted outside counsel) that in the exercise of its fiduciary duty it would be advisable for such board of directors to take such action in order to avoid breaching its fiduciary duties; and (b) in respect of which the board of directors of EH determine in good faith, after consultation with financial advisors, if consummated in accordance with its terms, would result in a transaction more favourable to its shareholder than the transaction contemplated hereby (any such Proposal that satisfies clauses (a) and (b) above being referred to herein as a "**EH Superior Proposal**").

Other than as contemplated in Section 5.2, EH shall continue to refrain from participating in any discussions or negotiations with any parties (other than the parties hereto) with respect to any potential Proposal.

EH shall immediately notify Esports (both orally and in writing) of any future Proposal of which EH's directors or senior officers become aware of or any amendments to the foregoing or any request for non-public information relating to EH in connection with an Proposal or for access to the properties, books or records or for a list of the shareholders by any person or entity that informs EH that it is considering making a Proposal. Such notice shall include a copy of all written communications and a description of the material terms and conditions of any proposal and provide such details of the proposal, inquiry or contact as Esports may reasonably request, including without limitation, the identity of the Person and controlling Person, if any, making such proposal, inquiry or contact.

EH shall not accept, approve, or recommend or enter into any agreement in respect of a Proposal on the basis that it constitutes an EH Superior Proposal unless: (x) it has provided Esports with a copy of the Proposal document which has been determined to be an EHSuperior Proposal, with such deletions as are necessary to protect confidential portions of such Proposal document, provided that the material terms and conditions may not be deleted; and (y) four (4) Business Days (the "**Notice Period**") shall have elapsed from the later of the date Esports received notice of the determination to accept, approve or recommend an agreement in respect of such Proposal and the date Esports received a copy of the Proposal document. During the Notice Period, EH shall provide a reasonable opportunity to Esports to consider, discuss and offer such adjustments to the terms and conditions of this Agreement as would enable the party receiving the EH Superior Proposal to proceed with its recommendation to security holders with respect to the Proposal; provided, however, that any such adjustment shall be at the discretion of the parties. The board of directors of EH will review in good faith any offer made by Esports to amend the terms of this Agreement in order to determine, in the board's discretion, as part of exercising its fiduciary duties, whether the proposed amendments would, upon acceptance, result in such EH Superior Proposal ceasing to be an EH Superior Proposal. If the board of directors of EH determines that the EH Superior Proposal would cease to be an EH Superior Proposal, it will so advise Esports and will accept the offer by Esports to amend the terms of this Agreement and the parties agree to take such actions and execute such documents as are necessary to give effect to the foregoing. Each successive material modification of any Proposal or an EH Superior Proposal shall constitute a new Proposal for the purposes of this Section 5.2 and shall require a four (4) Business Day Notice Period from the date such amendment is communicated to the other party hereto, other than an amendment to improve upon an EH Superior Proposal in respect of which the other party has been provided with an opportunity to amend the terms of this Agreement and such EH Superior Proposal has not ceased to be an EH Superior Proposal prior to the proposed amendment.

5.3 **General Covenants of Esports.** Esports covenants and agrees that, until Closing or the date on which this Agreement is terminated, and unless otherwise contemplated herein, it shall:

(a) take all requisite action to:

(i) approve this Agreement;

(ii) call and hold the Esports Meeting to consider and approve the Merger;

(iii) obtain consent from the holders of securities of Esports to exchange their securities for securities for the Resulting Issuer, as applicable; and

(iv) approve such actions as the other parties hereto may determine to be necessary or desirable for the purposes hereof;

(b) deliver a copy of the audited version of Esports' Financial Statements, as applicable, to EH once they have been approved by the board of directors of Esports;

(c) assist EH and its counsel, to prepare and file the CPC Filing Statement all in accordance with applicable laws;

(d) use its reasonable commercial efforts to preserve intact as a going concern its business organization and goodwill, to keep available the services of its officers and employees as a group, to maintain its business relationships and to ensure that Esports' Business shall be conducted only in the usual and ordinary course of business consistent with past practice;

