

KINGS ENTERTAINMENT GROUP INC.

as “KEG”

and

SPORTS VENTURE HOLDINGS INC.

as “SVH”

TRANSACTION AGREEMENT

May 24, 2022

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TRANSACTION AGREEMENT

Transaction Agreement dated May 24, 2022 between Kings Entertainment Group Inc. (“**KEG**”) and Sports Venture Holdings Inc. (“**SVH**”).

WHEREAS KEG intends to acquire all of the issued and outstanding common shares in the capital of SVH, which purchase will be effected pursuant to the Amalgamation (as defined below) set forth and on the terms and subject to the conditions set forth in the Amalgamation Agreement (as defined below);

NOW THEREFORE in consideration of the foregoing, and the respective covenants, agreements, representations and warranties of the Parties (as defined below) contained herein, and for other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

Article 1 INTERPRETATION

1.1 Defined Terms

As used in this Agreement, the following terms have the following meanings:

“**Acquisition Proposal**” has the meaning specified in Section 5.4 hereof.

“**affiliate**” has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions*.

“**Agreement**” means this transaction agreement, as such agreement may be amended, varied, modified or restated from time to time, together with all Schedules appended to the Agreement.

“**Amalco**” means the company resulting from the Amalgamation, to be named such name as may be determined by the Parties.

“**Amalco Shares**” means the common shares of Amalco.

“**Amalgamating Parties**” means, collectively, Subco and SVH.

“**Amalgamation**” means the amalgamation of the Amalgamating Parties pursuant to the OBCA on the terms set forth in this Agreement and the Amalgamation Agreement.

“**Amalgamation Agreement**” means the agreement to be entered into among KEG and the Amalgamating Parties in respect of the Amalgamation, in substantially the form attached hereto as Schedule A”.

“**Amalgamation Resolution**” means the special resolution approving the Amalgamation to be voted on by SVH Shareholders at the SVH Meeting, as more particularly set forth in the notice of meeting provided to SVH Shareholders in connection with the SVH Meeting.

“**Ancillary Agreements**” means all agreements, certificates and other instruments delivered or given pursuant to this Agreement, including without limitation, the Amalgamation Agreement.

“**Anti-Money Laundering Laws**” means applicable Laws related to money laundering, including (i) the U.S. federal Bank Secrecy Act, including the requirements related to registration, the establishment and maintenance of an anti-money laundering compliance program reasonably designed to prevent the money services business from being used to facilitate money laundering and terrorist financing, and all required elements of such program including but not limited to transaction monitoring, recordkeeping, reporting, and the detection and prevention of money laundering or terrorist financing; (2) the U.S. federal Money Laundering Control Act; (3) Canada’s

Proceeds of Crime (Money Laundering) and Terrorist Financing Act; (4) Part XII.2 of Canada's Criminal Code; and (4) any other applicable Laws related to money laundering and terrorist financing in any jurisdictions in which SVH and any SVH Subsidiary conducts business.

"Anti-Spam Laws" means, collectively, (a) *An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-Television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act*, S.C. 2010, c. 23, along with its associated regulations; (b) the Electronic Commerce Protection Regulations (CRTC); (c) the Electronic Commerce Protection Regulations (Industry Canada); and (d) similar Laws in other jurisdictions.

"Articles of Amalgamation" means the articles of amalgamation of Amalco to be filed with the Ontario Ministry of Government and Consumer Services in order to effect the Amalgamation, substantially in the form agreed to between the Amalgamating Parties.

"Assets" means all of the right, title, estate and interest in and to its property and assets, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situated of SVH or KEG, as the case may be.

"associate" has the meaning specified in the *Securities Act* (Ontario).

"Authorization" means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

"SVH Broker Warrants" means the 144,262 existing broker warrants of SVH (the **"First Broker Warrants"**) and an additional 72,131 existing broker warrants SVH (the **"Second Broker Warrants"**) issuable upon exercise of the First Broker Warrants of SVH, each entitling the holder to purchase one SVH Share, in accordance with their terms as set forth in Section 3.1(h) of the SVH Disclosure Letter.

"Business Day" means any day of the year, other than a Saturday, Sunday or any day on which major banks are generally closed for business in Toronto, Ontario.

"Certificate of Amalgamation" means the certificate of amalgamation to be issued by the Director, as date stamped on the Articles of Amalgamation, evidencing that the Articles of Amalgamation are effective.

"Closing" means the completion of the Amalgamation on the terms and subject to the conditions set forth herein and in the Amalgamation Agreement.

"Commercial Electronic Message" means "commercial electronic message" as defined in the Anti-Spam Laws.

"Confidential Information" has the meaning specified in Section 5.3 hereof.

"Constituting Documents" means, in respect of KEG or SVH, as the case may be, their respective articles of incorporation, notice of articles, amalgamation, or continuance, as applicable, by-laws and all amendments to such articles or by-laws.

"Contract" means, with respect to a Person, any contract, instrument, concession, licence, loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, partnership or joint venture agreement or other legally binding agreement, arrangement or understanding, whether

written or oral, to which the Person is a party or by which, to the knowledge of such Person, the Person or its property and assets is bound or affected.

“Consolidation” means the consolidation of KEG Shares on a 20 to 1 basis, or such other ratio as may be agreed to in writing by the Parties.

“Loan Agreement” means the loan agreement dated as of the date hereof by and among KEG, as lender, and SVH, as borrower, pursuant to which SVH may draw down, from time to time until the closing of the Amalgamation, up to CAD\$5 million of cash held by KEG, on a non-interest basis to be used for working capital purposes by SVH.

“CSE” means the Canadian Securities Exchange.

“Director” means the director appointed under Section 278 of the OBCA.

“Effective Date” means the date within five Business Days of the date upon which all of the conditions to completion of the Amalgamation 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 on the Certificate of Amalgamation giving effect to the Amalgamation, or such earlier or later date as the Parties may mutually agree in writing.

“Employee Plans” means all plans, arrangements, agreements, programs, policies or practices, whether oral or written, formal or informal, funded or unfunded, maintained for employees, including, without limitation: (a) any employee benefit plan or material fringe benefit plan; (b) any retirement savings plan, pension plan or compensation plan, including, without limitation, any defined benefit pension plan, defined contribution pension plan, group registered retirement savings plan or supplemental pension or retirement income plan; and (c) any bonus, profit sharing, deferred compensation, incentive compensation, stock compensation, stock purchase, hospitalization, health, drug, dental, legal disability, insurance (including without limitation unemployment insurance), vacation pay, severance pay or other benefit plan, arrangement or practice with respect to employees or former employees, individuals working on contract, or other individuals providing services of a kind normally provided by employees other than government sponsored pension, employment insurance, workers compensation and health insurance plans.

“GAAP” means generally accepted accounting principles as set out in *the Canadian Institute of Chartered Accountants Handbook – Accounting* for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis.

“Governmental Entity” means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange.

“In-The-Money SVH Options” means 1,894,252 and 393,335 SVH Options with exercise prices of \$3.05 and \$0.51, respectively, each entitling the holder to purchase one SVH Share, in accordance with their terms as set forth in in Section 3.1(h) of the SVH Disclosure Letter.

