

**FORM 51-102F3**  
**Material Change Report**

**1. Name and Address of Company**

J55 Capital Corp. (the “**Company**” or “**J55**”)  
Suite 830, 1100 Melville Street  
Vancouver, BC V6E 4A6

**2. Date of Material Change**

May 30, 2019

**3. News Release**

The news release was issued on May 31, 2019 through GlobeNewswire.

**4. Summary of Material Change**

The Company announced that it has entered into an arrangement agreement dated May 30, 2019 (the “**Arrangement Agreement**”) with Enthusiast Gaming Holdings Inc. (“**Enthusiast Gaming**”), an arm’s length company listed on the TSX Venture Exchange (“**TSXV**”), and Aquilini GameCo Inc. (“**GameCo**”), a private Canadian company, to form the leading publicly traded esports and gaming media organization in North America pursuant to a statutory plan of arrangement (the “**Arrangement**”). The Company also announced that, further to its news releases dated February 25, 2019 and March 20, 2019 and its Material Change Report dated March 1, 2019, it has entered into an amalgamation agreement with GameCo dated May 30, 2019 (the “**Amalgamation Agreement**”) to acquire all of the issued and outstanding securities of GameCo which shall constitute J55’s Qualifying Transaction (as defined in the policies of the TSXV) (the “**Qualifying Transaction**”). Immediately prior to the closing of the Qualifying Transaction, GameCo will complete its acquisition (the “**Luminosity Acquisition**”) of Luminosity Gaming Inc. (“**Luminosity Canada**”) and Luminosity Gaming (USA), LLC (“**Luminosity USA**”, which together with Luminosity Canada is herein referred to as “**Luminosity**”). The Qualifying Transaction is expected to close prior to the Arrangement.

In connection with the Arrangement, GameCo has agreed to a bought deal private placement (the “**Private Placement**”) with a syndicate of underwriters (the “**Underwriters**”) led by Canaccord Genuity Corp. whereby the Underwriters have agreed to purchase for resale to substituted purchasers \$10 million of convertible debentures (the “**Debentures**”) of GameCo, as more particularly described in the enclosed news release. The proceeds of the Private Placement will be used to extend a \$10 million bridge loan to Enthusiast Gaming for the purposes set out in the enclosed news release.

J55 and Enthusiast Gaming will each call and annual and special meeting of their respective shareholders to approve the Arrangement, and in the case of J55, also approve the Qualifying Transaction. The Company has entered into voting and support agreements in connection with the Qualifying Transaction and the Arrangement with each of Francesco Aquilini, Adrian Montgomery, John Veltheer, Alexander Helmel and Roberto Aquilini (collectively, the “**Supporters**”), whereby the Supporters, who collectively represent approximately 79% of the issued and outstanding common shares

of the Company, agreed to support the Qualifying Transaction and the Arrangement and, to the extent permitted by applicable laws, vote their shares of the Company in favour of these transactions.

The resulting issuer following the completion of the Qualifying Transaction and the Arrangement is expected to be named "Enthusiast Gaming Holdings Inc." and have its common shares listed on the TSXV.

## **5. Full Description of Material Change**

### **5.1 Full Description of Material Change**

See Item 4 above and the enclosed copy of the Company's news release dated May 31, 2019.

#### **Disclosure Required by MI 61-101**

Pursuant to MI 61-101, the Qualifying Transaction will constitute a "related party transaction", as certain directors and officers of the Company are directors and/or officers and significant shareholders of the Company and of GameCo. Francesco Aquilini is a director and significant shareholder of J55 and a director (and non-executive chairman of the board) and significant shareholder of GameCo; Adrian Montgomery is a director, officer and significant shareholder of both J55 and GameCo; and Roberto Aquilini is a significant shareholder of both J55 and GameCo.

The Arrangement will not constitute a "related party transaction."

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101 in connection with the Qualifying Transaction.

#### ***(a) a description of the transaction and its material terms:***

See Items 4 and 5 above for a description of the Qualifying Transaction.

#### ***(b) the purpose and business reasons for the transaction:***

See Items 4 and 5 above for a description of the Qualifying Transaction.

#### ***(c) the anticipated effect of the transaction on the issuer's business and affairs:***

Following completion of the Qualifying Transaction, it is anticipated that GameCo will be a wholly-owned subsidiary of the Company and that the principal business of the Company will be the combined business of GameCo and Luminosity. See Items 4 and 5 above for a description of the Qualifying Transaction.

#### ***(d) a description of:***

##### ***(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:***

Adrian Montgomery, a director, officer and significant shareholder of both J55 and GameCo, will acquire 22,500,000 post-Consolidation J55 Shares on closing of the Qualifying Transaction.

Francesco Aquilini, a director and significant shareholder of J55 and a director (and chairman of the board) and significant shareholder of GameCo, will acquire 22,500,000 post-Consolidation J55 Shares on closing of the Qualifying Transaction.

Roberto Aquilini, a significant shareholder of both J55 and GameCo, will acquire 21,700,000 post-Consolidation J55 Shares on closing of the Qualifying Transaction.

