

**GTA FINANCECORP. INC.**

**AND**

**GTA GW MERGECO, INC.**

**AND**

**GAMEWORKS, INC.**

**AND**

**ESPORTS HOLDINGS LLC**

**AND**

**OC2 CAPITAL CORP.**

**DEFINITIVE AGREEMENT**

**DATED AS OF OCTOBER 17, 2019**

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## **DEFINITIVE AGREEMENT**

**THIS AMALGAMATION AGREEMENT** dated as of the 17th day of October, 2019

**BETWEEN:**

**GTA FINANCECORP INC.**, a corporation incorporated under the laws of the Province of Ontario (“**GTA**”)

**AND:**

**GTA GW MERGECO, INC.**, a company existing under laws of Delaware (“**Mergeco**”)

**AND:**

**GAMEWORKS, INC.**, a company existing under the laws of Delaware (“**GameWorks**”)

**AND:**

**ESPORTS HOLDINGS LLC**, a limited liability company existing under the laws of Delaware (“**eSports**”)

**AND:**

**OC2 CAPITAL CORP.**, a company existing under the laws of Delaware (“**OC2**”)

**WHEREAS:**

(A) GTA and GameWorks wish to enter into a transaction involving, among other things, the indirect acquisition by GTA of all of the issued and outstanding shares of GameWorks in exchange for Resulting Issuer Shares;

(B) as of the date hereof, eSports is the sole shareholder of GameWorks;

(C) OC2 has facilitated the transaction between GameWorks and GTA;

(B) The Parties intend to carry out the transactions contemplated herein by way of a reverse triangular merger (the “**Merger**”) under the provisions of the Delaware General Corporation Law (the “**Act**”), pursuant to which Mergeco will merge with and into GameWorks, with GWI being the surviving corporation;

- (C) The Parties intend to list the Resulting Issuer Shares on the CSE; and
- (D) The Parties have entered into this Agreement to provide for the matters referred to in these recitals and for other matters relating to such Merger.

**NOW THEREFORE** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties hereby covenant and agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **Definitions**

1.1 In this Agreement, unless the context otherwise requires:

“**Act**” means the Delaware General Corporation Law;

“**Affiliate**” of an entity means any Person directly or indirectly controlling, controlled by or under direct or indirect common control with such entity;

“**Agreement**” means this agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;

“**Arm’s Length**” has the same meaning ascribed thereto in the Tax Act;

“**Applicable Securities Laws**” means the securities laws, the regulations, rules, rulings and orders in Delaware and the Provinces of Alberta, British Columbia and Ontario, the applicable policy statements issued by the securities regulators of Delaware and the Provinces of Alberta, British Columbia and Ontario;

“**Articles**” means the certificate and articles of incorporation (as amended), certificate and articles of organization (as amended), constitution, operating agreement, joint venture or partnership agreement or articles or other constituting document of any Person other than an individual, each as from time to time amended or modified;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**Board Rollover**” means the election of the following persons as directors of GTA subject to completion of the Transaction: Philip N. Kaplan, Randy Abrahams, Luke LaHaie, Eric Mersch, Holly Gagnon, Len Wanger and one representative of OC2;

“**Business Day**” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario;

“**Canadian GAAS**” means generally accepted auditing standards determined with reference to the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time;

“**Certificate of Merger**” means the certificate of merger filed with the Secretary of State of the State of Delaware in accordance with the relevant provisions of the Act in respect of the Merger;

“**Change of Control**” means the acquisition, directly or indirectly, of beneficial ownership of voting securities that results in a holding of more than 20% of the issued and outstanding voting securities of GTA by a third party, other than in connection with this Agreement or an internal corporate reorganization;

“**commercially reasonable efforts**” with respect to either Party means the cooperation of such Party and the use by it of its reasonable efforts consistent with reasonable commercial practice of similarly situated persons without payment or incurrence of unreasonable expense or the requirement to engage in litigation;

“**Consolidation**” means the proposed consolidation of GTA on the basis of one (1) post consolidation share for each ten and sixty-five thousand two hundred and eighty-three hundred-thousandths pre-consolidation shares (1:10.65283);

“**Continuance**” means the continuance of GTA under the BCBCA;

“**Control**” in respect of a Person (including the terms “**controlled by**” and “**under common control with**”) means the possession, directly or indirectly, or the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or by other arrangement;

“**CSE**” means the Canadian Securities Exchange operated by CNSX Markets Inc.;

“**CSE Listing**” means the listing of the common shares of the Resulting Issuer (including, without limitation, the Exchange Shares) on the CSE;

“**CSE Listing Date**” means the date of the CSE Listing;

“**Depository**” means the trust company, bank or financial institution agreed to in writing between GTA and GameWorks for the purpose of, among other things, exchanging certificates representing GameWorks Shares for certificates representing the Exchange Shares in connection with the Merger;

“**Dissent Rights**” means the rights of dissent in respect of the Merger described in the Merger Agreement;

“**Dissenting GameWorks Shares**” means the GameWorks Shares held by Dissenting Shareholders;

**“Dissenting Shareholder”** means a registered holder of GameWorks Shares who validly exercises the right of dissent available to such holder under Section 262 of the Act in respect of the special resolution approving the Merger;

**“Distribution”** means: (a) the declaration or payment of any dividend in cash, securities or property on or in respect of any class of securities of the Person or its Subsidiaries; (b) the purchase, redemption or other retirement of any securities of the Person or its Subsidiaries, directly or indirectly; or (c) any other distribution on or in respect of any class of securities of the Person or its Subsidiaries;

**“Dollars”** and **“\$”** means Canadian dollars, unless otherwise specified, **“US\$”** means United States of America dollars;

**“Due Diligence Period”** means the period beginning the date hereof and ending on the date that is 15 days after the date on which GameWorks delivers to OC2 its audited financial statements for the years ended December 31, 2017 and December 31, 2018 converted into and presented in accordance with IFRS;

**“Effective Date”** means the date upon which all of the conditions to completion of the Merger as set forth in this Agreement have been satisfied or waived and all documents agreed to be delivered hereunder have been delivered to the satisfaction of the Parties, acting reasonably, which will be the date shown in the Certificate of Merger, which shall occur on November 15, 2019 or such date as GameWorks and GTA shall determine, provided that the Effective Date shall not be later than January 31, 2020;

**“Effective Time”** means 12:01 a.m. (Toronto, Ontario time) on the Effective Date;

**“Encumbrances”** means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

**“Environmental Laws”** means all applicable federal, provincial, state, local and foreign Laws, imposing liability or standards of conduct for, or relating to, the regulation of activities, materials, substances or wastes in connection with, or for, or to, the protection of human health, safety, the environment or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation);

**“Environmental Permits”** means all permits, licenses, written authorizations, certificates, approvals, program participation requirements, sign-offs or registrations required by or available with or from any Governmental Entity under any Environmental Laws;

**“eSports”** means eSports Holdings LLC, the principal shareholder of GameWorks.



“**Exchange Ratio**” means sixty-four thousand (64,000) Resulting Issuer Shares for every one (1) GameWorks Share held as of the Effective Date;

“**Exchange Shares**” means the Resulting Issuer Shares to be issued to the GameWorks Shareholders in conjunction with the Merger;

“**GameWorks**” means GameWorks, Inc., a company existing under the laws of Delaware;

“**GameWorks Assets**” means, collectively, the GameWorks Intangible Property and the GameWorks Tangible Property;

“**GameWorks Board**” means the board of directors of GameWorks as the same is constituted from time to time;

“**GameWorks Convertible Notes**” means the US\$815,000 in convertible notes issued by GameWorks to be converted into GameWorks Shares immediately prior to the Effective Time on the basis of one (1) GameWorks Share for each US\$36,000 converted;

“**GameWorks Financial Statements**” means the audited consolidated financial statements of GameWorks for the years ended December 31, 2018 and 2017, and the unaudited consolidated financial statements for the six months ended June 30, 2019 and 2018 as disclosed to GTA, all converted into IFRS;

“**GameWorks Financing**” means the equity subscription receipts financing into GameWorks at a pre-money valuation of no less than US\$60,000,000 to be completed prior to the Effective Date which subscription receipts shall be priced at US\$48,000 per whole subscription receipt with each whole subscription receipt being exchanged for one (1) GameWorks Share immediately prior to the Effective Date. The GameWorks Financing shall be for net proceeds of not less than US\$6,685,000 less all amounts converted into GameWorks Shares pursuant to the LOC Facility. If less than 100% of the LOC Facility is converted into GameWorks Shares, the proceeds of the GameWorks Financing shall first be used to repay such outstanding portion of the LOC Facility;

“**GameWorks Intangible Property**” means all Intangible Property owned by, licensed to or used by GameWorks and the GameWorks Subsidiaries, in any format or medium whatsoever;

“**GameWorks Options**” means the options to acquire 189 GameWorks shares at a price of US\$23,502.10 per share issued until February 27, 2029;

“**GameWorks RSUs**” means the 56.73903 restricted share units of GameWorks outstanding;

“**GameWorks Shareholder Approval**” means the approval of the GameWorks Shareholders of the Merger Resolution;

“**GameWorks Shareholders**” means the holders of GameWorks Shares;

“**GameWorks Shares**” means, collectively, the issued and outstanding common shares of GameWorks;

“**GameWorks Subsidiaries**” means the entities listed in Schedule 1.1;

“**GameWorks Tangible Property**” means all assets owned by GameWorks and the GameWorks Subsidiaries other than the GameWorks Intangible Property;

“**GTA Assets**” means the assets of GTA including but not limited to cash and cash equivalents;

“**GTA Board**” means the board of directors of GTA as the same is constituted from time to time;

“**GTA Circular**” means the management information circular of GTA to be delivered to the GTA Shareholders in conjunction with the GTA Meeting;

“**GTA Financial Statements**” means the audited financial statements of GTA for the years ended March 31, 2019 and March 31, 2018 including the report of the auditors thereon, and the unaudited financial statements for the three-month ended June 30, 2019 and 2018, as disclosed by GTA on SEDAR;

“**GTA Meeting**” means the special meeting of GTA shareholders, including any adjournment or postponement thereof, to be called and held to consider, among other things the Board Rollover, the Consolidation, the Continuance, the Name Change and, if required by the CSE, the Merger;

“**GTA Shareholder Approval**” means the approval of the GTA Shareholders to the Board Rollover, the Consolidation, the Continuance, the Name Change and, if required by the CSE, the Merger;

“**GTA Shareholders**” means the holders of GTA Shares;

“**GTA Shares**” means the common shares in the capital of GTA prior to the Consolidation;

“**GWI**” means the surviving corporation constituted upon the merger of the Merging Parties pursuant to the Merger;

“**GWI Shares**” means the common shares in the capital of GWI;

“**Hazardous Substance**” means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous or deleterious substance, waste or material, including polychlorinated biphenyls, asbestos and urea-formaldehyde insulation, and any other material or contaminant regulated or defined under any Environmental Law;

“**IFRS**” means International Financial Reporting Standards as set by the International Accounting Standards Board;

“**including**” means including without limitation, and “**include**” and “**includes**” each have a corresponding meaning;

“**Indebtedness**” means all obligations, contingent (to the extent required to be reflected in financial statements prepared in accordance with IFRS) and otherwise, which in accordance with IFRS should be classified on the obligor’s balance sheet as liabilities, including without limitation, in any event and whether or not so classified: (a) all debt and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any mortgage, pledge, security interest, lien, charge or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all agreements of guarantee, support, indemnification, assumption or endorsement and other contingent obligations whether direct or indirect in respect of Indebtedness or performance of others, including any obligation to supply funds to or in any manner to invest in, directly or indirectly, the debtor, to purchase Indebtedness, or to assure the owner of Indebtedness against loss, through an agreement to purchase goods, supplies or services for the purpose of enabling the debtor to make payment of the Indebtedness held by such owner or otherwise; (d) obligations to reimburse issuers of any letters of credit; and (e) capital leases;

“**Indemnity Agreement**” means the property purchase agreement addendum between GTA and CBLT Inc. dated November 28, 2018 pursuant to which CBLT Inc. has assumed all risks related to “Hazardous Substances” (as such term is defined in that agreement).