(e) give its consent (and provide such other reasonable assurances as may be required) and use all reasonable commercial efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;

(f) upon Esports receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, disclose such information promptly in writing to the solicitors for EH;

(g) in consultation with EH and its counsel, forthwith use its reasonable commercial efforts to obtain all necessary regulatory approvals and to make application to the TSXV for the listing of Resulting Issuer Shares and the Resulting Issuer Shares underlying the Resulting Issuer Broker Warrants, the Resulting Issuer Compensation Options, the Resulting Issuer Options, the Resulting Issuer Subscriber Compensation Warrants, the Resulting Issuer Warrants and the Expoworld Note on the TSXV following the Closing and assist in making all submissions, preparing all press releases and circulars and making all notifications required with respect to this transaction and the issuance of shares as contemplated hereunder;

(h) not directly or indirectly do or permit to occur any of the following: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares; (iii) issue or agree to issue any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares, other than the issuance of Esports Shares pursuant to the exercise of the securities issued in accordance with the Interim Financing, as may be applicable; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) split, combine or reclassify any of its securities; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution or reorganization of Esports; (vii) reduce the stated capital of Esports or any of its outstanding shares; (viii) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere or affect the consummation of the Merger; or (ix) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;

(i) promptly notify EH in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Esports threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, or of any change in any representation or warranty provided by Esports in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Esports shall in good faith discuss with EH any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Esports threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to EH pursuant to this provision;

(j) not: (i) grant any officer, director or employee an increase in compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment of any severance or termination pay policies or arrangements for any directors, officers or employees, except as contemplated herein; (iv) adopt or amend (other than to permit accelerated vesting of currently outstanding rights) any stock option plan or the terms of any outstanding rights thereunder; nor (v) advance any loan to any officer, director or any other party not at Arm's Length;

(k) not adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock purchase plan, fund or arrangement for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;

(l) except in connection with the Interim Financing, not issue any additional Esports Shares and any other grants of rights, options or entitlements to Esports Shares;

(m) use all reasonable commercial efforts to take all steps necessary to make proper disclosure within such time as required by any regulatory authority and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;

(n) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article VI to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Merger, including using its reasonable commercial efforts to:

(i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;

(ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;

(iii) effect all necessary registrations and filings and submissions of information requested by governmental entities required to be effected by it in connection with the Merger and participate and appear in any proceedings of either party before governmental entities in connection with the Merger;

(iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affect the ability of the parties to consummate the transactions contemplated hereby;

(v) fulfill all conditions and satisfy all provisions of this Agreement;

(vi) cooperate with the other parties to this Agreement in connection with the performance by Esports of its obligations hereunder; and

(vii) not take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement or that would reasonably be expected to significantly impede the consummation of the Merger;

(o) not incur any material liabilities of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which Esports may become liable on or after the date of Closing, except pursuant to the Interim Financing or as set out in Esports' Financial Statements and except for those costs in the ordinary course of business and transaction costs incurred prior to Closing which will be disclosed in writing to EH at Closing;

(p) neither declare nor pay any dividends or other distributions or returns of capital on Esports Shares from the date of this Agreement until the Closing Date without the prior consent of EH; and

(q) to file, duly and timely, all tax returns required to be filed by it and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency.

5.4 **Esports' Covenant Regarding Non-Solicitation.** Esports shall not, directly or indirectly, through any officer, director, employee, representative or agent, solicit, initiate, invite or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in, any inquiries or proposals regarding a Proposal; provided, however, that nothing contained in this Section 5.4 or other provisions of this Agreement shall prevent the board of directors of Esports from responding to, considering, negotiating, approving, providing materials for due diligence, investigation, conducting due diligence or recommending to its shareholders an agreement in respect of an unsolicited bona fide written Proposal: (a) in respect of which the board of directors of Esports determines (having consulted outside counsel) that in the exercise of its fiduciary duty it would be advisable for such board of directors to take such action in order to avoid breaching its fiduciary duties; and (b) in respect of which the board of directors of Esports determines in good faith, after consultation with financial advisors, it consummated in accordance with its terms, would result in a transaction more favourable to its shareholders than the transaction contemplated hereby (any such Proposal that satisfies clauses (a) and (b) above being referred to herein as a "**Esports Superior Proposal**").