*(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:*

The following table sets out the effect of the Qualifying Transaction on the percentage of securities of the Company beneficially owned or controlled by each of Adrian Montgomery, Francesco Aquilini and Roberto Aquilini:

| Name and Position                     | No. of Securities Held prior to Closing of the Qualifying Transaction | Percentage of Issued and Outstanding Securities prior to Closing of the Qualifying Transaction | No. of Securities Held After Closing of the Qualifying Transaction | Percentage of Issued and Outstanding Securities After Closing of the Qualifying Transaction |
|---------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Adrian Montgomery<br>CEO and Director | Undiluted:<br>3,999,500                                               | Undiluted:<br>21.05% <sup>(2)</sup>                                                            | Undiluted:<br>25,699,600                                           | Undiluted:<br>7.92% <sup>(5)</sup>                                                          |
|                                       | Partially Diluted:<br>4,684,500 <sup>(1)</sup>                        | Partially Diluted:<br>23.80% <sup>(3)</sup>                                                    | Partially Diluted:<br>29,247,600 <sup>(4)</sup>                    | Partially Diluted:<br>8.92% <sup>(6)</sup>                                                  |
| Francesco Aquilini<br>Director        | Undiluted:<br>4,001,000                                               | Undiluted:<br>21.05% <sup>(2)</sup>                                                            | Undiluted:<br>25,700,800                                           | Undiluted:<br>7.92% <sup>(5)</sup>                                                          |
|                                       | Partially Diluted:<br>4,686,000 <sup>(7)</sup>                        | Partially Diluted:<br>23.80% <sup>(8)</sup>                                                    | Partially Diluted:<br>27,248,800 <sup>(9)</sup>                    | Partially Diluted:<br>8.36% <sup>(10)</sup>                                                 |
| Roberto Aquilini<br>10% shareholder   | Undiluted:<br>3,999,500                                               | Undiluted:<br>21.05% <sup>(2)</sup>                                                            | Undiluted:<br>24,899,600                                           | Undiluted:<br>7.68% <sup>(5)</sup>                                                          |
|                                       | Partially Diluted:<br>3,999,500                                       | Partially Diluted:<br>21.05% <sup>(2)</sup>                                                    | Partially Diluted:<br>24,899,600                                   | Partially Diluted:<br>7.68% <sup>(5)</sup>                                                  |

<sup>(1)</sup> Comprised of: (i) 3,999,500 pre-Consolidation J55 Shares held directly by Mr. Montgomery, and (ii) 685,000 options held directly by Mr. Montgomery, each of which is exercisable into one pre-Consolidation J55 Share at a price of \$0.10 per pre-Consolidation J55 Share until December 12, 2028.

<sup>(2)</sup> Based on 19,000,000 pre-Consolidation J55 Shares outstanding prior to the completion of the Qualifying Transaction.

<sup>(3)</sup> Based on 19,685,000 pre-Consolidation J55 Shares outstanding on a partially-diluted basis prior to the completion of the Qualifying Transaction, comprised of: (i) 19,000,000 pre-Consolidation J55 Shares outstanding prior to the completion of the Qualifying Transaction and (ii) 685,000 pre-Consolidation J55 Shares that may be issuable on exercise of options held directly by Mr. Montgomery.

<sup>(4)</sup> Comprised of: (i) 25,699,600 post-Consolidation J55 Shares held directly, (ii) 3,000,000 options which are expected to be issued to Mr. Montgomery on completion of the Qualifying Transaction, each of which is exercisable into one post-Consolidation J55 Share at a price of \$0.30 per post-Consolidation J55 Share until the date that is five years from the closing of the Qualifying Transaction, and (iii) 548,000 options held directly by Mr. Montgomery, each of which is exercisable into one post-Consolidation J55 Share at a price of \$0.125 per post-Consolidation J55 Share until December 12, 2028.

<sup>(5)</sup> Based on 324,357,495 post-Consolidation J55 Shares outstanding following the completion of the Qualifying Transaction.

<sup>(6)</sup> Based on 327,905,495 post-Consolidation J55 Shares outstanding on a partially diluted-basis following the completion of the Qualifying Transaction, comprised of: (i) 324,357,495 post-Consolidation J55 Shares outstanding following the completion of the Qualifying Transaction and (ii) 3,548,000 post-Consolidation Shares that may be issuable on exercise of options held directly by Mr. Montgomery.