“**Intangible Property**” means all patents, patentable subject matter, copyrights, registered and unregistered trade-marks, service marks, domain names, trade-names, logos, commercial symbols, industrial designs (including applications for all of the foregoing and renewals, divisions, extensions and reissues, where applicable, relating thereto), inventions, licences, sublicences, trade secrets, know how, confidential and proprietary information, patterns, drawings, computer software, databases and all other intellectual property, whether registered or not, owned by, licensed to or used by a Person, where and to the extent that the loss of such ownership or license rights or rights to use would have or would be reasonably expected to have a Material Adverse Effect on such Person, in any format or medium whatsoever;

“**Laws**” mean all federal, provincial, state, municipal or local laws, rules, regulations, statutes, by-laws, ordinances, policies or orders of any federal, provincial, state, regional or local government or any subdivision thereof or any arbitrator, court, administrative or regulatory agency, commission, department, board or bureau or body or other government or authority or instrumentality or any entity or Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

**“Lien”** means: (a) any encumbrance, mortgage, pledge, hypothec, prior claim, lien, charge or other security interest of any kind upon any property or assets of any character, or upon the income or profits therefrom; (b) any acquisition of or agreement to have an option to acquire any property or assets upon conditional sale or other title retention agreement, device or arrangement (including a capitalized lease); or (c) any sale, assignment, pledge or other transfer for security of any accounts, general intangibles or chattel paper, with or without recourse;

**“Listing Statement”** means the Form 2A Listing Statement prescribed by CSE pertaining to the listing of the Resulting Issuer Shares;

**“LOC Facility”** means the US\$2 million line of credit to be provided by OC2 or its associated lenders to GameWorks upon the execution of this Agreement and effected in accordance with the terms and conditions set out in the LOC Notes;

**“LOC Note”** means the form of convertible note attached hereto as Exhibit “B” to be issued to each lender under the LOC Facility which LOC Notes shall be convertible, at the option of the holder, into GameWorks Shares immediately prior to the Effective Time on the basis of one (1) GameWorks Share for each US\$36,000 converted. All amounts not converted prior to the Effective Time shall be repaid out of the proceeds of the GameWorks Financing;

**“Material Adverse Effect”** in respect of a Person means any change, effect, event, occurrence, condition or development that would have, individually or in the aggregate, a material and adverse impact on the business, operations, results of operations, assets, capitalization or financial condition of such Person, other than any change, effect, event, occurrence or state of facts relating to the global economy or securities markets in general;

**“Material Contract”** means a contract of GameWorks effective as at the Effective Date which involves or may reasonably be expected to involve the payment to or by GameWorks of more than US\$100,000 over the term of that contract or is otherwise material to the operation of the GameWorks business but does not include any written agreements entered into with employees or consultants or the employee plans or contracts entered into in the Ordinary Course of Business;

**“Material Fact”** means a fact that would reasonably be expected to have a significant effect on the market price or value of the GameWorks Shares;

**“Mergeco”** means GTA GW Mergeco, Inc. a corporation incorporated under the Act as a wholly-owned subsidiary of GTA for purposes of the Merger;

**“Mergeco Board”** means the board of directors of Mergeco as the same is constituted from time to time;

**“Merger”** means the merger of GameWorks and Mergeco under section 251 of the Act on the terms and conditions set out in the Merger Agreement and in this Agreement;

“**Merger Agreement**” means the form of Agreement and Plan of Merger substantially in the form as attached as Exhibit “A” hereto;

“**Merger Resolution**” means the written resolution of the GameWorks Shareholders approving the Merger in a form to be agreed to by the Parties;

“**Merging Parties**” means Mergeco and GameWorks;

“**Name Change**” means name change of GTA to “GameWorks, Ltd.” or such other name as may be acceptable to GameWorks, the board of directors of GTA and relevant Governmental Entities;

“**OBCA**” means the *Business Corporations Act* (Ontario), as amended;

“**OC2**” means OC2 Capital Corp.;

“**OC2 Share Issuance**” means the issuance to OC2 on the Effective Date in consideration for facilitating the Merger of that number Resulting Issuer Shares equal to 80,000,000 less: (i) the number of GTA Shares outstanding immediately following the Consolidation; and (ii) the number of Exchange Shares issued on the Merger;

“**Ordinary Course of Business**” means activities that are routine or that occur with regularity in the ordinary course of the business of GameWorks or GTA, as applicable, and in a manner consistent with the usual custom and past practice of GameWorks or GTA, as applicable;

“**Outside Date**” means January 31, 2020, or such later date as may be agreed to in writing by the Parties;

“**Parties**” means GameWorks, GTA, Mergeco, eSports and OC2 and “**Party**” means any of them;

“**Permitted Liens**” means:

(a) undetermined or inchoate Liens and charges incidental to construction, maintenance or operations or otherwise relating to the Ordinary Course of Business which have not at the time been filed pursuant to law;

(b) Liens for taxes and assessments for the then current year, Liens for taxes and assessments not at the time overdue, Liens securing worker’s compensation assessments and Liens for specified taxes and assessments which are overdue (and which have been disclosed to the other Parties) but the validity of which is being contested at the time in good faith, if the Person shall have made on its books provision reasonably deemed by it to be adequate therefor;

(c) cash or governmental obligations deposited in the ordinary course of business in connection with contracts, bids, tenders or to secure worker’s compensation, unemployment insurance, surety or appeal bonds, costs of litigation, when required by

law, public and statutory obligations, Liens or claims incidental to current construction, and mechanics', warehousemen's, carriers' and other similar Liens;

(d) all rights reserved to or vested in any governmental body by the terms of any lease, licence, franchise, grant or permit held by it or by any statutory provision to terminate any such lease, licence, franchise, grant or permit or to require annual or periodic payments as a condition of the continuance thereof or to distraint against or to obtain a Lien on any of its property or assets in the event of failure to make such annual or other periodic payments; and

(e) Purchase Money Obligations.

**"Person"** means an individual, partnership, corporation, association, trust, joint venture, unincorporated organization and any government, governmental department or agency or political subdivision thereof;

**"Purchase Money Obligations"** means Indebtedness of a debtor, reflected in the debtor's financial statements, and incurred or assumed to finance the purchase or acquisition, in whole or in part, of any tangible real or personal property or incurred to finance the cost, in whole or in part, of the construction or installation of any tangible personal property, provided, however, that such Indebtedness is incurred or assumed at the time of or within 30 days after the purchase of such property or the completion of such construction or installation, as the case may be, and includes any extension, renewal or refinancing of any such Indebtedness so long as the principal amount thereof outstanding at the date of such extension, renewal or refinancing is not increased;

**"Resulting Issuer"** means GTA on the completion of the Board Rollover, Continuance, Consolidation and Name Change;

**"Resulting Issuer Options"** means the 12,096,000 options to acquire Resulting Issuer Shares exercisable at US\$0.36722 per share until February 27, 2029 to be issued to the holders of the GameWorks Options pursuant to the Merger;

**"Resulting Issuer Plan"** means the equity compensation plan to be adopted by the Resulting Issuer prior to the Effective Time in a form satisfactory to GameWorks;

**"Resulting Issuer RSUs"** means the 3,631,298 restricted share units to be issued to the holders of the GameWorks RSUs pursuant to the Merger with equivalent vesting provisions;

**"Resulting Issuer Shares"** means the common shares of GTA on completion of the Consolidation, Continuance and Name Change;

**"Securities Commissions"** means the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission;

**"SEDAR"** means the System for Electronic Document Analysis and Retrieval;

“**Subsidiary**” shall have the same meaning as the term “subsidiary companies” in the *Securities Act* (Ontario);

“**Tax**” or “**Taxes**” means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative net worth, transfer, profits, withholding, payroll, employer health, employer safety, workers compensation, excise, immovable property and moveable property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax including Israeli Pension Plan, Canada Pension Plan, Social Security and provincial plan contributions and workers compensation premiums, together with any interest, fines and penalties imposed by any governmental authority (including federal, provincial, municipal and foreign governmental authorities), and whether disputed or not;

“Tax Act” means the *Income Tax Act* (Canada)

“**Tax Returns**” has the meaning set forth in Section 3.12; and

“**Transaction**” means the (i) Merger; and (ii) the filing of the Listing Statement.

### **Interpretation Not Affected by Headings**

1.2 The division of this Agreement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

### **Number, Gender and Persons**

1.3 In this Agreement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

### **Date for Any Action**

1.4 If the date on which any action is required to be taken hereunder by a Party is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

### **Statutory References**

1.5 Any reference in this Agreement to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

## **Knowledge**

1.6 Where used herein the term “Knowledge” in respect of GameWorks means the actual knowledge of Philip N. Kaplan.

## **Schedules**

1.7 The following Exhibits and Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

Exhibit “A”	Merger Agreement
Exhibit “B”	LOC Note
Schedule “1.1”	GameWorks Subsidiaries
Schedule “3.5”	Authorizations
Schedule 3.8	GameWorks Financial Statements
Schedule 3.9	Absence of Certain Changes
Schedule 3.11	Indebtedness and Liens
Schedule 3.12	Indebtedness to Directors, Officers and Others
Schedule 3.25	Title to Assets
Schedule 3.27	Third Party Approvals
Schedule 5.2	Conduct of Business of GameWorks

## **ARTICLE 2 THE MERGER**

### **Merger**

2.1 The Merging Parties hereby agree that at the Effective Time, (i) Mergeco will merger with and into GameWorks, and (ii) the separate corporate existence of Mergeco will cease and GWI will continue its corporate existence under the Act as the surviving corporation in the Merger. Each of GTA and GameWorks acknowledge and agree that (i) the Merger and the matters related thereto as contemplated hereby are subject to (a) the receipt of all regulatory approvals, including without limitation the requisite approvals of the CSE; (b) the receipt of all applicable approvals of the Merger by the shareholders of each of GameWorks and Mergeco, all in accordance with applicable Law (including the Act) and the requisite regulations of the CSE; and (c) the receipt of all applicable approvals of the Board Rollover, the Consolidation, the Continuance, the Name Change and, if required by the CSE, the Merger by the shareholders of GTA, all in accordance with applicable Law (including the Act) and the requisite regulations of the CSE and (ii) in connection with the Merger, certain Resulting Issuer Shares, Resulting Issuer Options and Resulting Issuer RSUs, may be subject to escrow if required by the CSE. In furtherance of the foregoing, subject to the terms and conditions herein set forth and on the basis of the covenants, representations, warranties and agreements of the Parties herein contained, each of GameWorks, Mergeco and GTA covenant and agree to:

- (a) enter into the Merger Agreement forthwith after receipt of all applicable regulatory approvals and the requisite approvals of the shareholders of each of



GameWorks, GTA and Mergeco to, as applicable, the Board Rollover, the Consolidation, the Continuance, the Name Change and the Merger, all as further set forth herein;

(b) co-operate with each other in the preparation and submission of the Listing Statement, and in connection therewith provide the other Party or Parties, as the case may be, with such information and material concerning its affairs as such other Party or Parties, as the case may be, shall reasonably request;

(c) use all commercially reasonable efforts and do all things necessary or reasonably desirable on its part to facilitate the implementation of the Merger and all related matters in connection therewith as set forth in the Listing Statement, including without limiting the generality of the foregoing, applying for, obtaining and/or effecting as applicable: (i) the requisite approval of the CSE for the Transaction and the listing thereon of the Resulting Issuer Shares to be issued in connection therewith, as applicable; (ii) causing all applicable securityholders to enter into the requisite escrow agreements required by the CSE in connection with item (i) above; and (iii) obtaining such other consents, orders or approvals as counsel to GameWorks, Mergeco and GTA may advise are necessary or desirable to be obtained for the implementation of the Merger and preparing and delivering all necessary documents in connection therewith;

(d) use all commercially reasonable efforts to obtain to file articles of continuance under the BCBCA in connection with the completion of the Consolidation, the Continuance and the Name Change and the Certificate of Merger to give effect to the Merger; and

(e) take and cause to be taken such other steps and actions and execute such other documents, agreements and instruments as may be reasonably necessary or desirable in connection with the consummation of the transactions contemplated hereby.

## **Effect of Merger**

2.2 On the Effective Date, in accordance with the Act:

(a) GTA will effect the Consolidation, the Continuance and the Name Change;

(b) the Merger of the Merging Parties under the terms and conditions prescribed in this Agreement and the Merger Agreement shall be effective and the Exchange Shares, Resulting Issuer Options and Resulting Issuer RSUs shall be issued;

(c) The Merger shall have the effects set forth herein and in the applicable provisions of the Act; without limiting the generality of the foregoing, and subject thereto, from and after the Effective Time, all property, rights, privileges, immunities, powers, franchises, licenses and authority of GameWorks and Mergeco shall vest in GWI as the surviving corporation, and all debts, liabilities, obligations, restrictions and duties of each of GameWorks and Mergeco shall become the debts, liabilities, obligations, restrictions and duties of GWI as the surviving corporation;

(d) The OC2 Share Issuance shall be completed;

- (e) the Board Rollover shall be completed; and
- (f) each of the existing officers of GTA shall resign and such resigning officers shall be replaced by nominees of GameWorks including the appointment of: Mr. Philip Kaplan as President and Chief Executive Officer; and Mr. Samuel Jonathan Tang as Chief Financial Officer, (in each case subject to the receipt of applicable regulatory approvals).

### **Treatment of Securities**

2.3 Subject to Section 10.8 hereof, on the Effective Date:

- (a) subject to Section 2.3(e), all issued and outstanding GameWorks Shares, including those issued on the conversion of the subscription receipts issued pursuant to the GameWorks Financing and the conversion of the GameWorks Convertible Notes and the LOC Notes, shall be exchanged for fully paid and non-assessable Resulting Issuer Shares on the basis of the Exchange Ratio, and all such GameWorks Shares shall be cancelled;
- (b) each one (1) GameWorks Option shall be exchanged for sixty-four thousand (64,000) Resulting Issuer Options having the same vesting provisions and expiry date as the GameWorks Options. The exercise price of the Resulting Issuer Options shall be the exercise price of the GameWorks Options divided by sixty-four thousand (64,000);
- (c) each one (1) GameWorks RSU shall be exchanged for sixty-four thousand (64,000) Resulting Issuer RSUs having the same vesting provisions as the GameWorks RSUs;
- (d) in consideration of the issuance by GTA of the Resulting Issuer Shares pursuant to Section 2.3(a), GWI shall issue to GTA one (1) fully paid GWI Share for each Resulting Issuer Share so issued; and
- (e) GameWorks Shares which are held by a Dissenting Shareholder shall not be converted as prescribed by Section 2.3(a). However, if after the Effective Time, such Dissenting Shareholder fails to perfect, withdraws or loses such Dissenting Shareholder's right to appraisal pursuant to Section 262 of the Act or if a court of competent jurisdiction shall determine that such Dissenting Shareholder is not entitled to the relief provided by Section 262 of the Act, such GameWorks Shares shall be treated as if they had been converted as of the Effective Date as prescribed by Section 2.3(a).

### **Fractional Shares**

2.4 Notwithstanding Section 2.3 of this Agreement, no fractional Resulting Issuer Shares will be issuable to GameWorks Shareholders pursuant to the Merger, and no cash payment or other form of consideration will be payable in lieu thereof. Any such fractional interest in a Resulting Issuer Share to which a GameWorks Shareholder would otherwise be entitled pursuant to the Merger will be rounded down to the nearest whole Resulting Issuer Share.