“Information Technology” means all computer systems, communications systems, software (other than off-the-shelf software) and hardware, whether owned, used or licenced.

“Investment Canada Act” means the Investment Canada Act (Canada).

“IP Rights” means (a) all patents, patent applications, patent disclosures and inventions (whether or not patentable and whether or not reduced to practice), including all provisional applications, substitutions, continuations, patents of addition, improvement patents, divisions, renewals, reissues, confirmations, counterparts, re-examinations and extensions thereof, (b) all trademarks, service marks, trade dress, trade names, logos, domain names and corporate names, whether registered or existing at common law, (c) all registered and unregistered statutory and common law copyrights and industrial designs, (d) all registrations, applications, divisionals and renewals for any of the foregoing, (e) all trade secrets, confidential information, ideas, formulae, compositions, know-how, improvements, innovations, discoveries, designs, manufacturing and production processes and techniques, and (f) all other intellectual property rights owned, licenced, controlled or used by a Person, in any and all relevant jurisdictions in the world.

“KEG” means Kings Entertainment Group Inc., a corporation existing under the *Business Corporations Act* (British Columbia).

“KEG Business IP” has the meaning specified in Section 4.1(w) hereof.

“KEG Business IT” has the meaning specified in Section 4.1(x) hereof.

“KEG Business IT Contracts” has the meaning specified in Section 4.1(x) hereof.

“KEG Circular” means the notice of the KEG Meeting and accompanying management information circular, including all schedules and appendices attached thereto, to be sent to the KEG Shareholders in connection with the KEG Meeting.

“KEG Disclosure Letter” means the disclosure letter dated the date of this Agreement and delivered by KEG to SVH with this Agreement.

“KEG Financial Statements” means the audited consolidated annual financial statements of KEG for the year ended December 31, 2021.

“KEG Gaming Licenses” has the meaning specified in Section 4.1(t) hereof.

“KEG Meeting” means the special meeting of KEG Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of this Agreement to consider the matters set out in the notice to be provided to KEG Shareholders in connection with such meeting.

“KEG Options” means the 10,012,000 existing stock options of KEG, each entitling the holder to purchase one KEG Share, in accordance with their terms as set forth in Section 4.1(h) of the KEG Disclosure Letter.

“KEG Shareholders” means the holders of KEG Shares from time to time.

“KEG Shares” means common shares in the capital of KEG as constituted on the date hereof.

“KEG Sub” means 1000212177 Ontario Inc.

“KEG Subsidiaries” means the Subsidiaries of KEG, being Legacy Eight Curacao N.V., Azteca Messenger Services S.A. de C.V., Phoenix Digital Services Ltd., Bulleg Eight Limited, Legacy Eight Malta Ltd. and Litemi S.A.

“Laws” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies, forms and guidelines, fee schedules, tariffs, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, directives,

decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, statutory body or self-regulatory authority (including, but not limited to, the CSE), and the term “applicable” with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business, undertaking, property or securities.

“**Liability**” means any liability or obligations of any kind or nature (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due).

“**Lien**” means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant, adverse claim, exception, reservation, right of occupation, any matter capable of registration against title, right of pre-emption, privilege or other encumbrance of any nature or any other arrangement or condition which, in substance, secures payment or performance of an obligation.

“**Listing Statement**” means the listing statement prepared in accordance with CSE Form 2A – *Listing Statement*.

“**Material Adverse Effect**” means any event or change that, individually or in the aggregate with other events or changes, is or would reasonably be expected to be, materially adverse to the business, operations, assets, condition (financial or otherwise) or liabilities, whether contractual or otherwise, of any Party, as the case may be; provided that a Material Adverse Effect shall not include an adverse effect resulting from a change (i) that arises out of a matter that has been publicly disclosed prior to the date of this Agreement or otherwise disclosed in the party’s Disclosure Letter in accordance herewith; (ii) that results from general economic, financial, currency exchange, interest rate or securities market conditions in Canada or the United States; (iii) that arises from a decline in the trading price of KEG Shares (it being understood that the causes underlying such change in the trading price may be taken into account in determining whether a Material Adverse Effect has occurred); (iii) that results from general economic, financial, currency exchange, interest rate or securities market conditions in Canada or the United States (iv) that results from changes affecting the industries in which the Parties conduct business; (v) that result from the announcement of the Agreement, the execution of this Agreement or the performance of obligations hereunder, including the impact of any of the foregoing on relationships with customers, suppliers or employees; (vi) that result from any change in, adoption of, or change in the interpretation or adoption of any applicable law or GAAP, (vii) that result from any national or international political or social conditions, including the engagement, escalation or continuation of Canada or the United States in hostilities, the occurrence of any military or terrorist attack upon Canada or the United States, or their respective diplomatic or consular offices, upon any military installation or personnel of Canada or the United States, (viii) that results from pandemics, epidemics or other similar disease outbreaks or escalations thereof (including the COVID-19 pandemic and escalation or mutation thereof), (ix) that results from war and acts of war or escalations thereof (including the conflict involving Russia, Belarus, the Ukraine and / or any former member of the Soviet Union) (ix) that results from earthquakes, hurricanes, floods or other natural disasters or (vi) that is a direct result of any matter required by this Agreement or consented to in writing by the applicable Party.

“**Misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact required or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

“**Notice**” has the meaning specified in Article 8.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Ontario Gaming License**” has the meaning specified in Section 3.1(t) hereof.

“**Option Acknowledgement Agreement**” has the meaning specified in Section 2.1(b)(xii)(A) hereof.

“**Ordinary Course**” means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person, provided that any action taken as a result of, or in response to, the COVID-19 pandemic shall be deemed to have been taken in the Ordinary Course if such action is consistent with good business practices.

“**Outside Date**” means November 30, 2022 or such later date as may be agreed to in writing by the Parties, provided that if the Effective Date has not occurred by such date as a result of the failure to obtain CSE approval, then either Party may elect by notice in writing prior to the original Outside Date (and any subsequent Outside Date) to extend such date in one (1) month increments for up to an additional two (2) months, provided further that if permitted extension of the Outside Date were to cause the Outside Date to not occur on a Business Day, the first Business Day thereafter shall be deemed to be the Outside Date.

“**Parties**” means, collectively, KEG and SVH, and any other Person who may become a party to this Agreement; and “**Party**” means any one of them.

“**Permitted Liens**” means (i) Liens for Taxes not yet due and delinquent; and (ii) easements, encroachments and other minor imperfections of title which do not, individually or in the aggregate, materially detract from the value of or impair the use or marketability of any real property or interests in real property in any material respect.

“**Person**” means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability corporation, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns having a similarly extended meaning.

“**Personal Information**” means any personally identifiable information as defined by applicable Laws, including Privacy Laws.

“**Privacy Laws**” means the (a) *Personal Information Protection and Electronic Documents Act* (Canada); (b) Canadian provincial statutes governing protection of, or access to, Personal Information, including without limitation, Alberta’s *Personal Information Protection Act*, British Columbia’s *Personal Information Protection Act* and Quebec’s *Act Respecting the Protection of Personal Information in the Private Sector*; and (c) any other applicable legislation governing protection of, or access to, Personal Information in any jurisdiction at the international, country, state/provincial, and/or local levels, currently in effect and as they become effective, that relate in any way to the confidentiality or security of Personal Information, and apply to SVH and/or SVH Subsidiaries.

