

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1. Reporting Issuer

Kings Entertainment Group Inc.
505 Burrard Street, Suite 1570
Vancouver, British Columbia V7X 1M5

ITEM 2. Date of Material Change

May 24, 2022

ITEM 3. Press Releases

A press release was disseminated on May 25, 2022 via Cision news service.

ITEM 4. Summary of Material Change

Kings Entertainment Group Inc. ("**KEG**" or the "**Company**") (CSE: JKPT) and Sports Venture Holdings Inc. ("**SVH**") entered into an arm's length business combination agreement (the "**Definitive Agreement**") dated May 24, 2022 to combine KEG and SVH (the "**Business Combination**").

ITEM 5. Full Description of Material Change

5.1 Full Description of Material Change

The Business Combination will be completed, subject to the terms of the Definitive Agreement, by way of a three-cornered amalgamation whereby SVH and a wholly-owned subsidiary of KEG ("**Subco**") will amalgamate to form one company (the "**Amalco**") as a wholly-owned subsidiary of KEG (the "**Amalgamation**"). All of the property and assets of each of Subco and SVH will become the property and assets of Amalco and Amalco will be liable for all of the liabilities and obligations of Subco and SVH.

The Business Combination is subject to terms and conditions consistent with transactions of this nature and are set forth in the Definitive Agreement, including (among other things) shareholder approval and the approval of the Canadian Securities Exchange (the "**CSE**"). Trading in the common shares of the Company (the "**KEG Shares**") have been halted as a result of the announcement of the Business Combination will remain halted until the resumption of trading is approved by the CSE.

It is contemplated that immediately prior to the Amalgamation, and subject to the rules of the CSE, the then outstanding KEG Shares may be consolidated (the "**Consolidation**") on the basis of 20 post-Consolidation shares in the capital of the Company for every then outstanding KEG Share, or such other basis as agreed to between the KEG and SVH.

Under the terms of the Amalgamation, KEG will issue to shareholders of SVH 31.0724 pre-Consolidation shares for each share of SVH (a "**SVH Share**") held (being 1.5536 post-Consolidation shares per SVH Share assuming a 20:1 Consolidation) resulting in the issuance of approximately 518 million shares (or approximately 25.9 million post-Consolidation shares assuming a 20:1 Consolidation).

Following completion of the Business Combination, current shareholders of SVH will hold approximately ~87% of the common shares (the "**Resulting Issuer Shares**") of the combined company (the "**Resulting Issuer**") on a fully-diluted treasury method basis.

In connection with the Business Combination, the Company has agreed to make available to SVH a senior secured non-interest bearing credit facility of up to \$5 million. The outstanding balance owing under the credit facility will become immediately due and payable if the Definitive Agreement is terminated with interest thereafter accruing at 18% per annum.

It is anticipated the Company will change its name such that the Resulting Issuer will operate under the name "Interactive Entertainment Group Inc." (the "**Name Change**") or such other name as may be agreed with intention that the Resulting Issuer Shares will be listed and posted for trading on the CSE.

The Business Combination has been unanimously approved by the Board of Directors of each of KEG and SVH. Directors, officers and other significant shareholders of each of KEG and SVH have entered into irrevocable voting and support agreements to vote in favour of the Business Combination representing approximately 30% of the outstanding KEG Shares and 53% of the SVH Shares.

Assuming the satisfaction of customary closing conditions, including the approval of KEG shareholders, the Business Combination is expected to close at approximately the end of the third quarter of 2022.

Upon completion of the Business Combination, it is anticipated that certain of the current directors and officers of the Company will resign and that, following the completion of the Business Combination, the management team of the Resulting Issuer will be comprised of Jared Beber as CEO, Simon Legge as CFO and Adam Arviv as Executive Chairman and the board of directors of the Resulting Issuer will be comprised of Adam Arviv, Jared Beber, Robert Godfrey, David Danziger, Kevin Kirby, Cory Levi and a seventh director to be nominated by SVH.

5.2 Disclosure for Restructuring Transactions

KEG anticipates filing a management information circular and listing statement detailing certain matters relating to the Business Combination and other related matters to be mailed to KEG shareholders.

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

Not applicable.

ITEM 7. Omitted Information

Not applicable.

ITEM 8. Executive Officer

The following Officer of the Company may be contacted for further information:

Steve Budin, Chief Executive Officer
Telephone (604) 961-0296

ITEM 9. Date of Report

This report is dated this 2nd day of June, 2022.