## **Certificates**

### **2.5 On the Effective Date:**

- (a) the GameWorks Shareholders (other than Dissenting Shareholders who are ultimately entitled to be paid fair value for their Dissenting GameWorks Shares) shall be deemed to be the registered holders of the Resulting Issuer Shares to which they are entitled hereunder. Immediately following the Effective Date, the Depository of GTA shall, as soon as practicable, issue to such GameWorks Shareholder certificates representing the number of Resulting Issuer Shares to which such holder is entitled without any further action on the part of such GameWorks Shareholder;
- (b) GTA, as the registered holder of the Mergeco Shares, shall be deemed to be the registered holder of the GWI Shares to which it is entitled hereunder and, upon surrender of the certificates representing such Mergeco Shares to GWI, GTA shall be entitled to receive a share certificate representing the number of Mergeco Shares to which it is entitled as set forth in Section 2.3 hereof; and
- (c) share certificates evidencing GameWorks Shares shall cease to represent any claim upon or interest in GameWorks or GWI other than the right of the registered holder to receive pursuant to the terms hereof and the Merger, Exchange Shares in accordance with Section 2.3 hereof.

## **Stated Capital**

2.6 The amount to be added to the stated capital account maintained in respect of the GWI Shares in connection with the issue of GWI Shares under Section 2.3 hereof on the Effective Date shall be the amount which is the sum of the stated capital of the issued and outstanding GameWorks Shares and of the stated capital of the issued and outstanding Mergeco Shares immediately prior to the Merger.

## **GTA Meeting**

### **2.7 Subject to the terms of this Agreement:**

- (a) GTA agrees to use its commercially reasonable efforts to convene and conduct the GTA Meeting in accordance with GTA's constating documents and applicable Laws as soon as reasonably practicable in order to obtain the GTA Shareholder Approval; and
- (b) Except as required by a Governmental Entity, in this Agreement, for quorum purposes, GTA will not adjourn, postpone or cancel the GTA Meeting except (i) if a quorum is not present at the GTA Meeting, (ii) if required by Applicable Laws, (iii) if required by the GTA Shareholders, or (iv) if otherwise agreed to with the GameWorks in writing.

## **GTA Circular**

2.8           GTA shall:

- (a)     prepare the GTA Circular in compliance with applicable Laws and mail the same as required and in accordance with all applicable Laws, in all jurisdictions where the same is required, complying in all material respects with all applicable Laws on the date of mailing thereof;
  
- (b)     ensure that the GTA Circular complies in all material respects with all applicable Laws, and, without limiting the generality of the foregoing, that the GTA Circular will 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 contained therein not misleading in light of the circumstances in which they are made (other than in each case with respect to any information relating to GameWorks and its affiliates, including the Resulting Issuer Shares) and shall provide GTA Shareholders with information in sufficient detail to permit them to form a reasoned judgement concerning the matters to be placed before them at the GTA Meeting;
  
- (c)     The GTA Circular will, subject to the other terms of this Agreement, include: (i) the recommendation of the GTA Board that are entitled to vote that GTA Shareholders vote in favour of the Board Rollover, the Consolidation, the Continuance, the Name Change and, if required by the CSE, the Merger; and (ii) a statement that each director and senior officer of GTA (entitled to vote) intends to vote in favour of the Board Rollover, the Consolidation, the Continuance, the Name Change and if required by the CSE, the Merger;
  
- (d)     GameWorks will furnish to GTA all such information regarding GameWorks and its affiliates, as may be reasonably required by GTA in the preparation of the GTA Circular and other documents related thereto. GameWorks shall also use commercially reasonable efforts to obtain any necessary consents from its auditors to the use of any financial information required to be included in the GTA Circular, if applicable. GameWorks shall ensure that no such information will include any untrue statement of a material fact or omit to state a material fact required to be stated in the GTA Circular in order to make any information so furnished or any information concerning GameWorks not misleading in light of the circumstances in which it is disclosed and shall constitute full, true and plain disclosure of such information concerning GameWorks; and
  
- (e)     GTA and GameWorks shall each promptly notify the other if at any time before the Effective Date it becomes aware (in the case of GTA only with respect to GTA and in the case of GameWorks only with respect to GameWorks) that the GTA Circular contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the GTA Circular, and the Parties shall co-operate in the preparation of any amendment or supplement to the GTA Circular, as required or

appropriate, and GTA shall promptly mail or otherwise publicly disseminate any amendment or supplement to the GTA Circular to GTA Shareholders.

### **Performance of Mergeco**

2.9 GTA shall incorporate and organize Mergeco and cause it to comply with all of its obligations under or relating to the Merger and the transactions contemplated by this Agreement and the Merger Agreement.

### **Sufficient GTA Shares Provided to Depositary**

2.10 GTA will prior to the Effective Time, ensure that the Depositary has been provided with a sufficient treasury direction instruction and authorizing the Depositary to issue such number of Exchange Shares to GameWorks Shareholders pursuant to the Exchange Ratio and terms of the Merger.

### **Preparation of Filings**

2.11 GTA and GameWorks shall co-operate in the preparation of the Listing Statement and any other orders, registrations, consents, filings, rulings, exemptions, no-action letters and approvals and the preparation of any documents reasonably deemed by either of the Parties to be necessary to discharge its respective obligations or otherwise advisable under Applicable Laws in connection with this Agreement or the Merger Agreement.

### **Filing Certificate of Merger**

2.12 After the satisfaction or waiver (if such condition is capable of waiver) of the conditions (excluding conditions that, by their terms cannot be satisfied until the Effective Date, but subject to the satisfaction or, if capable of waiver, waiver of those conditions as of the Effective Date) set forth in Article 6, the Certificate of Merger will be filed by GameWorks and Mergeco with the Secretary of State of the State of Delaware. Upon such filing, unless otherwise provided in the Merger Agreement, the events set out in the Merger Agreement will occur in the sequence indicated therein. The Merger will, from and after the Effective Time, have all of the effects provided by applicable Laws, including the Act.

### **Announcement and Shareholder Communications**

2.13 GTA shall publicly announce the execution of this Agreement promptly thereafter, the text and timing of each such announcement to be approved by GTA and GameWorks in advance, acting reasonably. Neither Party shall: (i) issue any news release or otherwise make public announcements with respect to this Agreement or the Merger without the consent of the other Party (which consent shall not be unreasonably withheld or delayed); or (ii) make any filing with any Governmental Entity or with the CSE with respect thereto without prior consultation with the other Party; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing required under applicable Laws or stock exchange rules, and the Party making such disclosure shall use all commercially reasonable efforts to give prior oral or written notice to the other Party and reasonable opportunity to review

or comment on the disclosure or filing, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing.

### **United States Income Tax Treatment**

2.14 The Parties intend that the Merger constitute a “reorganization” within the meaning of Sections 368(a)(1)(A) and 368(a)(2)(E) of the United States Internal Revenue Code of 1986, as amended (the “Code”). For all applicable United States federal and state income Tax purposes, the Parties agree to report the Merger in a manner consistent with that intent and no Party shall take any action, or fail to take any action, if such action or failure to act negates the Merger’s status as a “reorganization” under Section 368(a) of the Code.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF GAMEWORKS**

### **Representations and Warranties**

3.1 In order to induce GTA to enter into this Agreement and to consummate the transactions contemplated by this Agreement, GameWorks hereby represents and warrants as at the date hereof and as at the Effective Date as follows to and in favour of GTA and acknowledges that GTA is relying upon such representations and warranties in connection with the Merger:

### **Organization and Existence**

3.2 GameWorks is a corporation duly incorporated, organized and validly existing under the laws of Delaware and has the corporate power to own its properties and to carry on its business as now conducted and has made all necessary filings under all applicable corporate, securities and taxation laws or any other laws to which GameWorks is subject, except where the failure to make such filing would not have a Material Adverse Effect on GameWorks. GameWorks is in good standing under the laws of Delaware. GameWorks is not in violation of its Articles. No proceedings have been instituted or are pending for the dissolution or liquidation of GameWorks.

### **Subsidiaries**

3.3 GameWorks does not have any Subsidiaries other than the GameWorks Subsidiaries.

### **Organization and Existence of GameWorks Subsidiaries**

3.4 Each of the GameWorks Subsidiaries is a corporation or limited liability company duly incorporated or organized and validly existing under its jurisdiction of incorporation or organization and has the corporate or limited liability company power to own its properties and to carry on its business as now conducted and has made all necessary filings under all applicable corporate or limited liability company, securities and taxation laws or any other laws to which each GameWorks Subsidiaries is subject, except where the failure to make such filing would not

have a Material Adverse Effect on GameWorks. Each GameWorks Subsidiary is in good standing under the laws of its jurisdiction of incorporation. No GameWorks Subsidiary is not in violation of its Articles or Certificate, as applicable. No proceedings have been instituted or are pending for the dissolution or liquidation of any GameWorks Subsidiary.

### **Authorization**

3.5 Except as disclosed in Schedule 3.5, the execution, delivery and performance by GameWorks of this Agreement and the Merger: (i) are within its corporate power and authority; (ii) have been, or will at the Effective Date be, duly authorized by all necessary corporate proceedings; and (iii) do not and will not conflict with or result in any breach of any provision of, or the creation of any Lien upon any of the property of GameWorks pursuant to the Articles or by-laws of GameWorks, any applicable Laws, order, judgment, injunction, license or permit applicable to GameWorks or any indenture, lease, agreement, contract, instrument or Lien, to which GameWorks is a party or by which the property of GameWorks may be bound or affected.

### **Authorized and Issued Capital**

3.6

(a) The authorized capital of GameWorks consists of 1,500 GameWorks Shares of which 1,000 GameWorks Shares are currently issued and outstanding as of the date hereof and 245.73903 common shares are reserved for issuance pursuant to the GameWorks Options and the GameWorks RSUs. In addition, GameWorks has reserved for issuance a sufficient number of GameWorks Shares to permit the conversion of the Convertible Notes and the LOC Notes and to complete the GameWorks Financing on the terms described elsewhere in this Agreement which will be converted into GameWorks Shares prior to the Effective Time. There are no other options, warrants, conversion privileges or other rights, shareholder rights plans, agreements, amalgamations or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may result in the issuance, sale or transfer by GameWorks of any securities of GameWorks, or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of GameWorks or any GameWorks Subsidiaries;

(b) The GameWorks Shares issued and outstanding as at the Effective Date have been, or will at the Effective Date be, duly authorized and validly issued and outstanding as fully paid and non-assessable shares. None of the GameWorks Shares, the GameWorks Convertible Notes, the GameWorks Options or the GameWorks RSUs have been issued in violation of any Laws, GameWorks' Articles or any agreement to which GameWorks is a party or by which it is bound.

(c) GameWorks owns all of the issued and outstanding shares of each GameWorks Subsidiary.

### **No Material Adverse Change**

3.7 Since June 30, 2019, no change has occurred in the business, operations, results of operations, assets, capitalization or condition (financial or otherwise) of GameWorks, whether or not in the Ordinary Course of Business, whether separately or in the aggregate with other occurrences or developments, and whether insured against or not, which would reasonably be expected to have a Material Adverse Effect on GameWorks.

### **Reports and GameWorks Financial Statements**

3.8

(a) The GameWorks Financial Statements, copies of which are attached hereto as Schedule 3.8 were prepared in accordance with U.S. GAAP on a consistent basis for each period included in the GameWorks Financial Statements; each of the balance sheets included in such GameWorks Financial Statements fairly presents the financial condition of GameWorks as at the close of business on the date thereof, and each of the statement of operations and deficit included in the GameWorks Financial Statements fairly presents the results of operations of GameWorks for the fiscal period then ended.

(b) The audited GameWorks Financial Statements were audited in accordance with U.S.GAAS.

(c) There were no liabilities, contingent, contractual or otherwise, of GameWorks as of June 30, 2019, other than those disclosed in the applicable GameWorks Financial Statements and the notes thereto.

(d) There is no pending disagreement between GameWorks and its auditors which could materially affect the financial condition of GameWorks.

### **Absence of Certain Changes**

3.9 Since June 30, 2019, GameWorks has not, except as disclosed in Schedule 3.9:

(a) split, combined or reclassified any of its securities or declared or made any Distribution;

(b) suffered any material loss relating to litigation or, to the knowledge of GameWorks, been threatened with litigation;

(c) mortgaged, hypothecated or pledged any of the GameWorks Assets, or subjected them to any Lien other than a Permitted Lien;

(d) sold, leased, subleased, assigned or transferred any of the GameWorks Assets;

(e) failed to pay or satisfy when due any liability where the failure to do so would have a Material Adverse Effect on GameWorks;



- (f) other than in respect of a bonus payment payable to a senior management employee and disclosed to GTA, entered into or amended any employment contracts with any director, officer or senior management employee, created or amended any employee benefit plan, made any increases in the base compensation, bonuses, paid vacation time allowed or fringe benefits for its directors or officers;
- (g) suffered, in any material respect, any damage, destruction or other casualty, loss, or forfeiture of, any property or assets, whether or not covered by insurance;
- (h) other than in the Ordinary Course of Business: (i) entered into any contract, commitment or agreement under which it has outstanding Indebtedness for borrowed money or for the deferred purchase price of property; or (ii) made any loan or advance to any Person;
- (i) acquired or agreed to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any Person, corporation, partnership, joint venture or other business organization or division or acquired or agreed to acquire any material assets;
- (j) entered into any Material Contracts regarding its business operations, including joint ventures, partnerships or other arrangements;
- (k) created any stock option or bonus plan, paid any bonuses, deferred or otherwise, or deferred any compensation to any of its directors or officers other than such payments made in the Ordinary Course of Business;
- (l) made any material change in accounting procedures or practices;
- (m) entered into any other material transaction, or any amendment of any contract, lease, agreement or license which is material to its business;
- (n) cancelled, waived or compromised, in any material respect, any debts or claims, including accounts payable to and receivable from its Affiliates; or
- (o) entered into any agreement or understanding to do any of the foregoing.