“**Process**” or “**Processing**” means any operation or set of operations which is performed on Personal Information or on sets of Personal Information, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

“**Public Statement**” has the meaning specified in Section 8.3 hereof.

“Regulatory Approval” means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration and filing with, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity, in each case in connection with the Amalgamation, including any such approval from the CSE.

“Representatives” means, as to any person, such person’s affiliates, shareholders, directors, officers, employees and advisors (including financial advisors and legal counsel).

“Securities Reports” has the meaning specified in Section 4.1(pp) hereof.

“SEDAR” means the System for Electronic Document Analysis and Retrieval.

“Standstill Period” has the meaning specified in Section 5.4 hereof.

“Subco” means a corporation to be incorporated under the OBCA and which shall be a wholly-owned Subsidiary of KEG.

“SVH Offering” means a proposed private placement offering of equity securities of SVH or KEG with expected proceeds to the Resulting Issuer of not less than \$5 million or such other amount as may be agreed, all on terms as may be agreed upon by SVH and KEG.

“Subsidiary” has the meaning specified in National Instrument 45-106 - *Prospectus Exemptions* as in effect on the date of this Agreement.

“SVH” means Sports Venture Holdings Inc., a corporation existing under the OBCA.

“SVH Business IP” has the meaning specified in Section 3.1(w) hereof.

“SVH Business IT” has the meaning specified in Section 3.1(x) hereof.

“SVH Business IT Contracts” has the meaning specified in Section 3.1(x) hereof.

“SVH Broker Warrants” means the 144,262 existing broker warrants of SVH (the **“First Broker Warrants”**) and an additional 72,131 existing broker warrants SVH (the **“Second Broker Warrants”**) issuable upon exercise of the First Broker Warrants of SVH, each entitling the holder to purchase one SVH Share, in accordance with their terms as set forth in Section 3.1(h) of the SVH Disclosure Letter.

“SVH Circular” means the notice of the SVH Meeting and accompanying management information circular, including all schedules and appendices attached thereto, to be sent to the SVH Shareholders in connection with the SVH Meeting.

“SVH Disclosure Letter” means the disclosure letter dated the date of this Agreement and delivered by SVH to KEG with this Agreement.

“SVH Financial Statements” means the audited consolidated annual financial statements of SVH for the year ended December 31, 2021.

“SVH Gaming License” has the meaning specified in Section 3.1(s) hereof.

“SVH Meeting” means the special meeting of SVH Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of this Agreement to consider the matters set out in the notice to be provided to SVH Shareholders in connection with such meeting.

“SVH Option Holder” has the meaning specified in Section 2.1(b)(xii)(A) hereof.

“SVH Options” means the 2,762,587 existing stock options of SVH, each entitling the holder to purchase one SVH Share, in accordance with their terms as set forth in Section 3.1(h) of the SVH Disclosure Letter.

“SVH Shareholders” means the holders of SVH Shares from time to time.

“SVH Shares” means common shares in the capital of SVH as constituted on the date hereof.

“SVH Subsidiary” means the Subsidiaries of SVH, being 1000007698 Ontario Ltd., Hockey Holding AG, BQC Consulting GmbH, Kulumsoft Holding Limited and Kulumsoft Limited.

“SVH Warrants” means the 1,112,247 common share purchase warrants of SVH, each entitling the holder to purchase one SVH Share as set forth in Section 3.1(h) of the SVH Disclosure Letter.

“Taxes” includes: (a) any taxes, duties, assessments, imposts, fees, duties, withholdings, levies and other charges of any nature imposed by any Governmental Entity and includes all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, withholding, business, property, occupancy, vacancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervailing and anti-dumping and all employment insurance, health insurance and Canada, Québec and other government pension plan and other employer plan premiums, contributions or withholdings and all other taxes and similar governmental charges of any kind imposed by any Governmental Entity, and (b) any liability for the payment of any amounts of the type described in (a) above as a result of any express or implied obligation to indemnify any other Person.

“Tax Returns” means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in written, electronic or other form) and any amendments, schedules, attachments, supplements, appendices and exhibits thereto, which have been prepared or filed or are required to be prepared or filed in respect of Taxes.

“U.S. Person” has the meaning ascribed to such term pursuant to Regulation S promulgated under the U.S. Securities Act of 1933.

1.2 Gender and Number

Any reference in this Agreement or any Ancillary Agreement to gender includes all genders. Words importing the singular number only shall include the plural and vice versa.

1.3 Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles, Sections and Schedules and the insertion of headings are for convenient reference only and are not to affect in any way the meaning or interpretation of this Agreement.

1.4 Currency

All references in this Agreement or any Ancillary Agreement to dollars, or to \$ are expressed in Canadian currency unless otherwise specifically indicated.

1.5 Certain Phrases, etc.

In this Agreement and any Ancillary Agreement (i) the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”, and (ii) the phrase “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”. In the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”.

1.6 Knowledge

Any reference herein to the knowledge of any Party will be deemed to mean the actual knowledge of the directors and executive officers of such Party after reasonable inquiry.

1.7 Accounting Terms

All accounting terms not specifically defined in this Agreement are to be interpreted in accordance with GAAP and all determinations of an accounting nature required to be made will be made in a manner consistent with GAAP.

1.8 Schedules

The schedules attached to this Agreement form an integral part of this Agreement for all purposes of it.

1.9 References to Persons and Agreements

Any reference in this Agreement or any Ancillary Agreement to a Person includes such Person’s heirs, administrators, executors, legal personal representatives, successors and permitted assigns. Except as otherwise provided in this Agreement or any Ancillary Agreement, the term “Agreement” and any reference in this Agreement to this Agreement, any Ancillary Agreement or any other agreement or document includes, and is a reference to, this Agreement, such Ancillary Agreement or such other agreement or document as it may have been, or may from time to time be amended, restated, replaced, supplemented or novated and includes all schedules to it.

1.10 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted.

1.11 Non-Business Days

Whenever payments are to be made or an action is to be taken on or not later than a day which is not a Business Day, such payment shall be made or such action shall be taken on or not later than the next succeeding Business Day.

1.12 No Presumption.

This Agreement is the product of negotiation by the Parties having the assistance of counsel and other advisors. It is the intention of the Parties that no Party will be presumed to be the drafter of this Agreement, and that this Agreement will not be construed more strictly with regard to one Party than any other Party.