- (7) Comprised of: (i) 4,001,000 pre-Consolidation J55 Shares held directly by Mr. Francesco Aquilini, and (ii) 685,000 options held directly by Mr. Francesco Aquilini, each of which is exercisable into one pre-Consolidation J55 Share at a price of \$0.10 per pre-Consolidation J55 Share until December 12, 2028.
- (8) Based on 19,685,000 pre-Consolidation J55 Shares outstanding on a partially-diluted basis prior to the completion of the Qualifying Transaction, comprised of: (i) 19,000,000 pre-Consolidation J55 Shares outstanding prior to the completion of the Qualifying Transaction and (ii) 685,000 pre-Consolidation J55 Shares that may be issuable on exercise of options held directly by Mr. Francesco Aquilini.
- (9) Comprised of: (i) 25,700,800 post-Consolidation J55 Shares held directly, (ii) 1,000,000 options which are expected to be issued to Mr. Francesco Aquilini on completion of the Qualifying Transaction, each of which is exercisable into one post-Consolidation J55 Share at a price of \$0.30 per post-Consolidation J55 Share until the date that is five years from the closing of the Qualifying Transaction, and (iii) 548,000 options held directly by Mr. Francesco Aquilini, each of which is exercisable into one post-Consolidation J55 Share at a price of \$0.125 per post-Consolidation J55 Share until December 12, 2028.
- (10) Based on 325,905,495 post-Consolidation J55 Shares outstanding on a partially diluted-basis following the completion of the Qualifying Transaction, comprised of: (i) 324,357,495 post-Consolidation J55 Shares outstanding following the completion of the Qualifying Transaction and (ii) 1,548,000 post-Consolidation Shares that may be issuable on exercise of options held directly by Mr. Francesco Aquilini.

*(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:*

To be provided in the Company's management notice and information circular to be filed on SEDAR.

*(f) a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:*

Not applicable.

*(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:*

*(i) that has been made in the 24 months before the date of the material change report:*

Not applicable.

*(ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:*

Not applicable.

*(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:*

The Company has entered into the Amalgamation Agreement with GameCo with respect to the Qualifying Transaction. See Items 4 and 5 for a description of the Amalgamation Agreement its material terms. The completion of the Qualifying Transaction is subject to a number of conditions, including the closing of the

Luminosity Acquisition, the approval of the TSXV and the requisite GameCo and J55 shareholder approvals, including approval of the disinterested shareholders of J55, and the satisfaction of certain other customary closing conditions.

The Company has also entered into the Support Agreements with each of Francesco Aquilini, Adrian Montgomery, Roberto Aquilini, John Veltheer and Alexander Helmelt in connection with the Amalgamation Agreement. See Items 4 and 5 for a description of the Support Agreements.

- (i) *disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:*

The Qualifying Transaction is exempt from the valuation requirements of MI 61-101 by virtue of the exemptions contained in Sections 5.5(b) as the Company's shares are not listed on a specified market. The Qualifying Transaction is expected to be subject to approval of the majority of minority shareholders in accordance with MI 61-101, and the Company intends to seek this approval at a meeting of the shareholders of J55.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**7. Omitted Information**

None.

**8. Executive Officer**

John Veltheer, Chief Financial Officer and Secretary, 604.562.6915

**9. Date of Report**

June 10, 2019

**J55 CAPITAL CORP.**  
Suite 830, 1100 Melville Street  
Vancouver, BC V6E 4A6

**J55 CAPITAL CORP. ANNOUNCES MERGER WITH ENTHUSIAST GAMING HOLDINGS INC. AND ACQUISITION OF AQUILINI GAMECO INC. AND LUMINOSITY GAMING TO FORM GLOBAL ESPORTS AND GAMING LEADER**

- **Combination to create leading publicly traded esports and gaming organization with \$22 million in pro forma revenue and \$36 million in cash on closing of the merger, with combined global audience reach of approximately 200 million**
- **Merged assets and reach to include seven esports teams (including management of the Vancouver Titans Overwatch League franchise), 40 esports influencers, 80+ gaming media websites, 900+ YouTube and Twitch channels**
- **Enthusiast Gaming's extensive media network and gamer data, combined with Luminosity's championship calibre teams and brand equity, expected to drive further audience growth**
- **Strategically positioned to leverage Luminosity's robust esports brand and its audience through Enthusiast Gaming's monetization and ad tech platform**

VANCOUVER, BC – May 31, 2019 – J55 Capital Corp. (“J55” or the “Company”) (TSX-V: FIVE.P) is pleased to announce that it has entered into an arrangement agreement dated May 30, 2019 (the “**Arrangement Agreement**”) with Enthusiast Gaming Holdings Inc. (TSXV: EGLX) (“**Enthusiast Gaming**”), an arm's length company listed on the TSX Venture Exchange (“TSXV”), and Aquilini GameCo Inc. (“**GameCo**”), a private Canadian company to form the leading publicly traded esports and gaming media organization in North America. The Company is also pleased to announce that, further to its news releases dated February 25, 2019 and March 20, 2019, it has entered into an amalgamation agreement with GameCo dated May 30, 2019 (the “**Amalgamation Agreement**”) to acquire all of the issued and outstanding securities of GameCo which shall constitute J55's Qualifying Transaction (as defined in the policies of the TSXV) (the “**Qualifying Transaction**”). Immediately prior to the closing of the Qualifying Transaction, GameCo will complete its acquisition (the “**Luminosity Acquisition**”) of Luminosity Gaming Inc. (“**Luminosity Canada**”) and Luminosity Gaming (USA), LLC (“**Luminosity USA**”, which together with Luminosity Canada is herein referred to as “**Luminosity**”).