Other than as contemplated in Section 5.4, Esports shall continue to refrain from participating in any discussions or negotiations with any parties (other than the parties hereto) with respect to any potential Proposal.

Esports shall immediately notify EH (both orally and in writing) of any future Proposal of which Esports' directors or senior officers become aware of or any amendments to the foregoing or any request for non-public information relating to Esports in connection with a Proposal or for access to the properties, books or records or for a list of the shareholders by any person or entity that informs Esports that it is considering making a Proposal. Such notice shall include a copy of all written communications and a description of the material terms and conditions of any proposal and provide such details of the proposal, inquiry or contact as EH may reasonably request, including without limitation, the identity of the Person and controlling Person, if any, making such proposal, inquiry or contact.

Esports shall not accept, approve, or recommend or enter into any agreement in respect of a Proposal on the basis that it constitutes an Esports Superior Proposal unless: (x) it has provided EH with a copy of the Proposal document which has been determined to be an Esports Superior Proposal, with such deletions as are necessary to protect confidential portions of such Proposal document, provided that the material terms and conditions may not be deleted; and (y) four (4) Business Days (the "**Notice Period**") shall have elapsed from the later of the date EH received notice of the determination to accept, approve or recommend an agreement in respect of such Proposal and the date EH received a copy of the Proposal document. During the Notice Period, Esports shall provide a reasonable opportunity to EH to consider, discuss and offer such adjustments to the terms and conditions of this Agreement as would enable the party receiving the Esports Superior Proposal to proceed with its recommendation to security holders with respect to the Proposal; provided, however, that any such adjustment shall be at the discretion of the parties. The board of directors of Esports will review in good faith any offer made by EH to amend the terms of this Agreement in order to determine, in the board's discretion, as part of exercising its fiduciary duties, whether the proposed amendments would, upon acceptance, result in such Esports Superior Proposal ceasing to be an Esports Superior Proposal. If the board of directors of Esports determines that the Esports Superior Proposal would cease to be an Esports Superior Proposal, it will so advise EH and will accept the offer by EH to amend the terms of this Agreement and the parties agree to take such actions and execute such documents as are necessary to give effect to the foregoing. Each successive material modification of any Proposal or an Esports Superior Proposal shall constitute a new Proposal for the purposes of this Section 5.4 and shall require a four (4) Business Day Notice Period from the date such amendment is communicated to the other party hereto, other than an amendment to improve upon an Esports Superior Proposal in respect of which the other party has been provided with an opportunity to amend the terms of this Agreement and such Esports Superior Proposal has not ceased to be an Esports Superior Proposal prior to the proposed amendment.

5.5 **Mutual Covenants.** From the date hereof until the Effective Date, each of Esports and EH (and EH will procure that EH Subco) will use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder to the extent the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws to complete the Merger including using reasonable efforts:

(a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;

(b) to obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws; and

(c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Merger,

and each of Esports and EH will use its reasonable commercial efforts to cooperate with the other in connection with the performance by the other of its obligations under this Section 5.5 including, without limitation, continuing to provide reasonable access to information and to maintain ongoing communications as between officers of EH and Esports.