### **Corporate Documents, Books and Records**

3.10 The minute books of GameWorks and the GameWorks Subsidiaries provided to GTA contain complete and accurate records in all material respects of all meetings and consents in lieu of meetings of the board of directors (and its committees) and shareholders of GameWorks since incorporation. Except as reflected in such minute books, there are no minutes of meetings or consents in lieu of meetings of the board of directors (or its committees) or of the shareholders of GameWorks.

## **Indebtedness and Liens**

3.11 Other than (i) as set forth in Schedule 3.11, (ii) in the Ordinary Course of Business or (iii) in connection with the transactions contemplated hereby and in respect of the LOC Facility and the Convertible Notes, since June 30, 2019, GameWorks has not incurred any: (i) Indebtedness; or (ii) Liens upon any of the GameWorks Assets.

## **Indebtedness to Directors, Officers and Others**

3.12 Except as otherwise outlined in Schedule 3.12 hereto, GameWorks is not indebted to any director, officer, employee or consultant of GameWorks, except for amounts due as normal compensation or reimbursement of ordinary business expenses.

## **Taxes**

3.13 All income Tax returns and other material returns, declarations, reports, estimates, statements, schedules or other information or documents with respect to Taxes (collectively, “**Tax Returns**”) required to be filed by or with respect to GameWorks and the GameWorks Subsidiaries have been filed within the prescribed time, with the appropriate tax authorities and all such Tax Returns are true, correct, and complete in all material respects. To the knowledge of GameWorks, no Tax Return of GameWorks or a GameWorks Subsidiary is being audited by the relevant taxing authority, and there are no outstanding waivers, objections, extensions, or comparable consents regarding the application of the statute of limitations or period of reassessment with respect to any Taxes or Tax Returns that have been given or made by GameWorks or a GameWorks Subsidiary and GameWorks and the GameWorks Subsidiaries do not have any pending requests for any such waivers, extensions, or comparable consents. GameWorks and the GameWorks Subsidiaries have not received a ruling from any taxing authority or signed an agreement with any taxing authority that could reasonably be expected to have a Material Adverse Effect on GameWorks. To the knowledge of GameWorks, GameWorks and the GameWorks Subsidiaries do not owe any Taxes to a federal government, a provincial government, a municipal government or any other governmental authority.

## **Material Contracts**

3.14 All Material Contracts of GameWorks and the GameWorks Subsidiaries, and are valid, binding and in full force and effect as to GameWorks, and the other parties thereto (to GameWorks’ knowledge) and GameWorks and the GameWorks Subsidiaries are not in breach or violation of, or default under, the terms of any such contract, agreement, plan, lease or commitment, except where such breach, violation or default would not have a Material Adverse Effect on GameWorks, and, to the knowledge of GameWorks, no event has occurred which constitutes or, with the lapse of time or the giving of notice, or both, would constitute, such a breach, violation or default by GameWorks or the GameWorks Subsidiaries by the other parties thereto.

## **Licences and Permits**

3.15 GameWorks and the GameWorks Subsidiaries have all necessary and required licenses, permits, consents, concessions and other authorizations of governmental, regulatory or

administrative agencies or authorities, whether foreign, federal, provincial, or local, required to own and lease their properties and assets and to conduct their business as now conducted, except where the failure to hold the foregoing would not have a Material Adverse Effect on GameWorks. GameWorks and the GameWorks Subsidiaries are not in default, nor has they received any notice of any claim or default with respect to any such license, permit, consent, concession or authorization. No registrations, filings, applications, notices, transfers, consents, approvals, audits, qualifications, waivers or other action of any kind is required by virtue of the execution and delivery of this Agreement, or of the consummation of the transactions contemplated hereby: (a) to avoid the loss of any license, permit, consent, concession or other authorization or any asset, property or right pursuant to the terms thereof, or the violation or breach of any Law applicable thereto, or (b) to enable GameWorks and the GameWorks Subsidiaries to hold and enjoy the same immediately after the Effective Date in the conduct of its business as conducted prior to the Effective Date.

### **Compliance with Law**

3.16 GameWorks and the GameWorks Subsidiaries are not in default under, or in violation of, and have not violated (and failed to cure) any law including, without limitation, laws relating to the issuance or sale of securities, privacy and intellectual property, or any licenses, franchises, permits, authorizations or concessions granted by, or any judgment, decree, writ, injunction or order of, any governmental or regulatory authority, applicable to their business or any of their properties or assets, except where such default or violation would not have a Material Adverse Effect on GameWorks. GameWorks has not received any notification alleging any violations of any of the foregoing with respect to which adequate corrective action has not been taken.

### **Employees**

3.17 GameWorks and the GameWorks Subsidiaries are in compliance in all material respects with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and has not and is not engaged in any unfair labour practice. GameWorks and the GameWorks Subsidiaries have never been a party to or bound by any collective agreement and are not currently conducting negotiations with any labour union or employee association.

### **Litigation**

3.18 There is no material suit, claim (including warranty claims), action, proceeding, investigation in existence or, to the knowledge of GameWorks, pending or threatened against or affecting GameWorks, the GameWorks Subsidiaries or any of their assets or properties, or any officer or director thereof in his capacity as an officer or director thereof.

### **No Limitations**

3.19 There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place, whether written or oral, to which GameWorks or a GameWorks Subsidiary is a party or is otherwise bound that would now or hereafter, in any way limit the business, use of assets or operations of GameWorks or the GameWorks Subsidiaries.

## **Regulatory Compliance**

3.20 GameWorks and the GameWorks Subsidiaries are in compliance with all regulatory orders, directives and decisions that have application to GameWorks and the GameWorks Subsidiaries except where such non-compliance would not have a Material Adverse Effect on GameWorks and GameWorks has not received notice from any governmental or regulatory authority that GameWorks or the GameWorks Subsidiaries are not in compliance with any such regulatory orders, directives or decisions.

## **Environmental Laws**

3.21

(a) All facilities and operations of GameWorks and the GameWorks Subsidiaries are, in all material respects, presently in compliance with all applicable Environmental Laws.

(b) GameWorks has not been charged with or convicted of any offence for non-compliance with Environmental Laws and there are no judgments, orders, notices, proceedings or investigations of any nature relating to any breach or alleged breach of Environmental Laws by GameWorks or the GameWorks Subsidiaries.

(c) GameWorks has not used any of the GameWorks Assets to produce, generate, manufacture, treat, store, handle, transport or dispose of any Hazardous Substances except in compliance with Environmental Laws.

## **Non-Arm's Length Transactions**

3.22 Other than as disclosed in the GameWorks Financial Statements or in this Agreement:

(a) GameWorks has not made any payment or loan to, or has borrowed any monies from or is otherwise indebted to, any officer, director, employee, shareholder or any other Person with whom GameWorks is not dealing at Arm's Length or any Affiliate of any of the foregoing; and

(b) GameWorks is not a party to any contract or agreement with any officer, director, employee, shareholder or any other Person with whom GameWorks is not dealing at Arm's Length or any Affiliate of any of the foregoing.

## **Enforceability**

3.23 The execution and delivery by GameWorks of this Agreement and any other agreement contemplated by this Agreement will (assuming due execution by the other Parties) result in legally binding obligations of GameWorks enforceable against GameWorks in accordance with the terms and provisions hereof and thereof subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

## **Brokers**

3.24 GameWorks has not has engaged any broker or other agent in connection with the Merger and no commission, fee or other remuneration shall be payable by GameWorks to any broker or agent who purports or may purport to act or have acted for GameWorks in connection with the Merger.

## **Title to Assets**

3.25 Except as disclosed in Schedule 3.25, the GameWorks Assets are owned legally and beneficially by GameWorks and the GameWorks Subsidiaries, as applicable, with good and marketable title thereto, free and clear of all Liens whether contingent or absolute.

## **Regulatory Approval**

3.26 No consents, registrations, approvals, permits, waivers or authorizations are required to be obtained by GameWorks from, any governmental or regulatory authority in connection with the execution and delivery of this Agreement by GameWorks and the consummation of the transactions contemplated herein by GameWorks, where the failure to make or obtain any or all of which would reasonably be likely to have a Material Adverse Effect on the consolidated financial condition of GameWorks, or could prevent, materially delay or materially burden the transactions contemplated herein.

## **Third Party Approvals**

3.27 Except as disclosed in Schedule 3.27, no consents, registrations, approvals, permits, waivers or authorizations are required to be obtained by GameWorks or the GameWorks Subsidiaries from, any third party in connection with the execution and delivery of this Agreement by GameWorks and the consummation of the transactions contemplated herein by GameWorks, the failure to make or obtain any or all of which is reasonably likely to have a Material Adverse Effect on the consolidated financial condition of GameWorks, or could prevent, materially delay or materially burden the transactions contemplated herein.

## **Conduct of Business in the Ordinary Course**

3.28 Since June 30, 2019, the business of GameWorks has been conducted in the Ordinary Course of Business.

## **Privacy Matters**

3.29 GameWorks and the GameWorks Subsidiaries have conducted and are conducting their business in compliance in all material respects with all applicable Laws concerning privacy and the protection of personal information.

## **Intangible Property**

3.30 GameWorks and the GameWorks Subsidiaries own or have legal right to use the GameWorks Intangible Property currently used in the conduct of the business of GameWorks

and the GameWorks Subsidiaries, and, to the knowledge of GameWorks, the ownership or use thereof and any other intellectual property rights owned or used by GameWorks and the GameWorks Subsidiaries do not infringe upon the proprietary rights of any other Persons.

3.31 GameWorks and the GameWorks Subsidiaries are the beneficial owners of the Intangible Property which they purport to own free and clear of all Encumbrances, and are not parties to or bound by any contract or any other obligation whatsoever that limits or impairs their ability to sell, transfer, assign or convey, or that otherwise affects, the Intangible Property. GameWorks and the GameWorks Subsidiaries have not granted any interest in or right to use all or any portion of the Intangible Property. To the knowledge of GameWorks, the conduct of GameWorks' business does not infringe upon the industrial or intellectual property rights, domestic or foreign, of any other person. GameWorks is not aware of a claim of any infringement or breach of any industrial or intellectual property rights of any other person, nor has GameWorks received any notice that the conduct of GameWorks' business, including the use of the GameWorks Intangible Property, infringes upon or breaches any industrial or intellectual property rights of any other person, and GameWorks does not have any knowledge of any infringement or violation of any of its rights in the GameWorks Intangible Property.

#### **No Other Agreement to Purchase**

3.32 Other than as disclosed in Section 3.32, there are no agreements, options, warrants, rights of conversion or other rights binding upon or which at any time in the future may become binding upon GameWorks to issue any equity securities or any securities convertible or exchangeable, directly or indirectly, into any equity securities of GameWorks. To the knowledge of GameWorks, there are no shareholders' agreements, pooling agreements, voting trusts or other agreements or understandings with respect to the voting of the GameWorks Shares, or any of them. There are no agreements options, warrants, rights of conversion or other rights binding upon or which at any time in the future may become binding upon any of the GameWorks Subsidiaries to issue any equity securities or any securities convertible or exchangeable, directly or indirectly, into any equity securities of any GameWorks Subsidiary.

#### **Full Disclosure**

3.33 This Agreement: (i) does not contain any untrue statement of a Material Fact in respect of GameWorks or the affairs, operations or condition of GameWorks; and (ii) does not omit any statement of a Material Fact necessary in order to make the statements in respect of GameWorks or the affairs, operations or condition of GameWorks contained herein not misleading.

#### **Survival of Representations and Warranties**

3.34 The representations and warranties of GameWorks contained in this Agreement shall survive the execution and delivery of this Agreement and shall terminate on the earlier of the termination date of this Agreement in accordance with its terms and the Effective Date.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF GTA**

### **Representations and Warranties**

4.1 In order to induce GameWorks to enter into this Agreement and to consummate the transactions contemplated by this Agreement, GTA hereby represents and warrants as at the date hereof and as at the Effective Date as follows to and in favour of GameWorks and acknowledges that GameWorks is relying upon such representations and warranties in connection with the Merger:

### **Organization and Existence**

4.2 GTA is a corporation duly incorporated, organized and validly existing under the laws of the Province of Ontario and has the corporate power to own its properties and to carry on its business as now conducted and has made all necessary filings under all applicable corporate, securities and taxation laws or any other laws to which GTA is subject, except where the failure to make such filing would not have a Material Adverse Effect on GTA. GTA is in good standing under the OBCA. GTA is not in violation of its Articles or by-laws. No proceedings have been instituted or are pending for the dissolution or liquidation of GTA.

### **Subsidiaries**

4.3 GTA does not have any Subsidiaries other than Mergeco.

### **Organization and Existence of Mergeco**

4.4 Mergeco is a corporation duly incorporated and validly existing under the laws of Delaware and has the corporate or limited liability company power to own its properties and to carry on its business as now conducted and has made all necessary filings under the Act, securities and taxation laws or any other laws to which Mergeco is subject, except where the failure to make such filing would not have a Material Adverse Effect on GTA. Mergeco is in good standing under the laws of its jurisdiction of incorporation. Mergeco is not in violation of its Articles or Certificate, as applicable. No proceedings have been instituted or are pending for the dissolution or liquidation of Mergeco.

### **Authorization**

4.5

(a) The execution, delivery and performance by GTA and Mergeco of this Agreement and the Merger: (i) are within its corporate power and authority; (ii) have been, or will at the Effective Date be, duly authorized by all necessary corporate proceedings; and (iii) do not and will not conflict with or result in any breach of any provision of, or the creation of any Lien upon any of the property of GTA pursuant to the Articles or by-laws of GTA, any applicable Laws, order, judgment, injunction, license or permit applicable to GTA or any indenture, lease, agreement, contract, instrument or Lien, to which GTA is a party or by which the property of GTA may be bound or affected.