**Merger With Enthusiast Gaming Holdings Inc.**

Under a court approved arrangement (the “**Arrangement**” and together with the Qualifying Transaction and the Luminosity Acquisition, the “**Transactions**”), J55 will acquire all of the outstanding common shares of Enthusiast Gaming (the “**Enthusiast Common Shares**”) in exchange for common shares of J55 (the “**J55 Shares**”) on the basis of 4.22 (post Consolidation (as defined below)) J55 Shares for each one Enthusiast Common Share. The Arrangement constitutes a merger of Enthusiast Gaming and J55 on a fully diluted basis, after giving effect to the Transactions.

The Qualifying Transaction is expected to be completed immediately before the Arrangement. The combined company that will result from the completion of the Transactions (the “**Resulting Issuer**”) will be renamed “Enthusiast Gaming Holdings Inc.” Subject to TSXV approval, the

common shares of the Resulting Issuer will trade on the TSXV, under the symbol “EGLX”, and the business of the Resulting Issuer will be the combined businesses of GameCo, Luminosity and Enthusiast Gaming.

The Arrangement is subject to receipt of various approvals including the approval of the Ontario Superior Court of Justice (Commercial List), the approval of the TSXV, and Enthusiast Gaming and J55 shareholder approval, as well as the closing of the other Transactions and the satisfaction of certain other customary closing conditions. Closing of the Arrangement is expected to occur by the third quarter of 2019.

### **GameCo Private Placement and Loan**

Concurrent with the announcement of the Arrangement, GameCo has entered into a bought deal private placement agreement (the “**Private Placement**”) with a syndicate of underwriters (the “**Underwriters**”) led by Canaccord Genuity Corp. whereby the Underwriters have agreed to purchase for resale to substituted purchasers \$10.0 million of convertible debentures at par (the “**Debentures**”) of GameCo, which will effectively convert into J55 Shares at a (post Consolidation) conversion price of \$0.45 per J55 Share, for aggregate gross proceeds of \$10.0 million. The Debentures will have a maturity date of June 30, 2020 and will automatically convert into common shares of GameCo upon closing of the Arrangement. If the Debentures have not automatically converted to GameCo common shares by the maturity date, then the principal will be repayable on the maturity date as well as interest on the basis of 8.0% per annum. The net proceeds from the Private Placement will be used by GameCo to extend a \$10.0 million bridge loan (the “**Bridge Loan**”) to Enthusiast Gaming which Enthusiast Gaming may use to repay all or part of certain amounts owed in connection with the acquisition of 100% of the assets of The Sims Resource (the “**Sims Resource Deferred Payment**”) and/or to fund working capital and/or other general corporate purposes. All principal and unpaid interest under the Bridge Loan will be due and payable by Enthusiast Gaming to GameCo on the earlier of (a) June 20, 2020, and (b) the closing of a change of control transaction (which includes the closing of the Arrangement).

### **Arrangement Transaction Highlights**

The Arrangement is expected to provide significant strategic and financial benefits to Enthusiast Gaming and GameCo, including:

1. **Creates Leading, Diversified Gaming and Esports Organization:** Management believes that the pro forma combined company will boast one of the largest media reaches amongst gaming and esports organizations at approximately 200 million, across seven esports teams (including management of the Vancouver Titans Overwatch League franchise), 40 esports influencers, 80+ gaming media websites, 900+ YouTube and Twitch channels. The combined business generated pro forma revenue of approximately \$22 million and estimated \$36 million in cash on closing of the merger.
2. **Strategically Positioned to Leverage Luminosity’s Robust Esports Brand:** Through its monetization and ad tech platform, Enthusiast Gaming will utilize Luminosity and its significant reach in growing communities of like-minded fans, to produce engaging advertising experiences. Further, GameCo’s relationship with the NHL’s Vancouver Canucks and Rogers Arena, located in Vancouver Canada will provide Enthusiast Gaming with access to new sponsors looking to reach the gaming and esports markets.

3. **Expected Margin Improvement:** A combination of the net funds from the Private Placement (as discussed below) and cash-on-hand may be used to repay all or part of the Sims Resource Deferred Payment. The Sims Resource Deferred Payment is approximately US\$14.0 million and when fully repaid will add approximately US\$2.5 million of EBITDA to the Resulting Issuer, by reducing an expense allocation.
4. **Enhanced Capital Market Profile:** The closing of the Transactions will create a leading publicly listed esports and gaming organization, as measured by revenue and market capitalization.

**Steve Maida, Founder and President of Luminosity Gaming** commented, *"We are incredibly excited about the merger with Enthusiast Gaming. Pairing our collective following of over 50 million with their 150 million monthly visitors presents significant growth opportunities with respect to content, partnerships, advertising, events and more."*

### **Arrangement Summary**

The Arrangement will be effected by way of a statutory plan of arrangement pursuant to the *Business Corporations Act* (Ontario) and will require the approval of (i) 50% +1 of the J55 Shares cast at the J55 Meeting (as defined below) (ii) 66⅔% of the Enthusiast Common Shares cast at the annual and special meeting of Enthusiast Gaming shareholders (the "**Enthusiast Meeting**"), and (iii) if required, a majority of the votes cast at the Enthusiast Meeting by Enthusiast Gaming shareholders excluding votes attached to Enthusiast Common Shares held by persons described in items (a) through (d) of section 8.1(2) of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The directors and officers of Enthusiast Gaming who, in the aggregate, hold 13% of the outstanding Enthusiast Common Shares, have entered into voting and support agreements pursuant to which they have agreed to vote their Enthusiast Common Shares in favor of the proposed Arrangement. The directors, officers and significant shareholders of J55 who, in the aggregate, hold approximately 79% of the outstanding J55 Shares, have entered into voting and support agreements pursuant to which they have agreed to vote their J55 Shares in favor of the proposed Arrangement at the J55 Meeting.