ARTICLE VI
CONDITIONS TO CLOSING

6.1 **Mutual Conditions Precedent**. The respective obligations of the parties hereto to complete the transactions contemplated hereunder are subject to the satisfaction, on or before the Closing Date, of the following conditions any of which may be waived by the mutual consent of such parties without prejudice to their rights to rely on any other conditions contained herein:

(a) the Merger and this Agreement shall have been approved by the directors of EH Subco and Esports, and by EH, in its capacity as sole shareholder of EH Subco;

(b) the Merger and this Agreement shall have been approved by the required majority of the votes of the Esports Shareholders who, being entitled to do so, vote in person or by proxy at the Esports Meeting in accordance with the provisions of the Act;

(c) the Consolidation and Name Change shall have been approved by the required majority of the votes of the shareholders of EH who, being entitled to do so, vote in person or by proxy at the EH Meeting in accordance with Applicable Securities Laws and the *Business Corporations Act* (Alberta);

(d) all holders of securities of Esports not otherwise converted pursuant to the Merger shall have agreed to exchange their securities for securities of the Resulting Issuer, as applicable;

(e) the Resulting Issuer Shares to be issued pursuant to the terms set forth herein shall have been accepted for listing by the TSXV, subject to EH fulfilling the TSXV's usual and ordinary listing requirements;

(f) the Interim Financing shall have been completed to raise gross proceeds of a minimum of $4,000,000;

(g) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation, the Merger;

(h) the TSXV shall have granted conditional approval in respect of the Merger and related transactions, including the issuance of the Resulting Issuer Securities to be issued to Esports Shareholders and securityholders of Esports pursuant to the Merger;

(i) all other consents, orders and approvals, including, without limitation, regulatory approvals, required or desirable for the completion of the transactions contemplated herein shall have been obtained or received from the Person, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably;

(j) any applicable TSXV escrow agreement shall have been entered into;

(k) upon Closing, all regulatory requirements shall have been or are capable of being satisfied, including all requirements by the TSXV;

(l) the board of directors of the Surviving Company and the Resulting Issuer shall consist of those individuals set forth in this Agreement and the current directors and officers of the Surviving Company and the Resulting Issuer who are no longer to serve in those capacities will have duly resigned;

(m) if necessary, a sponsor for the transactions contemplated under this Agreement as the Qualifying Transaction of EH shall have conducted due diligence and filed with the TSXV a satisfactory sponsorship report or the requirement for sponsorship shall have been waived by the TSXV; and

(n) no material action or proceeding shall be pending or threatened by any Person, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:

    (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Merger or any other transactions contemplated herein; or

    (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein.

The foregoing conditions are for the mutual benefit of Esports on the one hand and EH on the other hand and may be asserted by Esports and by EH regardless of the circumstances and may be waived by Esports and EH in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Esports or EH may have. If any of such conditions shall not be complied with or waived as aforesaid on or before the Effective Date or, if earlier, the date required for the performance thereof, then, subject to Section 6.4 hereof, a party hereto may rescind and terminate this Agreement by written notice to the other of them in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by such rescinding party hereto.

6.2 **Conditions Precedent to Obligations of Esports.** The obligations of Esports to complete the transactions contemplated hereunder shall be subject to the satisfaction of, or compliance with, at or before the Closing Date, each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of Esports and may be waived by Esports in whole or in part on or before the Closing Date):

(a) Esports shall on or before the Closing Date have received from EH and EH Subco all documents and instruments as Esports may reasonably request for the purpose of effecting the Merger in accordance with the terms of this Agreement;

(b) all of the representations and warranties of EH made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing Date and with the same effect as if made at and as of the Closing Date (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby and except as such representations and warranties may be affected by the occurrence of events or transactions that are not materially adverse and arise in the ordinary course of business) and Esports shall have received a certificate dated as at the Closing Date in form satisfactory to Esports and their solicitors, acting reasonably, signed by a senior officer or director of EH on behalf of EH, certifying the truth and correctness in all material respects of the representations, warranties and covenants of EH set out in this Agreement;

(c) EH shall have furnished Esports with:

(i) certified copies of the resolutions duly passed by the boards of directors of EH and EH Subco approving this Agreement and the consummation of the transactions contemplated by this Agreement; and

(ii) certified copies of the resolutions duly passed by the board of directors of EH and EH Subco approving the CPC Filing Statement and the consummation of the transactions contemplated thereby;

(d) EH and EH Subco shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date;

(e) at the Closing Date, there shall have been no Material Adverse Effect on the condition of EH's Business (financial or otherwise), properties, assets, liabilities, earnings, or business operations or prospects of EH from that shown on or reflected in EH Financial Statements;