Article 2 AMALGAMATION

2.1 Amalgamation

- (a) Each of the Parties covenants to take all such actions as are within its power to control and use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to complete the Amalgamation as set forth in this Section 2.1 and otherwise on the terms, and subject to the conditions, set forth in this Agreement and subject to the approval of the CSE (if applicable).
- (b) Each Party hereby agrees, unless such steps have already been completed, that as soon as reasonably commercially practicable after the date hereof or at such other time as is specifically indicated below in this Section 2.1, and on the applicable terms, and subject to the applicable conditions, set forth in this Agreement and the Amalgamation Agreement, it shall take the following steps:
 - (i) **Preparation and Mailing of KEG Circular.** KEG shall use commercially reasonable efforts to prepare and complete, in consultation with SVH, the KEG Circular together with any other documents required by Law in connection with the KEG Meeting and the Amalgamation. Notwithstanding the foregoing, SVH will prepare the initial draft of the Listing Statement required in accordance with the CSE policies, which is expected to be attached to the KEG Circular. KEG shall use commercially reasonable efforts to cause the KEG Circular and such other documents as are required by applicable Laws to be filed under the profile of KEG on SEDAR and sent to each KEG Shareholder and such other Persons as required by applicable Law.
 - (ii) **Contents of KEG Circular.** The Parties shall ensure that the KEG Circular complies in material respects with applicable Laws, does not contain any Misrepresentation (as it relates to the disclosure of such Party) and provides the KEG Shareholders with sufficient information to permit them to form a reasoned judgement concerning the matters to be placed before the KEG Meeting. Each Party shall indemnify and save harmless the other Party and its representatives from and against all damage, liability, claim or losses to which they may be subject or suffer, arising directly or indirectly from any Misrepresentation in any information in respect of such Party including in respect of SVH the Resulting Issuer, contained in the KEG Circular. The Parties shall give each other and their respective legal counsel a reasonable opportunity to review and comment on drafts of the KEG Circular and other related documents, and shall give reasonable consideration to any comments made by the other Party and its counsel. SVH and KEG shall each provide all necessary information concerning them that is required by Law to be included by each of them in the KEG Circular. Each Party shall promptly notify the other Party if it becomes aware that the KEG Circular contains any Misrepresentation or otherwise requires an amendment or supplement. The Parties shall co-operate in the preparation of any such amendment or supplement as required or appropriate, and the Parties shall, as required by applicable Laws, promptly file on SEDAR and mail or otherwise publicly disseminate any such amendment or supplement to the KEG Shareholders and, if required by applicable Laws, file the same with any other Governmental Entity as required.
 - (iii) **KEG Meeting.** KEG will convene and conduct the KEG Meeting as soon as practicable following the CSE approval of the KEG Circular (or such later date as agreed to by the Parties in writing) and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the KEG Meeting without the

prior written consent of SVH, except in the case of an adjournment, as required for quorum purposes. At the KEG Meeting, KEG will put forward the following matters for approval by the KEG Shareholders (to the extent required by corporate or securities law or the CSE policies): (A) the Amalgamation; (B) the Consolidation, (C) the change of name of KEG to Interactive Gaming Group Inc. (the “**Resulting Issuer**”); (D) the election, effective as of Closing, of such new directors in accordance with Section 2.1(b)(xi) hereof; and (E) such other business as KEG may determine is required in order to give effect to the transactions contemplated by this Agreement.

- (iv) **Preparation and Mailing of SVH Circular.** SVH shall use commercially reasonable efforts to prepare and complete, in consultation with KEG, the SVH Circular together with any other documents required by Law in connection with the SVH Meeting and the Amalgamation. SVH shall use commercially reasonable efforts to cause the SVH Circular and such other documents as are required by applicable Laws to be sent to each SVH Shareholder and such other Persons as required by applicable Law.
- (v) **Contents of SVH Circular.** The Parties shall ensure that the SVH Circular complies in material respects with applicable Laws, does not contain any Misrepresentation (as it relates to the disclosure of such Party) and provides the SVH Shareholders with sufficient information to permit them to form a reasoned judgement concerning the matters to be placed before the SVH Meeting. Each Party shall indemnify and save harmless the other Party and its representatives from and against all damage, liability, claim or losses to which they may be subject or suffer, arising directly or indirectly from any Misrepresentation in any information in respect of such Party including in respect of SVH the Resulting Issuer, contained in the SVH Circular. The Parties shall give each other and their respective legal counsel a reasonable opportunity to review and comment on drafts of the SVH Circular and other related documents, and shall give reasonable consideration to any comments made by the other Party and its counsel. SVH and KEG shall each provide all necessary information concerning them that is required by Law to be included by each of them in the SVH Circular. Each Party shall promptly notify the other Party if it becomes aware that the SVH Circular contains any Misrepresentation or otherwise requires an amendment or supplement. The Parties shall co-operate in the preparation of any such amendment or supplement as required or appropriate, and the Parties shall, as required by applicable Laws, promptly file on SEDAR and mail or otherwise publicly disseminate any such amendment or supplement to the SVH Shareholders and, if required by applicable Laws, file the same with any other Governmental Entity as required.
- (vi) **SVH Meeting.** SVH will convene and conduct the SVH Meeting on or before the date of the KEG Meeting (or such later date as agreed to by the Parties in writing), and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the SVH Meeting without the prior written consent of KEG, except in the case of an adjournment, as required for quorum purposes. At the SVH Meeting, SVH will put forward the Amalgamation (in accordance with applicable Laws).
- (vii) **Filing of Articles of Amalgamation.** The Amalgamating Parties will submit the Articles of Amalgamation and such other documents as may be required under the OBCA in connection therewith to give effect to the Amalgamation as soon as reasonably practical following the satisfaction or waiver of the applicable conditions of Closing as set forth in this Agreement.

- (viii) **Amalgamation Agreement.** The Parties hereby acknowledge that the form of Amalgamation Agreement attached as Schedule A complies with the requirements of the OBCA.
- (ix) **Articles of Amalgamation.** The Amalgamation Agreement shall provide as follows:
- (A) the Amalgamating Parties will amalgamate and continue as Amalco;
 - (B) each SVH Shareholder shall receive 31.0724 fully paid and non-assessable KEG Shares (for greater certainty, prior to any Consolidation) for each SVH Share held by the SVH Shareholder (the “**Exchange Ratio**”) and the SVH Shares shall thereafter be cancelled;
 - (C) the shares of Subco will be cancelled and replaced by Amalco Shares on the basis of one Amalco Share for each share of Subco;
 - (D) as consideration for the issuance of the KEG Shares to SVH Shareholders to effect the Amalgamation, Amalco will issue to its immediate shareholder, KEG, one Amalco Share for each SVH Share so issued;
 - (E) Amalco will be a direct wholly-owned Subsidiary of KEG upon completion of the Amalgamation; and
 - (F) all of the property, rights, privileges and assets of the Amalgamating Parties will continue as the property, rights, privileges and assets of Amalco, and Amalco will become liable for all of the liabilities and obligations of the Amalgamating Parties.
- (x) **U.S. Securities Law Matters.**
- (A) The Parties acknowledge that any SVH Shareholders resident in the United States will be issued Amalco Shares pursuant to an exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, and the provisions of Rule 506 of Regulation D thereunder.
- (xi) **Board of Directors and Management of Resulting Issuer**
- (A) Following completion of the transactions contemplated under this Agreement, the board of the Resulting Issuer will consist of the following seven (7) individuals: Adam Arviv (as executive chairman), Robert Godfrey, Jared Beber, David Danziger, Kevin Kirby, Cory Levi and a seventh director to be nominated by SVH.
 - (B) The senior management of the Resulting Issuer shall be reconstituted as follows, subject to the policies of the CSE and Canadian securities Laws, all on terms to be agreed to between SVH and the individuals below:
 - (I) Adam Arviv – Executive Chairman;
 - (II) Jared Beber – Chief Executive Officer; and
 - (III) Simon Legge – Chief Financial Officer.
- (xii) **Options and Warrants.**