A management information circular setting out the terms of the Qualifying Transaction and the Arrangement, as well as further information regarding the Transactions and the Resulting Issuer, will be circulated to all J55 shareholders in connection with the J55 Meeting as soon as possible. A management information circular setting out the terms of the Arrangement, as well as further information regarding the Arrangement and the Resulting Issuer, will be circulated to all Enthusiast Gaming shareholders in connection with the Enthusiast Meeting as soon as possible. Further details regarding the dates and locations of the Enthusiast Meeting and the J55 Meeting will be provided once determined.

Each of the boards of directors of Enthusiast Gaming and J55 has determined that the proposed Arrangement is in the best interests of its respective shareholders, having taken into account advice from its financial advisors, and has unanimously approved the Arrangement and recommended that its respective shareholders vote in favor of the Arrangement. The board of directors of Enthusiast Gaming received a fairness opinion from Haywood Securities Inc. to the effect that the consideration to be paid to the Enthusiast Gaming shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Enthusiast Gaming shareholders.

In addition to shareholder approvals, the Arrangement will be subject to the completion of the Qualifying Transaction and the Luminosity Acquisition and the satisfaction of other customary conditions. The Arrangement Agreement includes customary provisions, including covenants from Enthusiast Gaming to J55 not to solicit other acquisition proposals and the right for J55 to match any superior proposals. A termination fee of \$4,500,000 may be payable by Enthusiast Gaming to J55 in certain circumstances.

Under the terms of the Arrangement, Enthusiast Gaming shareholders will exchange each of their Enthusiast Common Shares for 4.22 (post Consolidation) J55 Shares. Following the completion of the Arrangement, J55 will change its name to "Enthusiast Gaming Holdings Inc." and will maintain its listing on the TSXV while the Enthusiast Common Shares will be delisted from the TSXV. Holders of Enthusiast Gaming options, warrants and convertible debentures will continue to be entitled to exercise such convertible securities pursuant to the terms and conditions of their original certificates. Upon exercise of any such convertible securities, holders will be entitled to receive that number of J55 Shares they would have received had they exercised such securities immediately prior to the completion of the Arrangement.

### **About Enthusiast Gaming Holdings Inc.**

Founded in 2014, Enthusiast Gaming is the largest vertically integrated video game company and has the fastest-growing online community of video gamers. Through Enthusiast Gaming's organic and acquisition strategy, it has amassed a platform of over 150 million monthly visitors across its network of websites and YouTube channels. Enthusiast Gaming also owns and operates Canada's largest gaming expo, Enthusiast Gaming Live Expo, EGLX, with approximately 55,000 people attending in 2018. For more information on Enthusiast Gaming, refer to Enthusiast Gaming's profile at [www.sedar.com](http://www.sedar.com).

### **Qualifying Transaction with Aquilini GameCo Inc.**

In addition, and further to its press releases dated February 25, 2019 and March 20, 2019, the Company has entered into the Amalgamation Agreement with GameCo, pursuant to the which, immediately prior to the Arrangement, J55 will acquire all of the outstanding securities of GameCo which shall constitute J55's Qualifying Transaction. Immediately prior to the closing of the Qualifying Transaction, GameCo will complete the Luminosity Acquisition in accordance with the terms of a share purchase agreement (the "**Luminosity SPA**") dated February 14, 2019.

On closing of the Luminosity Acquisition, it is expected that the business of GameCo will be the operation of an esports organization which will provide management and support services to players involved in professional gaming through its wholly-owned subsidiary Luminosity. In addition, Luminosity intends to enter into a long-term management services agreement with the Vancouver Titans to continue management of the team, as well as a long-term services support agreement with Vancouver Arena Limited Partnership ("**VALP**") pursuant to which VALP will provide Luminosity with a broad range of marketing and business support services, including corporate partnership and selling support, retail support, brand association and marketing support (to be provided by Canucks Sports & Entertainment), esports planning and execution, digital and social media support and back office support.

The following table provides select financial information for GameCo and Luminosity:

|                   | GameCo<br>Aug 29, 2018* -<br>Dec 31, 2018<br>(Audited) | Luminosity<br>Year Ended<br>Dec 31, 2018<br>(Unaudited) |
|-------------------|--------------------------------------------------------|---------------------------------------------------------|
| Total revenue     | \$ -                                                   | \$3,879,608                                             |
| Total assets      | \$ 5,865,179                                           | \$869,764                                               |
| Total liabilities | \$ 421,538                                             | \$381,009                                               |
| Net income (loss) | \$ (384,105)                                           | \$425,964                                               |

\*The date of incorporation of GameCo.