(f) all consents, approvals, orders and authorizations of any Persons or governmental authorities in Canada or elsewhere, including but not limited to the TSXV (or registrations, declarations, filings or records with any such authorities), including, without limitation, all such registrations, recordings and filings with such securities regulatory and other public authorities as may be required to be obtained by EH in connection with the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof, shall have been obtained on or before the Closing Date;

(g) EH shall be a reporting issuer in good standing in the provinces of Alberta and British Columbia and neither EH nor its shares shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;

(h) the following individuals shall be appointed to EH's board of directors upon conclusion of the Proposed Transaction: Drew Green, Maruf Raza, Lloyd Melnick, Michael Stevens and Quentin Martin;

(i) upon Closing, all regulatory requirements shall have been or are capable of being satisfied, including satisfaction of the Initial Listing Requirements of the TSXV and the requirements relating to completion of a Qualifying Transaction;

(j) EH and EH Subco shall deliver, or cause to be delivered to Esports on or before the Closing Date such other certificates, agreements or other documents as may reasonably be required by Esports or its solicitors, acting reasonably, to give full effect to this Agreement including, but not limited to, releases executed by each director and officer of EH and EH Subco;

(k) at or prior to Closing, EH and EH Subco shall have filed all tax returns required to be filed by them prior to the date hereof in all applicable jurisdictions and shall have paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at such time. All such tax returns shall properly reflect, and shall not in any respect understate the income, taxable income or the liability for taxes of EH and EH Subco in the relevant period and the liability of EH and EH Subco for the collection, payment and remittance of tax under applicable Tax Laws;

(l) EH shall have a minimum cash balance of $300,000, not including transaction costs associated with the Proposed immediately prior the Closing of the Merger, or such other amount acceptable to Esports, acting reasonably; and

(m) EH shall deliver, or cause to be delivered to Esports on or before the Closing Date such other certificates, agreements, or other documents as may reasonably be required by Esports or its solicitors, acting reasonably, to give full effect to this Agreement, including legal opinions from counsel to EH and counsel to EH Subco as to their respective corporate existence and as to the proper issuance of their respective securities.

6.3 **Conditions Precedent to Obligations of EH and EH Subco**. The obligation of EH and EH Subco to complete the transactions contemplated hereunder shall be subject to the satisfaction of or compliance with, at or before the Closing Date, each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of EH and may be waived by EH in writing, in whole or in part, on or before the Closing Date):

(a) within two (2) Business Days following its receipt of the audited version of Esports' Financial Statements, EH shall be satisfied, acting reasonably, that there has been no Material Adverse Effect on the condition of Esports' Business (financial or otherwise), Esports' Assets or its liabilities, earnings or other business operations;

(b) EH shall on or before the Closing Date have received from Esports all other documents and instruments as EH may reasonably request for the purpose of effecting the Merger in accordance with the terms of this Agreement;

(c) all of the representations, warranties and covenants of Esports made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing Date and with the same effect as if made at and as of the Closing Date (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby and except as such representations and warranties may be affected by the occurrence of events or transactions that are not materially adverse and arise in the ordinary course of business) and EH shall have received a certificate of Esports dated as at the Closing Date in form satisfactory to EH's solicitors, acting reasonably signed by a senior officer or director of Esports on behalf of Esports, certifying the truth and correctness in all material respects of the representations, warranties and covenants of Esports set out in this Agreement;

(d) Esports shall have provided the information relating to Esports required to be included in the CPC Filing Statement, including the Esports' Financial Statements, in form and substance satisfactory to EH, in its sole discretion;

(e) Esports shall have furnished EH with:

(i) certified copies of the resolutions duly passed by the boards of directors of Esports approving this Agreement and the consummation of the transactions contemplated by this Agreement;

(ii) the resolutions duly passed by the Esports Shareholders at the Esports Meeting approving the Merger;

(iii) certified copies of the resolutions duly passed by the board of directors of Esports approving the Interim Financing and the consummation of the transactions contemplated thereby; and