- (A) On or before Closing, each holder of an SVH Option (a “**SVH Option Holder**”) shall enter into an agreement (the “**Option Treatment Agreement**”) with SVH and/or KEG (in form satisfactory to KEG, acting reasonably), providing for to:
- (I) either (a) the exercise the In-The-Money Options held by said SVH Option Holder on a cashless basis or (b) the exchange of In-The-Money Options held by said SVH Option Holder for KEG Options of the same economic value; or
 - (II) the cancelation of all SVH Options which are not In-The-Money Options held by said SVH Option Holder subject to further agreement between KEG, SVH and the SVH Option Holder.
- (B) Each holder of a SVH Warrant or SVH Broker Warrant (a “**SVH Warrant Holder**”) outstanding immediately prior to the Closing shall receive upon the subsequent exercise of such holder’s SVH Warrant or SVH Broker Warrant on or after Closing, in accordance with the terms and conditions of such SVH Warrant or SVH Broker Warrant, and shall accept in lieu of each SVH Share to which such holder was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, a number of KEG Shares as is equal to (a) the number of SVH Warrants previously held by such SVH Warrant or SVH Broker Warrant Holder multiplied by (b) the Exchange Ratio as may be further adjusted as a result of the Consolidation.
- (c) KEG, Amalco, and any other Person that makes a payment hereunder, as applicable, shall be entitled to deduct or withhold (or cause to be deducted or withheld) from any amount payable or otherwise deliverable to any Person pursuant to this Agreement, such Taxes or other amounts as KEG, Amalco, or any other Person are or may be required, entitled, or permitted to deduct or withhold with respect to such payments under any applicable Laws. To the extent that Taxes or other amounts are so deducted or withheld, such deducted or withheld Taxes or other amounts shall be treated for all purposes under this Agreement as having been paid to the Person in respect of which such deduction or withholding was made, provided that such deducted or withheld Taxes or other amounts are actually remitted to the appropriate Governmental Entity.
- (d) As soon as reasonably practicable after the date hereof but no later than three (3) days following the Effective Date, KEG or its designee shall mail to each SVH Shareholder who is a U.S. Person (a “**US Shareholder**”) a letter of transmittal in the form agreed to between the Parties, acting reasonably. As a condition precedent to each US Shareholder’s receipt of KEG Shares (or, if applicable, KEG Shares after giving effect to the Consolidation) in accordance with Section 13 of the Amalgamation Agreement, such shareholder shall surrender the certificate(s) representing the SVH Shares held by such shareholder (to the extent issued) to the Corporation (or, if such certificate has been lost, stolen or destroyed, make an affidavit of that fact with appropriate indemnification, in a form reasonably acceptable to KEG and SVH) and return the executed and duly completed letter of transmittal to KEG. Upon receipt by KEG of the items set forth in the immediately preceding sentence and satisfaction of all requirements in the letter of transmittal (but in no event earlier than the Effective Date), such US Shareholder shall be entitled to receive in exchange therefor, the KEG Shares issuable to such US Shareholder pursuant to Section 15 of the Amalgamation Agreement.

Article 3

REPRESENTATIONS AND WARRANTIES OF SVH

3.1 Representations and Warranties of SVH.

SVH represents and warrants as follows to KEG and acknowledges and confirms that KEG is relying on such representations and warranties in connection with the transactions contemplated by this Agreement:

- (a) SVH is a corporation duly incorporated and validly subsisting under the laws of the Province of Ontario and has the requisite corporate power and authority to carry on its business as it is now being conducted and to enter into this Agreement and each of the Ancillary Agreements to which it is a Party.
- (b) The SVH Subsidiaries are the only Subsidiaries of SVH and SVH, or one of the SVH Subsidiaries, are the sole shareholders of each SVH Subsidiary. Each SVH Subsidiary is duly incorporated and validly existing under the laws of its jurisdiction of existence, and has the requisite corporate power and authority to carry on its business as it is now being conducted.
- (c) SVH is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on SVH.
- (d) Each SVH Subsidiary is duly registered to do business and is in good standing in each jurisdiction in which the character of its Assets, owned or leased, or the nature of its activities, make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on SVH.
- (e) The execution and delivery of and performance by SVH of this Agreement and each of the Ancillary Agreements to which it is a party, and the consummation of the transactions contemplated by this Agreement and each of the Ancillary Agreements to which it is a party have been duly authorized by all necessary corporate action on the part of SVH.
- (f) The execution and delivery of and performance by SVH of this Agreement and each of the Ancillary Agreements to which it is a party:
 - (i) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a violation or breach of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of its Constating Documents;
 - (ii) do not and will not (or would not with the giving of notice, the lapse of time or the happening or any other event or condition) constitute or result in a breach or violation of, or conflict with or allow any other Person to exercise any rights under, any of the terms or provisions of any material contracts to which it is a party; and
 - (iii) do not and will not result in the violation of any Law.
- (g) This Agreement and each of the Ancillary Agreements to which SVH is a party have been duly executed and delivered by SVH and constitute legal, valid and binding agreements of SVH enforceable against it in accordance with their respective terms subject only to any limitation under applicable Laws relating to: (i) bankruptcy, winding-up, insolvency,

arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting creditors' rights; and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

- (h) SVH has an authorized capital of an unlimited number of SVH Shares of which, as at the date hereof (and without giving effect to the SVH Offering), SVH has issued and outstanding 16,677,828 SVH Shares. In addition, as of the date hereof (and without giving effect to the SVH Offering but subject to the adjustments contemplated by Section 3.1(h) of the SVH Disclosure Letter), there are 2,762,587 SVH Options, 1,112,247 SVH Warrants and 216,393 SVH Broker Warrants outstanding. Section 3.1(h) of the SVH Disclosure Letter contains a list of the SVH Options and SVH Warrants, with details regarding the exercise price, vesting schedule and expiration date, as applicable.
- (i) Except as aforesaid and for the SVH Options and SVH Warrants, there are no outstanding shares of SVH or options, warrants, rights or conversion or exchange privileges or other securities entitling anyone to acquire any shares of SVH or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by SVH of any shares of SVH (including SVH Shares) or any securities convertible into, exchangeable or exercisable for, or otherwise evidencing a right to acquire, any SVH Shares or other equity securities of SVH. All outstanding SVH Shares have been duly authorized and validly issued, and are fully paid and non-assessable and are not subject to, nor have they been issued in violation of any pre-emptive rights, and all SVH Shares issuable upon exercise of the SVH Options and SVH Warrants will, when issued in accordance with their respective terms, be duly authorized and validly issued, fully paid and non-assessable and not be subject to any pre-emptive rights.
- (j) There are no outstanding options, warrants, rights, conversion or exchange privileges, or other securities entitling any Person to acquire any shares or other equity securities of any SVH Subsidiary, or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by any SVH Subsidiary of any shares or other equity securities, or any securities convertible into, exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares or other equity securities of any SVH Subsidiary.
- (k) The ownership of the SVH Shares is as set forth in Section 3.1(k) of the SVH Disclosure Letter, with details regarding the number of shares held, the registered address, the address for notice and, to the knowledge of SVH, the jurisdiction of residency of each SVH Shareholder. Each SVH Shareholder who is a resident of the United States or otherwise subject to the securities laws of the United States, is an "accredited investor" as defined under applicable United States securities laws. The SVH Shareholders own such SVH Shares as the registered and beneficial owner with a good title, free and clear of all Liens other than those restrictions on transfer, if any, contained in the articles of SVH.
- (l) The SVH Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with prior periods and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of SVH as at the respective dates of the SVH Financial Statements and the sales, earnings and results of operations of SVH for the respective periods covered by the SVH Financial Statements.
- (m) Since the date of the SVH Financial Statements, SVH and each of the SVH Subsidiaries have conducted their businesses only in the Ordinary Course. Since the date of the SVH Financial Statements, (i) there has been no Material Adverse Effect on SVH or any SVH Subsidiary, or any condition, event or development involving a prospective change that would constitute a Material Adverse Effect on SVH or any SVH Subsidiary, and (ii) no

liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to SVH or any SVH Subsidiary has been incurred, other than in the Ordinary Course. As at the date of this Agreement and the Effective Date, Kulumsoft Holding Limited and Kulumsoft Limited are inactive direct and indirect subsidiaries of BQC Consulting GmbH, respectively, and do not conduct any business or have any operations (including operations of a holding company), (b) do not have any material assets with the exception of the SVH Gaming License identified in Section 3.1(s) of the SVH Disclosure Letter, and have given instructions to the regulatory authorities to place that SVH Gaming License into voluntary suspension.

- (n) SVH and each SVH Subsidiary has prepared and filed all Tax Returns within the prescribed period with the appropriate Governmental Entity in accordance with applicable Laws. SVH and each SVH Subsidiary has reported all income and all other amounts and information required by applicable Laws to be reported on each such Tax Return. Each such Tax Return is true, correct and complete in all material respects.
- (o) SVH and each SVH Subsidiary has paid, within the prescribed period, all Taxes and instalments of Taxes which are required to be paid to any Governmental Entity pursuant to applicable Laws. No deficiency with respect to the payment of any Taxes or Tax instalments has been asserted against SVH or any SVH Subsidiary by any Governmental Entity. Since the date of the SVH Financial Statements, SVH and each SVH Subsidiary has not:
 - (i) incurred any liability for Taxes;
 - (ii) engaged in any transaction or event which would result in any liability for Taxes; or
 - (iii) realized any income or gain for Tax purposes,other than, in each case, in the Ordinary Course. SVH has made full and adequate provision in the SVH Financial Statements in accordance with IFRS for all Taxes which are not yet due and payable.
- (p) SVH and each SVH Subsidiary has duly and timely withheld and collected all Taxes required by applicable Laws to be withheld or collected by it and SVH and each SVH Subsidiary has duly and timely remitted to the appropriate Tax Authority all such Taxes as and when required by applicable Laws.
- (q) There are no proceedings, investigations or audits pending or, to the knowledge of the Seller, threatened against SVH or any SVH Subsidiary in respect of any Taxes. No event has occurred or circumstance exists which would reasonably be expected to give rise to or serve as a valid basis for the commencement of any such proceeding, investigation or audit. There are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes.
- (r) SVH and each SVH Subsidiary has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business and with all Laws, tariffs and directives material to its operation.
- (s) SVH and the SVH Subsidiaries, own, hold, possess or lawfully use in the operation of its respective business all licenses, authorizations, consents and approvals which are necessary for them to conduct the business as presently or previously conducted or for the ownership and use of their assets in compliance with all applicable Laws. All such licenses,

authorizations, consents and approvals are set forth in Section 3.1(s) of the SVH Disclosure Letter (the “**SVH Gaming Licenses**”).

- (t) Section 3.1(s) of the Disclosure Letter, sets out all issued or pending Gaming Licenses, including the application to the Alcohol and Gaming Commission of Ontario for a license to be a registered internet gaming operator in Ontario (“**Ontario Gaming License**”), along with the registration details and status of each license and SVH has provided a complete and accurate copy of all such Gaming Licenses and amendments thereto to KEG, as well as material correspondence related thereto with any Governmental Entity or otherwise.
- (u) SVH and the SVH Subsidiaries are the lawful holders of the Gaming Licenses set forth beside its name and such Gaming Licenses are valid, subsisting and in good standing and there is no allegation that the activities conducted by SVH or the SVH Subsidiaries, as the case may be, is in contravention of the terms of the Gaming Licenses and no proceeding is pending threatened in relation to, and no grounds exist to revoke or limit such Gaming Licenses and such Licenses are not subject to compliance checks or under any investigation by any Governmental Entity.
- (v) Except as set out in Section 3.1(v) of the SVH Disclosure Letter, there is no requirement to make any filing with or give any notice to any Governmental Entity or body, or obtain any consent, order, permit, approval, waiver, licence or similar authorization from any third party or governmental agency pursuant to any Gaming License in connection with the Amalgamation or the completion of the transactions contemplated by this Agreement.
- (w) Section 3.1(w) of the SVH Disclosure Letter sets out a list of (i) all IP Rights which are material to SVH’s or SVH Subsidiaries’ business and which are owned or used by the SVH and/or SVH Subsidiaries, and (ii) all material licenses or similar agreements to which SVH or SVH Subsidiaries is a party, either as licensee or licensor, with respect to IP Rights (collectively, the “**SVH Business IP**”). SVH has the full authority to use, and to continue to use after the Closing, the SVH Business IP and such use does not infringe upon or violate any rights (including IP Rights) of any other Person. The SVH Business IP is sufficient to conduct SVH’s and SVH Subsidiaries’ business as presently conducted. All material licenses or similar contracts to which SVH and/or SVH Subsidiaries is a party relating to SVH Business IP are in good standing and no default exists on the part of SVH or SVH Subsidiaries thereunder. To the extent that SVH or SVH Subsidiaries have elected to apply for registration of SVH Business IP, all such applications for registration of the SVH Business IP have been filed in a timely manner with the appropriate offices to preserve the rights thereto. SVH and each of the SVH Subsidiaries has maintained its registered SVH Business IP in full force and effect and has renewed or has made application for renewal of its registered SVH Business IP which are subject to expiration on or prior to the Closing; no royalty or other fee is required to be paid by SVH or SVH Subsidiaries to any other Person for the use of the SVH Business IP and there are no restrictions on the ability of SVH or SVH Subsidiaries to use those IP Rights, including any contract in relation to the operation or allocation of revenue with respect to online sports better or other gaming; and none of SVH or SVH Subsidiaries have (i) deposited the source code to any software included in the SVH Business IP with any escrow agent, (ii) disclosed any source code to any software included in the SVH Business IP to any Person, and (iii) no person has any right, contingent or otherwise to obtain access to or use any source code to any software included in the SVH Business IP; and none of the SVH Business IP incorporates, contains, relies upon or otherwise uses any software code that is subject to the terms and conditions of a “free software” license, “software libre” license, “public” license, or open-source software license.
- (x) Section 3.1(x) of the SVH Disclosure Letter sets out a list of all material Information Technology owned, licensed, used or held for use in connection with the SVH’s and each of the SVH Subsidiaries’ business (the “**SVH Business IT**”) and all Contracts relating to

maintenance and support, security, disaster recovery management and utilization of SVH Business IT (the “**SVH Business IT Contracts**”). Except as may be set out in Section 3.1(x) of the SVH Disclosure Letter, SVH and SVH Subsidiaries have performed all of the obligations required to be performed by it and is entitled to all benefits under each SVH Business IT Contract; and each of the SVH Business IT Contracts is in full force and effect, unamended and there exists no default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event, would become a default under, or a breach of, any SVH Business IT Contract. True, correct and complete copies of all SVH Business IT Contracts have been made available to KEG. Other than off-the-shelf software, SVH and SVH Subsidiaries do not own, license, use or hold for use any Information Technology.