Additional financial information regarding GameCo and Luminosity will be provided in the J55 management information circular which will be sent to shareholders in connection with the J55 Meeting.

The completion of the Qualifying Transaction is subject to a number of conditions, including the closing of the Luminosity Acquisition, the approval of the TSXV and the requisite GameCo and J55 shareholder approvals, including approval of the disinterested shareholders of J55, and the satisfaction of certain other customary closing conditions.

### Summary of Qualifying Transaction

On March 20, 2019, GameCo raised \$25,000,200 pursuant to a private placement financing in connection with the Qualifying Transaction, as further described in the Company's news release of that date.

Immediately prior to the completion of the Arrangement, J55 will complete the Qualifying Transaction. On closing of the Qualifying Transaction, all of the issued and outstanding securities of GameCo will be exchanged for corresponding securities of J55 as follows:

- each of the common shares of GameCo (the "**GameCo Shares**") will be cancelled and, in consideration therefor, the each GameCo shareholder will receive one (post Consolidation) J55 Share at a deemed price of \$0.30 per J55 Share for each one GameCo Share held;
- each of the warrants to purchase GameCo Shares (the "**GameCo Warrants**") will be exchanged for warrants to purchase the corresponding number of (post Consolidation) J55 Shares on the same terms as those contained in the GameCo Warrants, and each such GameCo Warrant shall be cancelled; and
- each of the options to purchase GameCo Shares (the "**GameCo Options**") will be exchanged for one option to purchase the corresponding number of (post Consolidation) J55 Shares on the same terms as those contained in the GameCo Options, and each such GameCo Option shall be cancelled.

In connection with closing the Qualifying Transaction, the Company intends to consolidate its outstanding J55 Shares on the basis of 1.25 pre-consolidation J55 Shares for one post-consolidation J55 Share prior to the completion of the Qualifying Transaction (the "**Consolidation**").

The aggregate of up to approximately 324,357,495 (post Consolidation) J55 Shares is expected to be issued at a deemed price of \$0.30 per share pursuant to the Qualifying Transaction. Further, the Company has agreed that, to satisfy an obligation of GameCo under an existing media services agreement, the Company will issue that number of J55 Shares as is equal to \$59,063 at a price per J55 Share to be determined at a later date in accordance with said agreement. With respect to the issuance of the J55 securities to the GameCo security holders, J55 intends to rely on Section 2.11 of National Instrument 45-106 – *Prospectus Exemptions* for an exemption from the prospectus requirements under applicable securities laws.

### **Non-Arm's Length Qualifying Transaction**

The Qualifying Transaction will be a Non-Arm's Length Qualifying Transaction under the policies of the TSXV and a related party transaction for the purposes of MI 61-101 because J55 and GameCo have certain directors, officers and significant shareholders in common. As such, J55 is required to hold a shareholders' meeting (the "**J55 Meeting**") to obtain approval of the Qualifying Transaction by the disinterested shareholders of the Company. As of the date of this news release, the date for the J55 Meeting has not been established and the disinterested shareholder approval has not been obtained.

The directors, officers and significant shareholders which J55 and GameCo have in common are as follows: Francesco Aquilini is a director and significant shareholder of J55 and a director (and chairman of the board) and significant shareholder of GameCo; Adrian Montgomery is a director, officer and significant shareholder of both J55 and GameCo; and Roberto Aquilini is a significant shareholder of both J55 and GameCo. The interested directors, namely Francesco Aquilini and Adrian Montgomery, have abstained from voting on approval of the Qualifying Transaction by the board of directors of J55, and the interested shareholders, namely Francesco Aquilini, Adrian Montgomery and Roberto Aquilini, will be excluded from voting on approval of the Qualifying Transaction at the J55 Meeting. These interested shareholders collectively own approximately 63% of the issued and outstanding J55 Shares as follows: Francesco Aquilini – 4,001,000 shares (21.1%); Adrian Montgomery – 3,999,500 shares (21.1%); Roberto Aquilini – 3,999,500 shares (21.1%). The interested directors have also abstained from voting on approval of the Qualifying Transaction by the board of directors of J55.

### **Voting and Support Agreements for the Qualifying Transaction**

Pursuant to the Amalgamation Agreement, J55 and each of Francesco Aquilini, Adrian Montgomery, John Veltheer, Alexander Helm, and Roberto Aquilini (the "**Supporters**"), have entered into support and voting agreements (the "**Support Agreements**"). The J55 Shares held by the Supporters collectively represent approximately 79% of the issued and outstanding J55 Shares. The Support Agreements provide that, among other things, the Supporters, in their capacity as J55 shareholders, (i) will irrevocably support the Amalgamation, the Amalgamation Agreement and the Qualifying Transaction, and, to the extent permitted by applicable laws, vote all of their J55 Shares in favour of the proposed J55 shareholders' resolution seeking approval of the Qualifying Transaction (the "**J55 QT Resolution**") and against any resolution submitted by any J55 shareholder that is inconsistent with the J55 QT Resolution and (ii) will not sell, assign, transfer or otherwise convey any of the J55 Shares held by the Supporters other than pursuant to the Qualifying Transaction.