(b) The Exchange Shares, when delivered in accordance with the terms of this Agreement, will be validly issued and outstanding as fully paid and non-assessable Resulting Issuer Shares and the Exchange Shares delivered to eSports will represent 80% of the outstanding Resulting Issuer Shares on the Effective Date, not treating as outstanding of this purpose any Resulting Issuer Shares issuable in respect of the Resulting Issuer Options or the Resulting Issuer RSUs.

### **Authorized and Issued Capital**

#### 4.6

(a) The authorized capital of GTA consists of an unlimited number of GTA Shares of which 31,958,499 are issued and outstanding as at the date hereof.

(b) Other than pursuant to this Agreement, there are no agreements, options, warrants, rights of conversion or other rights binding upon or which at any time in the future may become binding upon GTA to issue any shares or any securities convertible or exchangeable, directly or indirectly, into any GTA Shares. There are no shareholders' agreements, pooling agreements, voting trusts or other agreements or understandings with respect to the voting of GTA Shares, or any of them.

(c) The GTA Shares issued and outstanding as at the Effective Date have been, or will at the Effective Date be, duly authorized and validly issued and outstanding as fully paid and non-assessable shares. None of the GTA Shares have been issued in violation of any applicable Laws, GTA's Articles or by-laws or any agreement to which GTA is a party or by which it is bound

(d) Mergeco is authorized to issue 100 common shares of which one Mergeco Share has been issued to GTA as a fully paid and non-assessable share and has not been issued in violation of any applicable laws. There are no agreements, options, warrants, rights of conversion or other rights binding upon or which at any time in the future may become binding upon GTA or Mergeco to issue any shares or any securities convertible or exchangeable, directly or indirectly, into any Mergeco Shares. There are no shareholders' agreements, pooling agreements, voting trusts or other agreements or understandings with respect to the voting of Mergeco Shares, or any of them.

### **No Material Adverse Change**

4.7 Since June 30, 2019, no change has occurred in the business, operations, results of operations, assets, capitalization or condition (financial or otherwise) of GTA, whether or not in the Ordinary Course of Business, whether separately or in the aggregate with other occurrences or developments, and whether insured against or not, which would reasonably be expected to have a Material Adverse Effect on GTA.



## **Reports and GTA Financial Statements**

### 4.8

- (a) The GTA Financial Statements were prepared in accordance with IFRS on a consistent basis for each period included in the GTA Financial Statements; each of the balance sheets included in such GTA Financial Statements fairly presents the financial condition of GTA as at the close of business on the date thereof, and each of the statement of operations and deficit included in the GTA Financial Statements fairly presents the results of operations of GTA for the fiscal period then ended.
- (b) The audited GTA Financial Statements were audited in accordance with Canadian GAAS.
- (c) There were no liabilities, contingent, contractual or otherwise, of GTA as of June 30, 2019, other than those disclosed in the applicable GTA Financial Statements and the notes thereto.
- (d) There is no pending disagreement between GTA and its auditors which could materially affect the financial condition of GTA.

## **Absence of Certain Changes**

### 4.9 Since June 30, 2019, GTA has not:

- (a) split, combined or reclassified any of its securities or declared or made any Distribution;
- (b) suffered any material loss relating to litigation or been threatened with litigation;
- (c) mortgaged, hypothecated or pledged any of the GTA Assets, or subjected them to any Lien other than a Permitted Lien;
- (d) sold, leased, subleased, assigned or transferred any of the GTA Assets;
- (e) failed to pay or satisfy when due any liability where the failure to do so would have a Material Adverse Effect on GTA;
- (f) other than in respect of a bonus payment payable to a senior management employee and disclosed to GTA, entered into or amended any employment contracts with any director, officer or senior management employee, created or amended any employee benefit plan, made any increases in the base compensation, bonuses, paid vacation time allowed or fringe benefits for its directors or officers;
- (g) suffered, in any material respect, any damage, destruction or other casualty, loss, or forfeiture of, any property or assets, whether or not covered by insurance;

- (h) other than in the Ordinary Course of Business: (i) entered into any contract, commitment or agreement under which it has outstanding Indebtedness for borrowed money or for the deferred purchase price of property; or (ii) made any loan or advance to any Person;
- (i) acquired or agreed to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any Person, corporation, partnership, joint venture or other business organization or division or acquired or agreed to acquire any material assets;
- (j) entered into any Material Contracts regarding its business operations, including joint ventures, partnerships or other arrangements;
- (k) created any stock option or bonus plan, paid any bonuses, deferred or otherwise, or deferred any compensation to any of its directors or officers other than such payments made in the Ordinary Course of Business;
- (l) made any material change in accounting procedures or practices;
- (m) entered into any other material transaction, or any amendment of any contract, lease, agreement or license which is material to its business;
- (n) cancelled, waived or compromised, in any material respect, any debts or claims, including accounts payable to and receivable from its Affiliates; or
- (o) entered into any agreement or understanding to do any of the foregoing.

### **Corporate Documents, Books and Records**

4.10 Complete and correct copies of the Articles and by-laws, and of all amendments thereto, of GTA and Mergeco have been previously delivered to GameWorks. The minute books of GTA and Mergeco provided to GameWorks contain complete and accurate records in all material respects of all meetings and consents in lieu of meetings of the board of directors (and its committees) and shareholders of GTA and Mergeco since incorporation. Except as reflected in such minute books, there are no minutes of meetings or consents in lieu of meetings of the board of directors (or its committees) or of the shareholders of GTA or Mergeco.

### **Indebtedness and Liens**

4.11 Neither GTA nor Mergeco has any (i) Indebtedness; or (ii) Liens upon any of the GTA Assets.

### **Indebtedness to Officers, Directors and Others**

4.12 Neither GTA or Mergeco is not indebted to: (i) any director, officer or shareholder of GTA or Mergeco; or (ii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in this Section 4.12 hereof.

## **Taxes**

4.13 All Tax Returns required to be filed by or with respect to GTA have been filed within the prescribed time, with the appropriate tax authorities and all such Tax Returns are true, correct, and complete in all material respects. No Tax Return of GTA is being audited by the relevant taxing authority, and there are no outstanding waivers, objections, extensions, or comparable consents regarding the application of the statute of limitations or period of reassessment with respect to any Taxes or Tax Returns that have been given or made by GTA (including the time for filing of Tax Returns or paying Taxes) and GTA has no pending requests for any such waivers, extensions, or comparable consents. GTA has not received a ruling from any taxing authority or signed an agreement with any taxing authority that could reasonably be expected to have a Material Adverse Effect on GTA. GTA does not owe any Taxes to the federal government, a provincial government, a municipal government or any other governmental authority. Mergeco is a first-tier corporate subsidiary of GTA directly owned by GTA.

## **Material Contracts**

4.14 All material contracts of GTA, including but not limited to the Indemnity Agreement, are valid, binding and in full force and effect as to GTA, and the other parties thereto and GTA, are not in breach or violation of, or default under, the terms of any such contract, agreement, plan, lease or commitment, except where such breach, violation or default would not have a Material Adverse Effect on GTA, and no event has occurred which constitutes or, with the lapse of time or the giving of notice, or both, would constitute, such a breach, violation or default by GTA or by the other parties thereto.

## **Licenses and Permits**

4.15 GTA has all necessary and required licenses, permits, consents, concessions and other authorizations of governmental, regulatory or administrative agencies or authorities, whether foreign, federal, provincial, or local, required to own and lease its properties and assets and to conduct its business as now conducted, except where the failure to hold the foregoing would not have a Material Adverse Effect on GTA. GTA is not in default, nor has it received any notice of any claim or default with respect to any such license, permit, consent, concession or authorization. No registrations, filings, applications, notices, transfers, consents, approvals, audits, qualifications, waivers or other action of any kind is required by virtue of the execution and delivery of this Agreement, or of the consummation of the transactions contemplated hereby: (a) to avoid the loss of any license, permit, consent, concession or other authorization or any asset, property or right pursuant to the terms thereof, or the violation or breach of any law applicable thereto, or (b) to enable GTA to hold and enjoy the same immediately after the Effective Date in the conduct of its business as conducted prior to the Effective Date. Mergeco has not carried on, and will not prior to the Effective Date carry on, any business other than to participate in the Merger.

## **Compliance with Law**

4.16 Neither GTA or Mergeco is in default under, or in violation of, and has not violated (and failed to cure) any law including, without limitation, laws relating to the issuance

or sale of securities, privacy and intellectual property, or any licenses, franchises, permits, authorizations or concessions granted by, or any judgment, decree, writ, injunction or order of, any governmental or regulatory authority, applicable to its business or any of its properties or assets, except where such default or violation would not have a Material Adverse Effect on GTA. GTA has not received any notification alleging any violations of any of the foregoing with respect to which adequate corrective action has not been taken.

### **Employees**

4.17 There are no agreements, written or oral, between GTA or Mergeco and any other party relating to payment, remuneration or compensation for work performed or services provided or payment relating to a Change of Control or other event in respect of GTA. GTA is in compliance in all material respects with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and has not and is not engaged in any unfair labour practice. GTA has never been a party to or bound by any collective agreement and is not currently conducting negotiations with any labour union or employee association.

### **Employee Benefit Plans**

4.18 GTA does not have any employee benefit plans (or any plan which may be in any way regarded as an employee benefit plan) of any nature whatsoever nor has it ever had any such plans.

### **Litigation**

4.19 There is no suit, claim (including warranty claims), action, proceeding or investigation in existence or pending or threatened against or affecting GTA, Mergeco or any of the GTA Assets or properties, or any officer or director thereof in his capacity as an officer or director thereof including with respect to claims made by the shareholders of GTA.

### **No Limitations**

4.20 There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place, whether written or oral, to which GTA or Mergeco is a party or is otherwise bound that would now or hereafter, in any way limit the business, use of assets or operations of GTA.

### **Regulatory Compliance**

4.21 Each of GTA and Mergeco is in compliance with all regulatory orders, directives and decisions that have application to GTA except where such non-compliance would not have a Material Adverse Effect on GTA and GTA has not received notice from any governmental or regulatory authority that GTA is not in compliance with any such regulatory orders, directives or decisions.

## **Environmental Laws**

4.22 In respect of GTA:

- (a) GTA has not received any order or directive which relates to any work, repairs, construction, or capital expenditures on the GTA assets or any assets owned by GTA since incorporation;
- (b) GTA is not and has not been in violation of any Environmental Laws;
- (c) GTA operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
- (d) (A) is not a party to any litigation or administrative proceeding, nor is any litigation or administrative proceeding threatened against it or any property or assets it has owned since incorporation, which in either case (1) asserts or alleges that it violated any Environmental Laws, (2) asserts or alleges that it is required to clean up, remove or take remedial or other response action due to the release of any Hazardous Substances, or (3) asserts or alleges that it is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the release of any Hazardous Substances; and (B) is not subject to any judgment, decree, order or citation related to or arising out of applicable Environmental Law and has not been named or listed as a potentially responsible party by any governmental entity in a matter arising under any Environmental Laws;
- (e) there have been no spills, releases, deposits or release of Hazardous 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 GTA that have not been remedied;
- (f) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or GTA assets or former business or former assets of GTA;
- (g) GTA has not failed to report to the proper federal, provincial, state, territorial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign, the occurrence of any event which is required to be so reported by any Environmental Law;
- (h) GTA held all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its former business and the ownership and use of its former assets, all such licenses, permits and approvals were in full force and effect. GTA has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions 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; and

(i) GTA (including, if applicable, any predecessor companies thereof) has not received any notice of, or been prosecuted for an offence alleging, material non-compliance with any Environmental Laws, and GTA (including, if applicable, any predecessor companies) has not settled any allegation of non-compliance short of prosecution;

### **Non-Arm's Length Transactions**

4.23 Other than as disclosed in the GTA Financial Statements or in this Agreement:

(a) GTA has not made any payment or loan to, or has borrowed any monies from or is otherwise indebted to, any officer, director, employee, shareholder or any other Person with whom GTA is not dealing at Arm's Length; and

(b) GTA is not a party to any contract or agreement with any officer, director, employee, shareholder or any other Person with whom GTA is not dealing at Arm's Length or any Affiliate of any of the foregoing.

### **Enforceability**

4.24 The execution and delivery by GTA and Mergeco of this Agreement and any other agreement contemplated by this Agreement will result in legally binding obligations of GTA and Mergeco enforceable against GTA and Mergeco in accordance with the respective terms and provisions hereof and thereof subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

### **Brokers**

4.25 GTA has not engaged any broker or other agent in connection with the Merger and no commission, fee or other remuneration shall be payable by GameWorks to any broker or agent who purports or may purport to act or have acted for GameWorks in connection with the Merger.

### **Title to Assets**

4.26 The GTA Assets are owned legally and beneficially by GTA with good and marketable title thereto, free and clear of all Liens whether contingent or absolute.

### **Regulatory Approval**

4.27 Except those required by Applicable Securities Laws, no consents, registrations, approvals, permits, waivers or authorizations are required to be obtained by GTA from, any governmental or regulatory authority in connection with the execution and delivery of this Agreement by GTA and the consummation of the transactions contemplated herein by GTA, where the failure to make or obtain any or all of which would reasonably be likely to have a

Material Adverse Effect on the consolidated financial condition of GTA, or could prevent, materially delay or materially burden the transactions contemplated herein.

### **Third Party Approval**

4.28 No consents, registrations, approvals, permits, waivers or authorizations are required to be obtained by GTA from, any third party in connection with the execution and delivery of this Agreement by GTA and the consummation of the transactions contemplated herein by GameWorks, the failure to make or obtain any or all of which is reasonably likely to have a Material Adverse Effect on the consolidated financial condition of GTA, or could prevent, materially delay or materially burden the transactions contemplated herein.