- (y) None of the SVH Business IT depends upon any service, technology or data of any third party. Such SVH Business IT is sufficient for the conduct of SVH and SVH Subsidiaries’ business in the ordinary course after Closing. The use of any Information Technology by SVH and SVH Subsidiaries does not exceed the scope of the rights granted to such party with respect thereto, including any applicable limitation upon the usage, type or number of licenses, users, hardware, time, services or systems. No material changes or upgrades to the SVH Business IT is reasonably foreseen to be required for SVH or SVH Subsidiaries’ business in the next twenty four (24) months.
- (z) There has been no unauthorized access or breach of or security incident relating to SVH or SVH Subsidiaries’ Information Technology. SVH and each of the SVH Subsidiaries has in place appropriate physical, organizational and technological security measures, processes and safeguards to secure its Information Technology and business data from unauthorized use, copying, disclosure, modification, theft, destruction and threats that a reasonably prudent and diligent commercial entity would undertake in similar circumstances. Except as may be set out in Section 3.1(z) of the SVH Disclosure Letter, in the past three years, no written notice of a defect or default has been sent or received by SVH or SVH Subsidiaries in respect of any license or lease under which SVH or SVH Subsidiaries receive Information Technology.
- (aa) SVH and each of the SVH Subsidiaries maintain commercially reasonable data back-up procedures and data recovery procedures and tools to safeguard against loss or corruption of business or customer data in the event of a failure of the Information Technology. Disaster recovery plans are in place for SVH and each of the SVH Subsidiaries and are designed to ensure (but do not guarantee) that, in the event of a failure of the Information Technology operated by or on behalf of SVH or SVH Subsidiaries’ business, such Information Technology and the data and other material contained therein can be recovered or replaced without disruption to such business.
- (bb) SVH and each of the SVH Subsidiaries are, and at all times have been, in compliance with all applicable Privacy Laws with respect to their operation of the SVH’s and SVH Subsidiaries’ business. To the extent required by applicable Privacy Laws, SVH and each of the SVH Subsidiaries have notified and obtained all necessary consents for the collection, use, storage and processing of Personal Information from individuals about whom SVH or SVH Subsidiaries Process or direct the Processing of Personal Information, each in conformance with all applicable Privacy Laws. SVH and SVH Subsidiaries’ written privacy notices comply with applicable Privacy Laws regarding disclosure of how SVH Processes Personal Information about such individuals. True, complete, current and accurate copies of all written privacy notices and statements issued by SVH or SVH Subsidiaries regarding the SVH’s and SVH Subsidiaries’ business have been made available to KEG.
- (cc) SVH and each of the SVH Subsidiaries have contractually obligated all third-party service providers Processing Personal Information, in each case on behalf of SVH or SVH

Subsidiaries to (i) comply with applicable Privacy Laws; (ii) take reasonable steps to protect and secure Personal Information from loss, theft, unauthorized or unlawful Processing or other misuse; (iii) maintain a written information privacy and security program that establishes reasonable and appropriate measures to protect the privacy, operation, confidentiality, integrity and security of all Personal Information against any data or security breach; (iv) maintain, a written public-facing privacy policy that fully and accurately disclose how the third-party Processes Personal Information; and (v) all obligations required to be incorporated into such contracts by applicable Privacy Laws.

- (dd) SVH's and each SVH Subsidiaries' transfer of Personal Information pursuant to this Agreement does not, and will not, violate any applicable Privacy Laws.
- (ee) SVH and each of the SVH Subsidiaries: (i) is in compliance with applicable Anti-Spam Laws; (ii) has an express or implied consent that complies with the consent requirements under applicable Anti-Spam Laws, or is otherwise permitted under applicable Anti-Spam Laws, to send Commercial Electronic Messages; and (iii) has in place appropriate processes and practices to ensure compliance with the additional requirements of applicable Anti-Spam Laws for each Commercial Electronic Message sent or caused or permitted to be sent by SVH or SVH Subsidiaries.
- (ff) SVH and SVH Subsidiaries have not received any notice of any claims, investigations (including investigations by a Governmental Entity), or alleged violations of Laws (including without limitation, Privacy Laws and Anti-Spam Laws) with respect to Personal Information under the custody or control of SVH or SVH Subsidiaries, and to the knowledge of SVH, neither SVH nor any of the SVH Subsidiaries are the subject of any complaint, investigation or proceeding relating to Privacy Laws or Anti-Spam Laws.
- (gg) There are no suits, actions or litigation or arbitration proceedings or governmental proceedings in progress pending or, to the best of the knowledge of SVH, contemplated or threatened, to which SVH or any SVH Subsidiary is a party or to which the property of SVH or any SVH Subsidiary are subject, except where such suit, action or litigation or arbitration proceeding or governmental proceeding would not result in a Material Adverse Effect to SVH taken as a whole. There is not presently outstanding against SVH or any SVH Subsidiary any judgment, injunction, rule or order of any court, governmental department, commission, agency or arbitrator.
- (hh) SVH has never been a party to, subject to, or affected by, any unanimous shareholders agreement or declaration. There are no shareholders agreements, declarations, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the securities of the SVH and SVH is not a party to any agreement which in any manner affects the voting control of any of the shares of SVH.
- (ii) Neither SVH nor any SVH Subsidiary is subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.
- (jj) SVH has a valid contractual interest in all of its material properties and Assets, including, without limitation, all properties and Assets reflected in the SVH Financial Statements, free and clear of all Liens whatsoever, other than Permitted Liens.
- (kk) SVH has not received notice of any material defect in its title or claim to any of its Assets, or any notice from any third party claiming such an interest, and, for the period of time that SVH has owned the Assets, as applicable, all material relevant obligations of SVH have been performed and observed.