### **About the Resulting Issuer**

#### **Capitalization of the Resulting Issuer**

Upon completion of the Transactions, it is expected that there will be 557 million common shares of the Resulting Issuer issued and outstanding as well as options and warrants to acquire a further aggregate of 109 million common shares of the Resulting Issuer. Furthermore, upon completion of the Arrangement the then outstanding common shares of the Resulting Issuer will be held as follows:

- 15.2 million shares (2.7%) held by former shareholders of J55;
- 246.9 million shares (44.3%) held by former shareholders of GameCo;
- 60 million shares (10.8%) held by former shareholders of Luminosity;
- 213.1 million shares (38.2%) held by former shareholders of Enthusiast Gaming; and
- 22.2 million shares (4.0%) held by former holders of the Debentures assuming conversion at a price of \$0.45.

In addition, it is expected that there will be outstanding Resulting Issuer convertible securities which will be redeemable for, or convertible into, an aggregate of 25 million common shares of the Resulting Issuer.

### **Directors and Officers**

The senior management team and the board of directors of the Resulting Issuer will draw from the extensive experience and expertise of both companies. The board of directors of the Resulting Issuer will initially consist of seven directors, including three nominees of Enthusiast Gaming, three nominees of J55 and one independent nominee to be agreed upon by both Enthusiast Gaming and J55. The nominees of J55 are expected to be Francesco Aquilini, Adrian Montgomery and Steve Maida. Two of the nominees of Enthusiast Gaming are expected to be Menashe Kestenbaum and Alan Friedman. Francesco Aquilini will serve as the chair of the board. Additional information about the currently known proposed nominees for directors and officers of the Resulting Issuer is provided below, and further information will be provided in the management information circular to be mailed to the shareholders of J55 in connection with the J55 Meeting.

#### *Francesco Aquilini, Non-Executive Chairman and Director*

Mr. Aquilini is a Canadian businessman, investor, and philanthropist. He has been the managing director of Vancouver-based Aquilini Investment Group LP, the parent company of several diverse subsidiaries since 1978. The company is best known for its ownership of the Vancouver Canucks and Rogers Arena. Mr. Aquilini obtained his BA from Simon Fraser University in 1984 and his MBA from the University of California, Los Angeles in 1994.

#### *Adrian Montgomery, Chief Executive Officer and Director*

Mr. Montgomery was the Chief Executive Officer of QM Environmental, an environmental and industrial services provider, from March 2015 to September 2017. He was President of Tuckamore Capital, a private equity firm, from January 2010 to February 2015. He has overseen a number of business development initiatives in the fields of sports and entertainment including landmark alliances with the National Football League, the International Olympic Committee, the FIFA World Cup, Live Nation Music, and CBS Paramount as GM of Rogers Media from May 2004 to December 2009. Mr. Montgomery is a lawyer and member of the New York State Bar. Mr. Montgomery obtained his BA from the University of Toronto in 1996 and his LLB/MBA from McGill University in 2000.

*Stephen Maida, Director*

Mr. Maida is a Canadian businessman and the founder and owner of Luminosity. Mr. Maida is an avid gamer and has been involved in the esports industry for over 15 years. Prior to founding Luminosity, Mr. Maida found success in the marketing industry, working as an independent consultant providing full marketing services to various professional service providers, including law firms and medical professionals, for many years. In 2015, Mr. Maida married his enthusiasm for gaming with his experience in marketing and founded and soon after elevated Luminosity to become the globally recognized esports organization it is today. Mr. Maida attended post-secondary school for business marketing.

*Menashe Kestenbaum, President and Director*

Mr. Kestenbaum is the Chief Executive Officer and founder of Enthusiast Gaming. He began his career in video games when he was 13, writing for IGN, the large gaming media site, where he eventually became a community leader. After studying and subsequently lecturing in the Institute of Advanced Talmudic Law in Jerusalem for eight years, Menashe returned to his passion for the video game industry and launched his first gaming blog, "Nintendo Enthusiast", in 2011. In 2014, he returned to Toronto and incorporated Enthusiast Gaming Inc. He has personally owned and operated gaming websites with a readership of over 2 million gamers and has led Enthusiast Gaming to growing a writing and community staff team of over 84 people.

*Alan Friedman, Director*

Mr. Friedman is a South African qualified attorney, and has been connected with the North American public markets for 16 years. He has experience in representing, advising and assisting small to medium cap companies in acquiring assets; accessing capital, advising on mergers and acquisitions and managing emerging growth businesses. He has co-founded and participated in the 97 seed financing and development of Adira Energy Ltd.; Auryx Gold Corp. and Eco (Atlantic) Oil & Gas Ltd., and Tembo Financial Inc. He also worked for a top 5 South African Bank.