(iv) certified copies of the resolution duly passed by the board of directors of Esports approving the CPC Filing Statement and the consummation of the transactions contemplated thereby;

(f) if necessary, receipt of the consent of Esports' bankers and landlord to the Merger and the consummation thereof on a basis acceptable to EH, acting reasonably;

(g) Esports shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed and complied with by it prior to or on the Closing Date;

(h) Esports shall give notice to the Esports Shareholders of the Esports Meeting on or before November 30, 2020, and hold the Esports Meeting on or before December 30, 2020;

(i) at the Closing Date, there shall have been no Material Adverse Effect on the condition of Esports' Business (financial or otherwise), Esports' Assets or its liabilities, earnings, or other business operations or prospects from that shown on or reflected in Esports' Financial Statements;

(j) all consents, approvals, orders and authorizations of any Persons or governmental authorities in Canada or elsewhere, including but not limited to the TSXV (or registrations, declarations, filings or records with any such authorities), including, without limitation, all such registrations, recordings and filings with such securities regulatory and other public authorities as may be required to be obtained by Esports in connection with the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof, shall have been obtained on or before the Closing Date;

(k) at or prior to Closing, Esports shall have filed all tax returns required to be filed by them prior to the date hereof in all applicable jurisdictions and shall have paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at such time. All such tax returns shall properly reflect, and shall not in any respect understate the income, taxable income or the liability for taxes of Esports in the relevant period and the liability of Esports for the collection, payment and remittance of tax under applicable Tax Laws;

(l) if it is determined that a sponsor for the Proposed Transaction is required pursuant to TSXV policies, Esports shall choose and appoint a sponsor on the date of such determination by the TSXV. Esports shall be responsible any and all fees payable to the sponsor;

(m) upon Closing, all regulatory requirements shall have been or are capable of being satisfied, including satisfaction of the Initial Listing Requirements of the TSXV and the requirements relating to completion of a Qualifying Transaction; and

(n) Esports shall deliver, or cause to be delivered to EH on or before the Closing Date such other certificates, agreements, or other documents as may reasonably be required by EH or its solicitors, acting reasonably, to give full effect to this Agreement, including legal opinions from counsel to Esports as to its corporate existence and as to the proper issuance of their respective securities, to give full effect to this Agreement.

6.4 **Notice and Effect of Failure to Comply with Conditions.**

(a) Each of EH and Esports shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to: (i) cause any of the representations or warranties of such party contained herein to be untrue or inaccurate in any material respect; or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any party hereunder; provided, however, that no such notification shall affect the representations or warranties of the parties or the conditions to the obligations of the parties hereunder.

(b) If any of the conditions precedents set forth in Sections 6.1, 6.2 or 6.3 hereof shall not be complied with or waived by the party or parties for whose benefit such conditions are provided on or before the date required for the performance thereof, then a party for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at law or equity, rescind and terminate this Agreement (as further provided for herein); provided, however, that prior to the filing of the Articles of Merger for the purpose of giving effect to the Merger, the party intending to rely thereon has delivered a written notice to the other party, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable conditions precedent and the party in breach shall have failed to cure such breach within three (3) Business Days of receipt of such written notice thereof (except that no cure period shall be provided for a breach which by its nature cannot be cured). More than one such notice may be delivered by a party.

(c) The conditions set out in this Article VI are conclusively deemed to have been satisfied, waived or released when, with the agreement of the parties, Articles of Merger are filed under the Act to give effect to the Merger.