### **Insurance**

4.29 The insurance policies of GTA (if any) are valid and enforceable and in full force and effect, are underwritten by unaffiliated and reputable insurers, are sufficient for all applicable requirements of Laws and provide insurance in such amounts and against such risks as is customary for corporations engaged in businesses similar to that carried on by GTA. GTA is not in default in any material respect with respect to the payment of any premium or compliance with any of the provisions contained in any such insurance policy and has not failed to give any notice or present any claim within the appropriate time therefor. There are no circumstances under which GTA would be required to or, in order to maintain their coverage, should give any notice to the insurers under any such insurance policy which has not been given. GTA has not received notice from any of the insurers regarding cancellation of such insurance policy.

### **Conduct of Business in the Ordinary Course**

4.30 Since June 30, 2019, the business of GTA has been conducted in the Ordinary Course of Business.

### **Privacy Matters**

4.31 GTA has conducted and is conducting its business in compliance in all material respects with all applicable Laws concerning privacy and the protection of personal information.

### **No Material Fact or Material Change**

4.32 There is no “material fact” or “material change” (as those terms are defined in Applicable Securities Laws) in the affairs of GTA that has not been generally disclosed to the public.

### **Public Filings**

4.33 All information filed with the Securities Commissions, including without limitation, the documents and any other information filed with any Securities Commissions in compliance, or intended compliance, with any Applicable Securities Laws complied in all material respects with Applicable Securities Laws at the time they were filed, and GTA has not filed any confidential filings with any securities authorities which continue to be confidential.

### **Reporting Issuer**

4.34 GTA is a reporting issuer under the securities legislation of the Provinces of Ontario, British Columbia and Alberta and is not in default of such legislation or any regulation thereunder. No order has been issued ceasing or suspending trading or prohibiting the issue of the GTA Shares and no proceedings for such are pending or threatened.

### **Survival of Representations and Warranties**

4.35 The representations and warranties of GTA contained in this Agreement shall survive the execution and delivery of this Agreement and shall terminate on the earlier of the termination date of this Agreement in accordance with its terms and the Effective Date.

## **ARTICLE 5 COVENANTS**

### **Additional Agreements**

5.1 Each of the Parties agrees to use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts to:

- (a) obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts or agreements;
- (b) obtain all necessary consents, approvals, and authorizations as are required to be obtained under any federal, provincial or foreign law or regulations;
- (c) defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the transactions contemplated hereby;
- (d) cause to be lifted or rescinded any injunction or restraining order or other remedy adversely affecting the ability of the Parties to consummate the transactions contemplated hereby;
- (e) effect all necessary registrations and other filings and submissions of information requested by governmental authorities;
- (f) comply with all provisions of this Agreement; and
- (g) provide such officers' certificates as may be reasonably requested by the other Party or Parties, as the case may be, in respect of the representations, warranties and covenants of a Party.



## **Access to Information**

(h) Upon reasonable notice, GameWorks shall afford to GTA's directors, officers, counsel, accountants and other authorized representatives and advisers complete access (or, where necessary, the provision of the information requested), during normal business hours and at such other time or times as the Parties may reasonably request, from the date hereof and until the earlier of the Effective Date and the termination of this Agreement, to its properties, books, contracts and records as well as to management personnel of GameWorks as GTA may require or may reasonably request.

(i) Upon reasonable notice, GTA shall afford to GameWorks' directors, officers, counsel, accountants and other authorized representatives and advisers complete access (or, where necessary, the provision of the information requested), during normal business hours and at such other time or times as the Parties may reasonably request, from the date hereof and until the earlier of the Effective Date and the termination of this Agreement, to its properties, books, contracts and records as well as to management personnel of GTA as GameWorks may require or may reasonably request.

## **Conduct of Business of GameWorks**

5.2 GameWorks covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Date and the date this Agreement is terminated in accordance with its terms, unless GTA shall otherwise consent in writing (such consents not to be unreasonably withheld or delayed), except as required by law or as otherwise expressly permitted or specifically contemplated by this Agreement:

- (a) GameWorks shall use all commercially reasonable efforts to maintain and preserve its business, the GameWorks Assets and business relationships;
- (b) GameWorks shall notify GTA of any Material Adverse Effect on its business; and
- (c) GameWorks shall not directly or indirectly:
  - (i) take any action which may interfere with or be inconsistent with the successful completion of the transactions contemplated herein or take any action or fail to take any action which may result in a condition precedent to the transactions described herein not being satisfied;
  - (ii) except as disclosed in Schedule 5.2 herein, pledge, hypothecate, lease, dispose of or encumber any GameWorks Shares, the securities of any GameWorks Subsidiary or other securities or any right, option or warrant with respect thereto;
  - (iii) amend or propose to amend its Articles, unless such amendment is required to give effect to the transactions contemplated herein (in particular, GameWorks shall be permitted to file articles of amendment to increase its authorized capital to facilitate the issuance of GameWorks Shares pursuant to the GameWorks Financing, the GameWorks Convertible Notes and the LOC

Facility), or with the consent of GTA, such consent not to be unreasonably withheld;

(iv) split, combine or reclassify any of its securities or declare or make any Distribution or distribute any of its properties or assets to any Person;

(v) other than in the Ordinary Course of Business, enter into or amend any employment contracts with any director, officer or senior management employee, create or amend any employee benefit plan, make any increases in the base compensation, bonuses, paid vacation time allowed or fringe benefits for its directors, officers, employees or consultants;

(vi) except as disclosed in Schedule 5.2 herein, acquire or agree to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any Person, partnership or other business organization or division or acquire or agree to acquire any material assets;

(vii) other than in the Ordinary Course of Business create any option or bonus plan, pay any bonuses, deferred or otherwise, or defer any compensation to any of its directors, officers or employees;

(viii) make any material change in accounting procedures or practices;

(ix) mortgage, pledge or hypothecate any of the GameWorks Assets, or subject them to any Lien, except Permitted Liens;

(x) except in the Ordinary Course of Business, enter into any agreement or arrangement granting any rights to purchase or lease any of the GameWorks Assets or requiring the consent of any Person to the transfer, assignment or lease of any of the GameWorks Assets;

(xi) dispose of or permit to lapse any rights to the use of any GameWorks Intangible Property;

(xii) except in the Ordinary Course of Business, sell, lease, sublease, assign or transfer (by tender offer, exchange offer, merger, amalgamation, sale of shares or assets or otherwise) any of the GameWorks Assets, or cancel, waive or compromise any debts or claims, including accounts payable to and receivable from Affiliates;

(xiii) enter into any other material transaction or any amendment of any contract, lease, agreement, license or sublicense which is material to its business;

(xiv) settle any outstanding claim, dispute, litigation matter, or tax dispute;

(xv) transfer any assets to any GameWorks Shareholder or any of their Subsidiaries or Affiliates or assume any Indebtedness from any GameWorks

Shareholder or any of their Subsidiaries or Affiliates or enter into any other related party transactions;

(xvi) issue from treasury any GameWorks Shares or otherwise grant or issue any options, warrants or other securities convertible into GameWorks Shares without the prior approval of GTA; or

(xvii) enter into any agreement or understanding to do any of the foregoing.

### **General Covenants of GTA**

5.3 GTA covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the date this Agreement is terminated in accordance with its terms, unless GameWorks, otherwise consents in writing (such consent not to be unreasonably withheld or delayed):

(a) Neither GTA or Mergeco shall carry on business other than to maintain its existence and complete the transactions contemplated herein;

(b) GTA shall notify GameWorks of any Material Adverse Effect on its business;

(c) subject to applicable law (including the time limits imposed thereunder), GTA shall obtain prior approval of GameWorks as to the content and form of any press release or other public disclosure relating to the Merger;

(d) GTA shall take all steps necessary to ensure that on the Effective Date it shall have no Indebtedness and shall have working capital of at least \$1;

(e) GTA shall ensure that the Exchange Shares received by eSports pursuant to the Merger represent 80% of the Resulting Issuer Shares on the Effective Date on the completion of the Merger, not treating as outstanding of this purpose any Resulting Issuer Shares issuable in respect of the Resulting Issuer Options or the Resulting Issuer RSUs and, following Closing, GTA shall issue additional Resulting Issuer Shares to eSports to the extent necessary to compensate for any breach of any representation, warranty or covenant in this Agreement including, but not limited to, Sections 4.6, 4.11, 4.12, 5.3(d) and this Section 5.3(e) ;

(f) GTA shall not directly or indirectly and shall ensure that Mergeco does not directly or indirectly:

(i) take any action which may interfere with or be inconsistent with the successful completion of the transactions contemplated herein or take any action or fail to take any action which may result in a condition precedent to the transactions described herein not being satisfied;

(ii) pledge, hypothecate, lease, dispose of or encumber any GTA Shares, Mergeco Shares or other securities of GTA or Mergeco or any right, option or warrant with respect thereto;

- (iii) amend or propose to amend their Articles or by-laws except as contemplated by this Agreement and in conjunction with the Continuance;
- (iv) except pursuant to the Consolidation, split, combine or reclassify any of its securities or declare or make any Distribution, or distribute any of its property or assets to any Person;
- (v) enter into or amend any employment contracts with any director, officer or senior management employee, create or amend any employee benefit plan, make any increases in the base compensation, bonuses, paid vacation time allowed or fringe benefits for its directors, officers, employees or consultants;
- (vi) make any capital expenditures, additions or improvements or commitments for the same, except in connection with the transactions contemplated herein;
- (vii) enter into any contract, commitment or agreement under which it would incur indebtedness for borrowed money or for the deferred purchase price of property, or would have the right or obligation to incur any such indebtedness or obligation, or make any loan or advance to any Person;
- (viii) other than as contemplated herein, acquire or agree to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any Person, partnership, joint venture or other business organization or division or acquire or agree to acquire any material assets;
- (ix) enter into any contracts, including joint ventures, partnerships or other arrangements except as necessary to complete the transactions contemplated in this Agreement;
- (x) create any stock option or bonus plan, pay any bonuses, deferred or otherwise, or defer any compensation to any of its directors or officers;
- (xi) make any material change in accounting procedures or practices;
- (xii) engage in any business, whether as a partner, joint venture participant or otherwise;
- (xiii) enter into any other transaction, or any amendment of any contract, lease, agreement, license or sublicense which is material to its business;
- (xiv) settle any outstanding claim, dispute, litigation matter, or Tax dispute;
- (xv) issue from treasury any GTA Shares, Mergeco Shares or otherwise grant or issue any options, warrants or other securities convertible into GTA Shares or Mergeco Shares without the prior approval of GameWorks; or
- (xvi) enter into any agreement or understanding to do any of the foregoing.

(g) GTA shall take all requisite action to: (i) adopt the Resulting Issuer Plan; (ii) effect the Continuance; (iii) effect the Name Change; (iv) effect the Consolidation; (v) effect the Board Rollover; and (vi) effect the Merger;

(h) GTA shall have received the requisite approvals by its shareholders to (i) adopt the Resulting Issuer Plan; (ii) effect the Continuance; (iii) effect the Name Change; (iv) effect the Consolidation; (v) effect the Board Rollover; and, if required by the CSE, approve the Merger;

(i) upon GTA receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, such information shall be promptly disclosed in writing to the counsel for GameWorks;

(j) in consultation with GameWorks and its counsel, forthwith use its commercially reasonable efforts to obtain all necessary regulatory approvals to make application to the CSE for listing of the Resulting Issuer Shares issued pursuant to this Agreement on the CSE upon 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; and

(k) 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.

## **ARTICLE 6 CONDITIONS**

### **GTA's Closing Conditions**

6.1 GTA's obligation to complete the Merger on the Effective Date pursuant to Article 2 is subject to compliance by GameWorks with its agreements herein contained and to the satisfaction, on or prior to the Effective Date, of the following conditions:

(a) **Constating Documents and Certificate of Corporate Existence.** GTA shall have received from GameWorks: (i) a copy, certified by one duly authorized officer of GameWorks to be true and complete as of the Effective Date, of the Articles of GameWorks; and (ii) a certificate of good standing dated not more than three days prior to the Effective Date, as to GameWorks' corporate good standing or qualification to carry on business, as the case may be, in its jurisdiction of incorporation.

(b) **CSE Issuer.** Upon the Closing of the Merger, the Resulting Issuer satisfying the minimum listing requirements of the CSE, as evidenced before Closing by a conditional listing letter issued by the CSE.

(c) **Required Approvals.** GameWorks shall have obtained the approval of the board of directors of GameWorks, the GameWorks Shareholders and any other necessary approvals for this Agreement and the Merger.

(d) **Proof of Corporate Action.** GTA shall have received from GameWorks a copy, certified by a duly authorized officer thereof to be true and complete as of the Effective Date, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement.

(e) **Incumbency Certificates.** GTA shall have received from GameWorks an incumbency certificate, dated the Effective Date, signed by a duly authorized officer thereof and giving the name and bearing a specimen signature of each individual who shall be authorized to sign, in the name and on behalf of GameWorks, this Agreement and any other ancillary documents.

(f) **Representations and Warranties.** The representations and warranties of GameWorks contained herein shall be true and correct except where the failure to be true and correct would not reasonably be expected to have a Material Adverse Effect on GameWorks, on and as of the Effective Date with the same force and effect as if such representations and warranties were made at such time, and GTA shall have received on the Effective Date certificates to this effect, signed by one authorized officer of GameWorks, and if applicable, GameWorks shall include with such certificates any updates to the disclosure scheduled appended hereto and a description of each Material Contract (as described in Section 3.14 herein) entered into by GameWorks between the date of this Agreement and the Effective Date and a representation substantially equivalent to Section 3.14 in respect of each such Material Contract, provided that each such Material Contract entered into between the date of this Agreement and the Effective Date shall not breach, be in conflict with or otherwise contravene Section 5.2.

(g) **Covenants.** All of the terms, covenants and conditions of this Agreement to be complied with or performed by GameWorks at or before the Effective Date shall have been complied with or performed in all material respects and GTA shall have received on the Effective Date certificates to this effect signed by authorized officers of GameWorks.