*Alex Macdonald, Chief Financial Officer*

Mr. Macdonald is an experienced public company CFO and financial professional. He is currently the CFO of the Target. He was the CFO of TSXV listed Peaks Social Ltd. (previously Keek Inc.) from 2014-2018, having also served on the board of directors in 2015. He is experienced in overseeing "go-public" transactions, managing growth stage companies, and Canadian expansions into the United States. Mr. Macdonald is a Chartered Professional Accountant and Chartered Accountant (CPA, CA) and a graduate of the University of Toronto. He also serves on the board of directors of the NATO Association of Canada, acting as Treasurer on the executive committee.

*Eric Bernofsky, Chief Operating Officer and Senior VP Finance*

Mr. Bernofsky is the Chief Operating Officer and Senior VP, Finance at Enthusiast Gaming. Previously, Eric spent five years as Director of Corporate Development for Pelmorex Media, the owner of The Weather Network, where he led M&A and Strategy as the Director of Corporate Development, completing major acquisitions in the US and Europe as well as cofounding a consumer navigation business. Prior to that, Eric spent nine years as an Equities Research

Analyst for Desjardins Securities and HSBC, covering the Canadian media, telecom and technology sectors.

*Meir Bulua, Chief Information Officer*

Mr. Bulua plays a key role in driving Enthusiast Gaming's technology strategy. Meir Bulua is an entrepreneur, experienced startup consultant and advisor with ten years of experience in the startup, scale-up and non-profit spaces, both in Toronto and Detroit. Meir's startup experience includes creating an inventory management software utilized by Red Bull, to an active-wear company, a co-working space and most recently, Enthusiast Gaming. Meir has consulted for more than a dozen charities and has served as a board member for a community focused organization focusing on young professional outreach and engagement.

The parties acknowledge that such appointments of the directors and officers of the Resulting Issuer are subject to the approval of the TSXV. Additional information regarding the significant shareholders of the Resulting Issuer will be provided in the Company's management information circular to be mailed in connection with the J55 Meeting.

### **Other Information**

#### **Advisors**

Haywood Securities Inc. is acting as Enthusiast Gaming's financial advisor, and Stikeman Elliott LLP and Minden Gross LLP are acting as Enthusiast Gaming's legal advisors in connection with the Arrangement. Clark Wilson LLP is acting as J55's legal advisor in connection with the Transactions. Canaccord Genuity Corp. is acting as GameCo's exclusive financial advisor, and Norton Rose Fulbright Canada LLP is acting as GameCo's legal advisor in connection with the Transactions.

#### **Trading Halt**

As of the date of this release, trading of the J55 Shares is halted. The Company anticipates that trading will remain halted until all documentation in respect of the Transactions has been received and approved, as necessary, by the TSXV.

*Completion of the transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.*

*The TSXV has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.*

ON BEHALF OF THE BOARD

"John Veltheer"

John Veltheer

Chief Financial Officer, Secretary and  
Director

### **Disclaimer for Forward-Looking Information**

Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact are forward-looking statements. Forward looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend", "estimate" or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to: statements with respect to the completion of the Transactions and the timing for its completion; the satisfaction of closing conditions which include, without limitation (i) required shareholder approval, (ii) necessary court approval in connection with the plan of arrangement, (iii) receipt of any required approvals, (iv) certain termination rights available to the parties under the Arrangement Agreement, (v) obtaining the necessary approvals from the TSXV, (vi) other closing conditions, including compliance by the parties with various covenants contained in the Arrangement Agreement, (vii) statements with respect to the effect of the Transactions on the parties; and (viii) statements with respect to the anticipated benefits associated with the Transactions.

Forward-looking statements are based on certain assumptions regarding Enthusiast Gaming, GameCo, J55 and Luminosity, including the completion of the Transactions, anticipated benefits from the Transactions, and expected growth, results of operations, performance, industry trends and growth opportunities. While Enthusiast Gaming, GameCo, J55 and Luminosity consider these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Readers are cautioned not to place undue reliance on forward-looking statements.

The assumptions of Enthusiast Gaming, GameCo, J55 and Luminosity, although considered reasonable by them at the time of preparation, may prove to be incorrect. In addition, forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse industry events; future legislative, tax and regulatory developments; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the inability to implement business strategies; competition; currency and interest rate fluctuations and other risks. Among other things, there can be no assurance that the Transactions will be completed or that the anticipated benefits from the Transactions will be achieved. Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. For more information on the risk, uncertainties and assumptions that could cause anticipated opportunities and actual results to differ materially, please refer to the public filings of Enthusiast Gaming and J55 which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect our expectations as of the date hereof, and thus are subject to change thereafter. Enthusiast Gaming, GameCo, J55 and Luminosity disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about the Resulting Issuer's pro forma results of operations, including revenue and EBITDA, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this news release was made as of the date of this news release and was provided for the purpose of providing further information about the Company's future business operations. J55, Enthusiast Gaming, GameCo and Luminosity disclaim any intention or obligation to update or revise any FOFI contained in this news release, whether as a result of new

information, future events or otherwise, except as required by law. Investors are cautioned that the FOFI contained in this news release should not be used for purposes other than for which it is disclosed herein.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. The securities of the Company have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.*

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