ARTICLE VII
TERMINATION OF AGREEMENT

7.1 **Rights of Termination.** If any of the conditions contained in Article VI hereof shall not be fulfilled or performed by December 31, 2020 (the "**Termination Date**") and such condition is contained in:

(a) Section 6.1 hereof, either of the parties hereby may terminate this Agreement by notice to the other party;

(b) Section 6.2 hereof, Esports may terminate this Agreement by notice to EH;

(c) Section 6.3 hereof, EH may terminate this Agreement by notice to Esports;

(d) If on or before the Closing Date, Esports receives and accepts an Esports Superior Proposal, Esports shall within three (3) Business Days after expiration of the relevant Notice Period, pay EH an amount equal to $200,000 in immediately available funds to or to an account designated by EH, as applicable, with such amount to be inclusive of reimbursement for all reasonable expenses incurred by EH in conjunction with the matters contemplated hereby and herein; or

(e) If on or before the Closing Date, EH receives and accepts an EH Superior Proposal, EH shall within three (3) Business Days after expiration of the relevant Notice Period, pay Esports an amount equal to $200,000 in immediately available funds to or to an account designated by Esports, as applicable, with such amount to be inclusive of reimbursement for all reasonable expenses incurred by Esports in conjunction with the matters contemplated hereby and herein.

If this Agreement is terminated as aforesaid, the party terminating this Agreement shall be released from all obligations under this Agreement, all rights of specific performance against such party shall terminate and, unless such party can show that the condition or conditions of the non-performance of which has caused such party to terminate this Agreement were reasonably capable of being performed by the other party, then the other party shall also be released from all obligations hereunder; and further provided that any such conditions may be waived in full or in part by either of the parties without prejudice to its rights of termination in the event of the non-fulfillment or non-performance of any other condition.

7.2 **Notice of Unfulfilled Condition.** If either of Esports or EH shall determine at any time prior to the Effective Date that it intends to refuse to consummate the Merger or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other of them to be fulfilled or performed, Esports or EH, as the case may be, shall so notify the other of them forthwith upon making such determination in order that such other of them shall have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Termination Date.

7.3 **Mutual Termination**. This Agreement may, at any time but no later than the last Business Day immediately preceding the Effective Date, be terminated by mutual agreement of the directors of Esports and EH without further action on the part of the Esports Shareholders, and, if the Merger does not become effective on or before the Termination Date, either Esports or EH may unilaterally terminate this Agreement, which termination will be effective upon a resolution to that effect being passed by its directors and notice thereof being given to the other of them.

ARTICLE VIII
AMENDMENT

8.1 **Amendment.** This Agreement may at any time be amended by written agreement of the parties hereto without, subject to applicable laws, further notice to or authorization on the part of the Esports Shareholders and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the parties;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties; or

(d) waive compliance with or modify any other conditions precedent contained herein;

provided, however, that no such amendment reduces or materially adversely affects the consideration to be received by a Esports Shareholder without approval by the Esports Shareholders given in the same manner as required for the approval of the Merger.

ARTICLE IX
GENERAL

9.1 **Confidentiality & Public Notices.** Except where compliance with this Section 9.1 would result in a breach of applicable law, notices, releases, statements and communications to Third Parties, including employees of the parties and the press, relating to transactions contemplated by this Agreement will be made only in such manner as shall be authorized and approved by Esports, who when required, shall use its best efforts to provide such authorization and approval to EH in a timely manner as shall permit compliance by EH with all continuous disclosure to any regulatory authority or obligations under any applicable securities regulations. EH and Esports shall maintain the confidentiality of any information received from each other in connection with the transactions contemplated by this Agreement. In the event that the issuance of the Resulting Issuer Securities provided for in this Agreement is not consummated, each party shall return any confidential schedules, documents or other written information to the party who provided same in connection with this Agreement. Esports agrees that it will not, directly or indirectly, make reciprocal use for its own purposes of any information or confidential data relating to EH or EH's Business discovered or acquired by it, its representatives or accountants as a result of EH making available to it, its representatives and accountants, any information, books, accounts, records or other data and information relating to EH or EH's Business and Esports agrees that it will not disclose, divulge or communicate orally, in writing or otherwise (directly or indirectly), any such information or confidential data so discovered or acquired by any other Person. EH agrees that it will not, directly or indirectly, make reciprocal use for its own purposes of any information or confidential data relating to Esports discovered or acquired by it, its representatives or accountants as a result of Esports making available to it any information, books, accounts, records or other data and information relating to Esports and EH agrees that it will not disclose, divulge or communicate orally, in writing or otherwise, any such information or confidential data so discovered or acquired to any other Person.