(h) **Regulatory and Other Consents.** There shall have been obtained from all appropriate federal, provincial, municipal or other governmental or administrative bodies such licences, permits, consents, approvals, certificates, registrations and authorizations as are required to be obtained by eSports to permit the transfer of the Purchased Shares and the exchange of the Purchased Shares for the Consideration Shares. Additionally, all required approvals, consents, authorizations and waivers relating to the consummation of the transactions contemplated by this Agreement shall have been obtained from the CSE and the securities regulatory authorities in Ontario, including the acceptance, by the CSE of the transactions contemplated in this Agreement.

(i) **No Action or Proceeding.** No bona fide legal or regulatory action or proceeding shall be pending or threatened by any person to enjoin, restrict or prohibit the Merger or

the right of GameWorks or GTA from and after the Effective Time to conduct, expand and develop the business of GameWorks.

(j) **No Material Adverse Change.** No change shall have occurred in the business, affairs, financial condition or operations of GameWorks between the date hereof and the Effective Date which would have a Material Adverse Effect.

(k) **CSE Approval.** The CSE shall have approved the Transaction and agreed to list the Resulting Issuer Shares (including Resulting Issuer Shares that may be issuable pursuant to the Resulting Issuer Options and Resulting Issuer RSUs or on the exercise of securities convertible into Resulting Issuer Shares) on the CSE and all other matters contemplated herein, as required.

(l) **Other Certificates.** GTA shall have received a certificate, dated the Effective Date, signed by two executive officers of GameWorks, certifying that GameWorks is not aware of any facts or matters that are inconsistent with the representations and warranties being given by GameWorks pursuant to this Agreement.

(m) **General.** All instruments and corporate proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to GTA and its counsel, acting reasonably, and GTA shall have received copies of all documents, including, without limitation, all documentation required to be delivered to GTA at or before the Effective Time in accordance with this Agreement, records of corporate or other proceedings, opinions of counsel and consents which GTA may have reasonably requested in connection therewith.

(n) **Due Diligence Review.** GTA, acting reasonably, being satisfied with the results of its due diligence investigations into GameWorks on or before expiration of the Due Diligence Period.

6.2 The agreements, certificates, documents, other evidence of compliance and opinions described in Section 6.1 shall be in form and substance satisfactory to GTA, acting reasonably, and shall, except as otherwise provided, be delivered to GTA at the Closing; provided, however, any one or more of the foregoing conditions may be waived in writing by GTA.

### **GameWorks' Closing Conditions**

6.3 The obligations of GameWorks to complete the Merger pursuant to Article 2 is subject to compliance by GTA with its agreements herein contained and to the satisfaction, on or before the Effective Date of the following conditions, unless waived by GameWorks on behalf of eSports:

(a) **Constating Documents and Certificate of Corporate Existence.** GameWorks shall have received from GTA: (i) a copy, certified by a duly authorized officer of GTA, to be true and complete as of the Effective Date, of the Articles of GTA and Mergeco; (ii) a copy, certified by a duly authorized officer of GTA, to be true and complete as of the Effective Date, of the by-laws thereof; and (iii) a certificate dated not more than three

days prior to the Effective Date, of the government of Ontario as to GTA's corporate good standing and evidence of "no default" in respect of the securities legislation of each jurisdiction in which GTA is a reporting issuer.

(b) **Required Approvals.** GTA shall have obtained the requisite approval of the board of directors of GTA and of the shareholders of GTA, as necessary, and any other necessary approvals for this Agreement, and including without limitation, to: (i) adopt the Resulting Issuer Plan; (ii) effect the Continuance; (iii) effect the Name Change; (iv) effect the Consolidation; (v) effect the Board Rollover; and, if required by the CSE, approve the Merger.

(c) **Proof of Corporate Action.** GameWorks shall have received from GTA copies, certified by a duly authorized officer thereof to be true and complete as of the Effective Date, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement.

(d) **Incumbency Certificate.** GameWorks shall have received from GTA an incumbency certificate, dated the Effective Date, signed by a duly authorized officer thereof and giving the name and bearing a specimen signature of each individual who shall be authorized to sign, in the name and on behalf of GTA, this Agreement and any other ancillary documents.

(e) **Representations and Warranties.** The representations and warranties of GTA contained herein shall be true and correct in all material respects on and as of the Effective Date with the same force and effect, as if such representations and warranties were made at such time, and GameWorks shall have received on the Effective Date certificates to this effect signed by one authorized officer of GTA.

(f) **Covenants.** All of the terms, covenants and conditions of this Agreement to be complied with or performed by GTA at or before the Effective Date shall have been complied with or performed and GameWorks shall have received on the Effective Date certificates to this effect signed by an authorized officer of GTA.

(g) **Employment Agreements.** At the Effective Date, GTA shall enter into employment agreements with the senior executive officers of GameWorks, such employment agreements to be in form and substance acceptable to GameWorks and GTA.

(h) **Changes in Directors and Officers.** Upon completion of the Merger and the Board Rollover, the board of directors of GTA will consist of one (1) nominee of OC2, four (4) nominees of GameWorks, one (1) nominee of GTA and at least two shall be independent directors (as defined in section 1.4 of Multilateral Instrument 52-110 Audit Committees). Phillip N. Kaplan shall be appointed the Chief Executive Officer and Chairman of the Board of GTA and Samuel Jonathan Tang shall be appointed Chief Financial Officer of GTA.

(i) **Resulting Issuer Plan.** The Resulting Issuer Plan shall have been adopted;



- (j) **Continuance.** GTA shall have taken all necessary steps to complete the Continuance prior to the Effective Time.
- (k) **Consolidation.** GTA shall have taken all necessary steps to complete the Consolidation prior to the Effective Time.
- (l) **Name Change.** GTA shall have taken all necessary steps to complete the name Change prior to the Effective Time.
- (m) **GameWorks Financing.** GameWorks shall have completed the GameWorks Financing prior to the Effective Time.
- (n) **LOC Facility.** The LOC Facility shall have been made available to GameWorks with US\$1,000,000 advanced on the later of (i) the execution of this Agreement and (ii) the delivery to OC2 of audited financial statements for GameWorks for the years ended December 31, 2017 and December 31, 2018 and a further US\$1,000,000 advanced on the delivery to OC2 of audited financial statements for GameWorks for the years ended December 31, 2017 and December 31, 2018 converted into IFRS.
- (o) **No Liabilities.** On Closing, GTA shall have no Indebtedness and shall have working capital of at least \$1.00.
- (p) **Regulatory Consents.** All required approvals, consents, authorizations and waivers relating to the consummation of the transactions contemplated by this Agreement shall have been obtained from the CSE and the Securities Commissions, including acceptance by the CSE of the transactions contemplated in this Agreement.
- (q) **No Action or Proceeding.** No bona fide legal or regulatory action or proceeding shall be pending or threatened by any person to enjoin, restrict or prohibit the Merger.
- (r) **CSE Approval.** The CSE shall have approved the Merger and agreed to list the Resulting Issuer Shares (including the Resulting Issuer Shares issuable in respect of the Resulting Issuer Options and the Resulting Issuer RSUs or on exercise, conversion or exchange of other convertible securities) on the CSE and all other matters contemplated herein, as required.
- (s) **No Material Adverse Change.** No change shall have occurred in the business, affairs, financial condition or operations of GTA between the date hereof and the Effective Date which would have a Material Adverse Effect.
- (t) **Other Certificates.** GameWorks shall have received: a certificate addressed to GameWorks, dated the Effective Date, signed by two executive officers of GTA, certifying that GTA is not aware of any facts or any facts or matters that are inconsistent with the representations and warranties being given by GTA pursuant to this Agreement.
- (u) **Dilution.** GTA shall not have more than 31,958,499 GTA Shares outstanding on a fully diluted basis immediately prior to the Effective Time, before giving effect to the Consolidation and the Merger and the Exchange Shares issuable to eSports on the Merger

shall represent 80% of the outstanding Resulting Issuer Shares immediately following the Effective Time, not treating as outstanding of this purpose any Resulting Issuer Shares issuable in respect of the Resulting Issuer Options or the Resulting Issuer RSUs, excluding the Resulting Issuer Options and the Resulting Issuer RSUs.

(v) **General.** All instruments and corporate proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to GameWorks and its counsel, acting reasonably, and GameWorks shall have received copies of all documents as provided for herein, including, without limitation records of corporate or other proceedings and consents which GameWorks may have reasonably requested in connection therewith.

(w) **Due Diligence Review.** GameWorks, acting reasonably, being satisfied with the results of its due diligence investigations into GTA on or before expiration of the Due Diligence Period.

6.4 The agreements, certificates, documents and other evidence of compliance described in Section 6.3 shall be in form and substance satisfactory to GameWorks, acting reasonably, and shall, except as otherwise provided, be delivered to GameWorks at the Closing; provided, however, any one or more of the foregoing conditions may be waived in writing by GameWorks.

### **Post-Closing Condition**

6.5 Immediately following the completion of the Merger, the OC2 Share Issuance shall be completed and any amount not converted pursuant to the LOC Facility shall be paid in full out of the proceeds of the GameWorks Financing.

## **ARTICLE 7 TERMINATION**

### **Termination**

7.1 This Agreement may be terminated by written notice given by the terminating Party to the other Party or Parties, as the case may be, at any time prior to the Closing:

- (a) by mutual written consent;
- (b) by either GameWorks or GTA, if there has been a misrepresentation, breach or non-performance by the breaching Party of any representation, warranty, covenant or obligation contained in this Agreement, which could reasonably be expected to have a Material Adverse Effect on the terminating Party, provided the breaching Party has been given notice of and thirty (30) days to cure any such misrepresentation, breach or non-performance;
- (c) by either GameWorks or GTA, if a condition for the terminating Party's benefit has not been satisfied or waived;

(d) by either GameWorks or GTA if the LOC Facility shall not have been available to be drawn upon by GameWorks upon the execution of this Agreement with US\$1,000,000 being advanced on the later of (i) the execution of this Agreement and (ii) the delivery to OC2 of audited financial statements for GameWorks for the years ended December 31, 2017 and December 31, 2018 and a further US\$1,000,000 being advanced on the delivery to OC2 of audited financial statements for GameWorks for the years ended December 31, 2017 and December 31, 2018 converted into IFRS. or

(e) by either GameWorks or GTA, if the Closing has not occurred on or before January 31, 2020.

### **Effect of Termination**

7.2 In the event of the termination of this Agreement as provided in Section 7.1, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of the Parties except with respect to: (i) Section 7.1 and Article 8, which will survive such termination, and (ii) a breach arising from the fraud or wilful misconduct of any Party. In the event of the termination of this Agreement as provided in Section 7.1(d) due to the LOC Facility not being advanced by the Effective Date or Section 7.1(c), all costs of the Merger incurred by GameWorks in connection with this Agreement, including legal fees, financial advisor fees and all disbursements by such Party and its advisors shall be borne and paid by OC2 and all amounts owed by GameWorks pursuant to the LOC Facility will not become due and payable until March 31, 2020.

### **Waivers and Extensions**

7.3 At any time prior to the Effective Time, each of the Parties may (a) extend the time for the performance of any of the obligations or other acts of another Party or Parties, as the case may be, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto or (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the Party to be bound thereby.

## **ARTICLE 8 TRANSACTION COSTS**

### **Transaction Costs**

8.1 Upon the first advance of funds under the LOC Facility, GameWorks shall advance to GTA the sum of US\$50,000 to be applied by GTA to the costs of the Merger. All other costs of the Merger incurred by GTA in connection with this Agreement, including legal fees, financial advisor fees and all disbursements by such Party and its advisors shall be borne and paid by OC2. Except as set out in Section 7.2, all costs of the Merger incurred by GameWorks in connection with this Agreement, including legal fees, financial advisor fees and all disbursements by such Party and its advisors shall be borne and paid by GameWorks.

**ARTICLE 9  
NOTICES**

**Notices**

9.1 Any demand, notice or communication to be made or given under or pursuant to this Agreement is to be in writing, except as otherwise expressly permitted or required under this Agreement, and may be made or given by personal delivery, by registered mail or by transmittal by facsimile machine or electronic communication addressed to the respective Parties as follows:

If to GTA, then to the following address:

855 Brant Street  
Burlington, Ontario L7R 2J9

Attention: Peter M. Clausi, Director & CEO  
Email: pclausi@brantcapital.ca

or at such other address as GTA shall have specified by notice actually received by the addressor;

If to GameWorks and eSports then to the following addresses:

315 Montgomery Street,  
10th Floor  
San Francisco, CA 94104

Attention:  
E-mail:

and

3340 Peachtree Road, N.E.,  
Tower Place 100, Suite 1690  
Atlanta, GA 30326

Attention: Reinaldo Pascual  
E-mail: rey@pascualllc.com

or at such other address as GameWorks and eSports shall have specified by notice actually received by the addressor;

with copies (which shall not constitute notice) to:

Gardiner Roberts LLP  
Bay Adelaide Centre, East Tower  
22 Adelaide Street West, Suite 3600  
Toronto, Ontario M5H 4E3

Attention: Arlene O'Neill  
Email: aoneill@grllp.com

If to OC2, then to the following address:

OC2 Capital Corp.  
10990 Wilshire Blvd., Penthouse  
Los Angeles, CA 90024

Attention: Adam E. Levin, President  
Email: adam@orevacap.com

or at such other address as OC2 shall have specified by notice actually received by the addressor;

with a copy (which shall not constitute notice) to:

Michelman & Robinson, LLP  
10880 Wilshire Blvd., 19<sup>th</sup> floor  
Los Angeles CA 90024

Attention: Stephen A. Weiss, Esq  
E-mail: sweiss@mrlp.com

or to such other mailing or facsimile machine address as any Party may from time to time notify the others of in accordance with this paragraph. Any demand, notice or communication made or given by personal delivery is conclusively deemed to have been given on the day of actual delivery thereof, or, if made or given by registered mail, on the fifth business day following the deposit thereof in the mail or, if made or given by facsimile transmission, on the first business day following the transmittal thereof and receipt of the appropriate answer back. If the Party making or giving such demand, notice or communication knows or ought reasonably to know, of difficulties with the postal system which might affect the delivery of mail, any such demand, notice or communication is not to be mailed but is to be made or given by personal delivery or by facsimile transmission.