9.2 **Notices.** All notices or other communications required to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery or by transmittal by facsimile or other form of recorded communication addressed to the recipient as follows:

To Esports:

Esports Limited
First Floor, Millenium House
Victoria Road, Douglas
Isle of Man, IM2 4RW.

Attention: Quentin Martin
Email: quentin@luckbox.com

with a copy to:

Fasken Martineau DuMoulin LLP
550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3

Attention: Michael Stephens
Email: mstephens@fasken.com

To EH and EH Subco:

Elephant Hill Capital Inc.
122, 234 – 5149 Country Hills Blvd
Calgary, Alberta T3A 5K8

Attention: Mo Fazil, President
Email: mfazil@lionparkcapital.com

with a copy to:

TingleMerrett LLP

1250, 639 – 5 Avenue SW
Calgary, Alberta T2P 0M9

Attention: Scott Reeves
Email: sreeves@tinglemerrett.com,

or to such other address, facsimile number or individual as may be designated by notice given by either party to the other. Any such communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by facsimile or other form of recorded communication, shall be deemed given and received on the date of such transmission if received during the normal business hours of the recipient and on the next Business Day if it is received after the end of such normal business hours on the date of its transmission. If the party giving any such communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such communication shall not be mailed but shall be given by personal delivery or by facsimile transmittal.

9.3 **Expenses.** Except as otherwise provided herein or as otherwise agreed to by the parties hereto, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

9.4 **Time of the Essence.** Time shall be of the essence hereof.

9.5 **Further Assurances.** The parties hereto shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each party shall execute and deliver such further documents, instruments, papers and information as may be reasonably requested by another party hereto in order to carry out the purpose and intent of this Agreement.

9.6 **Law and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties hereby attorn to the non-exclusive jurisdiction of the Courts of Alberta in any dispute that may arise hereunder.

9.7 **Counterparts.** For the convenience of the parties, this Agreement may be executed in several counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument (and notwithstanding their date of execution shall be deemed to bear date as of the date of this Agreement). A signed facsimile copy or electronically transmitted copy of this Agreement shall be effective and valid proof of execution and delivery.

9.8 **Entire Agreement.** This Agreement, including the Schedules attached hereto, together with the agreements and other documents to be delivered pursuant hereto, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein and therein. This Agreement may not be amended or modified in any respect except by written instrument signed by all parties.

9.9 **Severability.** The invalidity or unenforceability of any provision of this Agreement or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant hereof or herein contained, and this Agreement shall be construed as if such invalid or unenforceable provision or covenant were omitted.

9.10 **Enurement.** This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the successors and permitted assigns of the parties hereto.

9.11 **Waivers.** The parties hereto may, by written agreement:

(a) extend the time for the performance of any of the obligations or other acts of the parties hereto;

(b) waive any inaccuracies in the warranties, representations, covenants or other undertakings contained in this Agreement or in any document or certificate delivered pursuant to this agreement; or

(c) waive compliance with or modify any of the warranties, representations, covenants or other undertakings or obligations contained in this Agreement and waive or modify performance by any of the parties thereto.

9.12 **Form of Documents.** All documents to be executed and delivered by EH to Esports on the Closing Date shall be in form and substance satisfactory to Esports acting reasonably. All documents to be executed and delivered by Esports to EH on the Closing Date shall be in a form and substance satisfactory to EH, acting reasonably.

9.13 **Construction Clause.** This Agreement has been negotiated and approved by counsel on behalf of all parties hereto and, notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty will not be construed against any party hereto by reason of the authorship of any of the provisions hereof.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

ESPORTS LIMITED

"Quentin Martin"

Name: Quentin Martin
Title: Chief Executive Officer

ELEPHANT HILL CAPITAL INC.

"Mo Fazil"

Name: Mo Fazil
Title: President, Chief Executive Officer

SCHEDULE “A” – SCHEME OF MERGER