## **ARTICLE 10 MISCELLANEOUS**

### **Power of Attorney**

### **Amendments and Waivers**

10.1 Except as otherwise expressly provided herein, any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) if, but only if, such

amendment or waiver is in writing and is signed, in the case of an amendment, by each of GameWorks, GTA, Mergeco, eSports and OC2, or in the case of a waiver, by the Party against whom the waiver is to be effective. Any amendment or waiver effected in accordance with this Section 10.1 shall be binding upon GameWorks, Mergeco, GTA, eSports and OC2 pursuant to this Agreement.

### **Consent to Jurisdiction**

10.2 Each of GameWorks, Mergeco, GTA, eSports and OC2 hereby agrees to submit to the non-exclusive jurisdiction of the courts in and of the Province of Ontario and to the courts to which an appeal of the decisions of such courts may be taken, and consents that service of process with respect to all courts in and of the Province of Ontario may be made by registered mail to it at the address set forth in Article 9.

### **Governing Law**

10.3 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction, and shall bind and inure to the benefit of the Parties and their respective successors and assigns.

### **Further Assurances**

10.4 GameWorks, Mergeco, GTA, eSports and OC2 upon the request of any other Party or Parties, as the case may be, whether before or after the Closing, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect complete consummation of the Merger.

### **Time**

10.5 Time is of the essence of this Agreement.

### **Assignment**

10.6 This Agreement may not be assigned by any of the Parties without the prior written consent of GameWorks and GTA, such consents not to be unreasonably withheld or delayed.

### **Entire Agreement, Counterparts, Section Headings**

10.7 This Agreement, and the Schedules hereto, sets forth the entire understanding of the Parties with respect to the transactions contemplated hereby and supersedes any prior written or oral understandings with respect thereto, including, without limitation, the term sheet between GameWorks and OC2 dated September [3], 2019. This Agreement may be executed by facsimile or electronic mail and in one or more counterparts thereof, each of which shall be deemed an

original but all of which together shall constitute one and the same instrument. The headings in this Agreement are for convenience of reference only and shall not alter or otherwise affect the meaning hereof.

**Dissenting Shareholders.**

10.8 On the earlier of the Effective Date, the making of an agreement between a Dissenting Shareholder and GameWorks for the purchase of their Dissenting GameWorks Shares or the pronouncement of a court order both pursuant to Section 262 of the Act, a Dissenting Shareholder shall cease to have any rights as a GameWorks Shareholder other than the right to be paid the fair value of its Dissenting GameWorks Shares in the amount agreed to or as ordered by the court, as the case may be. Notwithstanding anything in this Agreement to the contrary, Dissenting GameWorks Shares which are held by a Dissenting Shareholder shall not be exchanged for Resulting Issuer Shares on the Effective Date as provided in Section 2.3 hereof. However, in the event that a Dissenting Shareholder fails to perfect or effectively withdraws the Dissenting Shareholder's claim under Section 262 of the Act or otherwise forfeits the Dissenting Shareholder's right to make a claim under Section 262 of the Act, the Dissenting Shareholder's Dissenting GameWorks Shares shall thereupon be deemed to have been exchanged as of the Effective Date for Resulting Issuer Shares on the basis set forth in Section 2.3 hereof.

*[signature page follows]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

The Parties have executed this Agreement.

**GTA FINANCECORP INC.**

Per: \_\_\_\_\_

Name: Peter Clausi  
Title: CEO

**GTA GW MERGECO, INC.**

Per: \_\_\_\_\_

Name: Peter Clausi  
Title: CEO

**GAMEWORKS , INC.**

Per: \_\_\_\_\_

Name:  
Title:

**ESPORTS HOLDINGS LLC**

Per: \_\_\_\_\_

Name:  
Title:

**OC2 CAPITAL CORP.**

Per: \_\_\_\_\_

Name:  
Title:



IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

The Parties have executed this Agreement.

**GTA FINANCECORP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**GTA GW MERGECO, INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**GAMEWORKS, INC.**

Per: \_\_\_\_\_  
Name: Philip N. Kaplan  
Title: Chairman & CEO

**ESPORTS HOLDINGS LLC**

Per: \_\_\_\_\_  
Name:  
Title:

**OC2 CAPITAL CORP.**

Per: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

The Parties have executed this Agreement.

**GTA FINANCECORP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**GTA GW MERGECO, INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**GAMEWORKS , INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**ESPORTS HOLDINGS LLC**

Per: \_\_\_\_\_  
Name: Randy Abrahams  
Title: Manager

**OC2 CAPITAL CORP.**

Per: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

The Parties have executed this Agreement.

**GTA FINANCECORP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**GTA GW MERGECO, INC.**

Per: \_\_\_\_\_  
Name:  
Title:

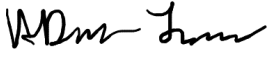
**GAMEWORKS , INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**ESPORTS HOLDINGS LLC**

Per: \_\_\_\_\_  
Name:  
Title:

**OC2 CAPITAL CORP.**

Per:  \_\_\_\_\_  
Name: Adam Levin  
Title: President

**Schedule 1.1**

**GameWorks Subsidiaries**

1. GWE Chesapeake, LLC
2. JBC Entertainment Minnesota, Inc.
3. SWG Entertainment, Inc.
4. GameWorks Cincinnati, LLC
5. GWE San Francisco, LLC
6. GWE Schaumburg, LLC
7. GWE Town Square, LLC
8. GWE Washington, LLC
9. GWE Denver, LLC
10. GameWorks Silicon Valley, LLC
11. GameWorks San Francisco, LLC
12. GameWorks Norfolk, LLC
13. Play By GameWorks Holdings, LLC
14. Play By GameWorks, LLC
15. Play By GameWorks Las Vegas, LLC
16. GameWorks Holdings (Services), LLC
17. GameWorks Management Services, LLC
18. GameWorks Services Lewis-McChord, LLC
19. GameWorks Services Fort Bragg #1, LLC
20. GameWorks Services Fort Bragg #2, LLC
21. GameWorks Services Fort Riley, LLC

### **Schedule 3.5**

#### **Authorization**

1. That certain Convertible Note Purchase Agreement by and between GameWorks and Darren Des Roches, dated as of June 27, 2019.
2. That certain Convertible Note Purchase Agreement by and between GameWorks and Dorado Family Irrevocable Trust, dated as of August 12, 2019.
3. That certain Convertible Note Purchase Agreement by and between GameWorks and Samuel Jonathan Tang, dated as of June 27, 2019.
4. That certain Convertible Note Purchase Agreement by and between GameWorks and Kelli Spence, dated as of June 27, 2019.
5. That certain Convertible Note Purchase Agreement by and between GameWorks and Equity Trust Company Custodian FBO Leonard Wanger IRA, dated as of June 27, 2019.
6. That certain Convertible Note Purchase Agreement by and between GameWorks and Michael Sadowski, dated as of June 27, 2019.
7. That certain Convertible Note Purchase Agreement by and between GameWorks and Mindshare 401K Trust Roth Acct. FBO Josh Rosenbaum, dated as of June 27, 2019.
8. That certain Convertible Note Purchase Agreement by and between GameWorks and Philip N Kaplan Separate Property Trust dtd 6/27/2011, dated as of June 27, 2019.
9. That certain Membership Interest Purchase Agreement by and between GameWorks and Big Deal, LLC, dated as of January 1, 2019, as amended by that certain First Amendment to Membership Interest Purchase Agreement by and between GameWorks and Big Deal, LLC, dated as of May 14, 2019.
10. That certain Loan and Security Agreement by and between GameWorks and ExWorks Capital Fund I, L.P. (“ExWorks”), dated December 31, 2018 but effective as of October 22, 2018, as amended by: that certain First Amendment to Loan and Security Agreement by and between GameWorks and ExWorks, dated as of May 7, 2019; that certain Second Amendment to Loan and Security Agreement by and between GameWorks and ExWorks, dated as of May 22, 2019; that certain Third Amendment to Loan and Security Agreement by and between GameWorks and ExWorks, dated as of June 13, 2019; and that certain Fourth Amendment to Loan and Security Agreement by and between GameWorks and ExWorks, dated as of August 27, 2019 (the “Loan Agreement”).

**Schedule 3.8**

**GameWorks Financial Statements**

GameWorks Financial Statements will be provided when available pursuant to the Definitive Agreement.

**Schedule 3.9**

**Absence of Certain Changes**

(h)

1. That certain Convertible Note Purchase Agreement by and between GameWorks and Dorado Family Irrevocable Trust, dated as of August 12, 2019.
2. That certain Participation Agreement by and among ExWorks, Philip N Kaplan Separate Property Trust dtd 6/27/2011, and Samuel Jonathan Tang, dated as of August 27, 2019 (the "Participation Agreement").

(j)

That certain Lease by and among GameWorks, GameWorks Norfolk, LLC and TM Macarthur Center, L.P., dated as of October 3, 2019.

**Schedule 3.11**

**Indebtedness and Liens**

1. That certain Convertible Note Purchase Agreement by and between GameWorks and Dorado Family Irrevocable Trust, dated as of August 12, 2019.
2. The Participation Agreement.



### **Schedule 3.12**

#### **Indebtedness to Directors, Officers and Others**

1. That certain Convertible Note Purchase Agreement by and between GameWorks and Darren Des Roches, dated as of June 27, 2019.
2. That certain Convertible Note Purchase Agreement by and between GameWorks and Dorado Family Irrevocable Trust, dated as of August 12, 2019.
3. That certain Convertible Note Purchase Agreement by and between GameWorks and Samuel Jonathan Tang, dated as of June 27, 2019.
4. That certain Convertible Note Purchase Agreement by and between GameWorks and Kelli Spence, dated as of June 27, 2019.
5. That certain Convertible Note Purchase Agreement by and between GameWorks and Equity Trust Company Custodian FBO Leonard Wanger IRA, dated as of June 27, 2019.
6. That certain Convertible Note Purchase Agreement by and between GameWorks and Michael Sadowski, dated as of June 27, 2019.
7. That certain Convertible Note Purchase Agreement by and between GameWorks and Mindshare 401K Trust Roth Acct. FBO Josh Rosenbaum, dated as of June 27, 2019.
8. That certain Convertible Note Purchase Agreement by and between GameWorks and Philip N Kaplan Separate Property Trust dtd 6/27/2011, dated as of June 27, 2019.
9. The Loan Agreement.
10. The Participation Agreement.

**Schedule 3.25**

**Title to Assets**

1. The Loan Agreement.
2. GameWorks and some of the GameWorks Subsidiaries are parties to outstanding capital leases (Betson West, Hitachi Capital America Vendor Services and Royal Bank America Leasing) and secured financing arrangements (Firestone Financial and Western Equipment Finance) collateralized by games and other equipment.

### **Schedule 3.27**

#### **Third Party Approvals**

1. Schedule 3.5 is incorporated herein by reference.
2. That certain Beverage Marketing Agreement, dated as of February 1, 2011, by and between Coca-Cola Refreshments USA, Inc. and GameWorks, Inc., as successor-in-interest to SEGA GameWorks USA, Inc., as amended by that certain Amendment to Beverage Marketing Agreement, dated as of May 23, 2012, by and between Coca-Cola FoodService group, as successor-in-interest to Coca-Cola Refreshments USA, Inc. and GameWorks, Inc., as successor-in-interest to SEGA GameWorks USA, Inc.
3. That certain Lease, dated as of February 22, 2013, by and between TSLV LLC and GWE Las Vegas, LLC., with GameWorks, Inc., as successor-in-interest to GameWorks Entertainment, LLC, as guarantor pursuant to that certain Guaranty, effective as of February 6, 2013.
4. That certain Lease, dated as of May 21, 2010, by and between MOAC Mall Holdings LLC and JBC Entertainment Minnesota, Inc., with GameWorks, Inc., as successor-in-interest to GameWorks Entertainment, LLC, as guarantor pursuant to the terms of the Lease.
5. That certain Standard Commercial Shopping Center Lease, dated as of June 4, 2001, by and between Newport on the Levee LLC and GameWorks Cincinnati, LLC, as successor-in-interest to Sega GameWorks L.L.C., with GameWorks, Inc., as successor-in-interest to GameWorks Entertainment, LLC, as guarantor pursuant to that certain Guaranty, dated as of September 15, 2012.
6. That certain Lease by and among GameWorks, GameWorks Norfolk, LLC and TM Macarthur Center, L.P., dated as of October 3, 2019.
7. Those certain HubSpot Customer Terms of Service, dated as of September 5, 2018.

## Schedule 5.2

### **Conduct of Business of GameWorks**

(c)(vi)

That certain Membership Interest Purchase Agreement by and between GameWorks and Big Deal, LLC, dated as of January 1, 2019, as amended by that certain First Amendment to Membership Interest Purchase Agreement by and between GameWorks and Big Deal, LLC, dated as of May 14, 2019, and as amended by that certain Second Amendment to Membership Interest Purchase Agreement by and between GameWorks and Big Deal, LLC, dated as of September 26, 2019, has an outside closing date of December 29, 2019.

(c)(xiii)

1. GameWorks has entered into a Letter of Intent for JV Partnership with SCCG, LLC (“SCCG”), dated as of November 19, 2018. GameWorks is in the process of negotiating a joint venture operating agreement with SCCG, which such joint venture operating agreement may be finalized and executed prior to the consummation of the Transaction contemplated by the Definitive Agreement.
2. In the Ordinary Course of Business, GameWorks is in discussions with various landlords with respect to the lease of various parcels of real property. One or more lease agreements with respect to such parcels of real property may be finalized and executed prior to the consummation of the Transaction contemplated by the Definitive Agreement.