- (ll) Except as would not be reasonably expected to result in, individually or in the aggregate, a Material Adverse Effect, all of the Contracts which are material to the SVH and the SVH Subsidiaries on a consolidated basis are in full force and effect, and the SVH or one of the SVH Subsidiaries is entitled to all rights and benefits thereunder in accordance with the terms thereof there exists no default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event, would become a default under, or a breach of, any such Contract.
- (mm) There is no agreement, judgement, injunction, order or decree binding upon SVH that has or would reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of SVH or the conduct of business by SVH as currently conducted or contemplated, other than such agreements, judgments, injunctions orders or decrees as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.
- (nn) There are no payments required to be made to directors, officers, consultants and employees of SVH or any SVH Subsidiary as a result of this Agreement or the Amalgamation under all contract settlements, bonus plans, retention agreements, change of control agreements and severance obligations (whether resulting from termination, change of control or alteration of duties).
- (oo) SVH is not a party to any written management contract or employment agreement which provides for a right of payment in the event of a change in control of SVH.
- (pp) Except for customary indemnity to its directors and officers, SVH is not a party to or bound by any agreement, guarantee, indemnification, or endorsement or like commitment respecting the obligations, liabilities (contingent or otherwise) or indebtedness of any Person, firm or corporation, other than as provided in the Ordinary Course, in transfer agency agreements, underwriting and agency agreements and agreements in connection with indebtedness of SVH outstanding on the date hereof.
- (qq) SVH is not in any discussions and has not entered any outstanding proposals, letters of intent, agreements or any understandings with any Person (other than KEG) with respect to an amalgamation, merger, business combination or similar transaction,
- (rr) Except as may be set out in Section 3.1(ff) of the SVH Disclosure Letter, SVH is not a party to any lease, management or service agreement that cannot be immediately terminated without notice or penalty or both.
- (ss) SVH is not a "reporting issuer" within the meaning of the *Securities Act* (Ontario) and does not have a similar status in any other province or territory of Canada. No securities commission or similar regulatory authority has issued any order which is currently outstanding preventing or suspending trading in any securities of SVH, no such proceeding is, to the knowledge of SVH, pending, contemplated or threatened and SVH is not, to its knowledge, in default of any requirement of any securities laws, rules or policies applicable to SVH or its securities.
- (tt) Other than the filing of the Articles of Amalgamation, no filing or registration with, or authorization, consent or approval of any domestic or foreign public body or authority is necessary by SVH in connection with the consummation of the Amalgamation, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have any Material Adverse Effect on the ability of SVH to consummate the transactions contemplated hereby. Without limiting the generality of the foregoing, the offering and issuance of the securities of KEG to the SVH securityholders in accordance with the terms of this Agreement is exempt from prospectus or registration requirements under applicable securities Laws and no prospectus,

registration statement or other document must be filed, and no authorization is required to be made, taken or obtained under applicable securities laws to permit the issuance of the securities of KEG.

- (uu) Except for the retention of Canaccord Genuity Corp., Cormark Securities Inc., Haywood Securities Inc. and such other agents as form part of the syndicate of agents in connection with the SVH Offering and, in the case of Canaccord Genuity Corp., as financial advisor in connection with the Amalgamation, SVH has not retained and will not retain any financial advisor, broker, agent or finder, or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement or the Amalgamation, any transaction contemplated hereby or any transaction presently ongoing or contemplated.
- (vv) All information concerning SVH and each SVH Subsidiary made available to KEG by SVH is accurate, true and correct in all material respects and does not omit any statement to make such information misleading in light of the circumstances.
- (ww) Except with respect to the Regulatory Approvals and the requisite approvals in respect of the Amalgamation Resolution, there are no third party consents required to be obtained by SVH in order to complete the transactions contemplated hereby.
- (xx) Neither this Agreement nor any Ancillary Agreement to which SVH is a party contains any untrue statement of a material fact in respect of SVH, the affairs, prospects, operations or condition of SVH or the Assets.
- (yy) The buildings, plants, structures, vehicles, equipment, technology and communications hardware and other tangible personal property of SVH are structurally sound, in good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put. None of such buildings, plants, structures, vehicles, equipment or other property are in need of maintenance or repairs except for routine maintenance and repairs in the Ordinary Course that are not material in nature or cost.
- (zz) Neither SVH nor any SVH Subsidiary nor, any director, officer, employee nor, to the knowledge of SVH, any consultant of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to SVH and any SVH Subsidiary, including but not limited to the U.S. Foreign Corrupt Practices Act, Canada's Corruption of Foreign Public Officials Act, and Canada's Criminal Code or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any government official, whether directly or through any other Person, for the purpose of influencing any act or decision of a government official in his or her official capacity; inducing a government official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a government official to influence or affect any act or decision of any Governmental Entity; or assisting any representative of SVH or any SVH Subsidiary in obtaining or retaining business for or with, or directing business to, any Person; or (Y) to any Person, in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither SVH nor any SVH Subsidiary nor, any director, officer, employee nor, and to the knowledge of SVH, any consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded SVH or any SVH Subsidiary or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Entity responsible for enforcing anti-bribery or anti-corruption Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance

with any such Laws, or received any notice, request, or citation from any person alleging non-compliance with any such Laws.

- (aaa) Neither SVH nor any SVH Subsidiary, directors, officers, employees, nor, to the knowledge of SVH, any consultant of the foregoing, has engaged in a transaction that involves the proceeds of crime in violation of any Anti-Money Laundering Laws. To the extent applicable, SVH and any SVH Subsidiary: (i) conducts its business in compliance with all applicable Anti-Money Laundering Laws; and (ii) there are no current, pending or threatened legal, regulatory, or administrative proceedings, filings, orders, or investigations by any Governmental Authority alleging any violation of any Anti-Money Laundering Laws by SVH, any SVH Subsidiary, or any of their respective directors, officers, or employees, nor any other written or verbal allegation of non-compliance with Anti-Money Laundering Laws. SVH and any SVH Subsidiary maintains, to the extent applicable, all required permits, licenses, consents, registrations, authorizations or other approvals issued by any applicable Governmental Authority required to engage in money transmission or virtual currency activity under Anti-Money Laundering Laws.
- (bbb) No employees of SVH or any SVH Subsidiary are covered by any collective bargaining agreement.
- (ccc) Each person providing services to SVH as an independent contractor has been properly classified as an independent contractor and SVH has not received any notice in writing or any oral notice from any Governmental Entity disputing such classification.
- (ddd) There are no representation questions, arbitration proceedings, labour strikes, slow-downs or stoppages, material grievances, or other labour troubles pending or, to the knowledge of SVH, threatened with respect to the employees of SVH or any SVH Subsidiary.
- (eee) To the best of SVH's knowledge, there are no present or pending applications for certification (or the equivalent procedure under any applicable Law) of any union as the bargaining agent for any employees of SVH.
- (fff) SVH and each SVH Subsidiary is in material compliance with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, including worker classification Laws, and neither SVH nor any SVH Subsidiary has engaged in any unfair labour practice, nor has there ever been any material labour disruption.
- (ggg) SVH does not maintain or contribute to any Employee Plan.
- (hhh) None of the directors or officers of SVH or any associate or affiliate of any of the foregoing has any interest, direct or indirect, in any transaction or any proposed transaction with SVH that is material to SVH, other than interests with respect to the transactions contemplated by this Agreement arising solely due to ownership of securities of SVH. SVH is not indebted to: (i) any director, officer or shareholder of SVH (other than in respect of the reimbursement of expenses incurred on behalf of SVH in the Ordinary Course); (ii) any individual related to any of the foregoing by blood, marriage or adoption; or (iii) any Person controlled, directly or indirectly, by any one or more of those Persons referred to in this Section 3.1(hhh). None of those Persons referred to in this Section 3.1(hhh) is indebted to SVH or any SVH Subsidiary. SVH is not currently a party to any Contract or understanding with any officer, director, shareholder or any other Person not dealing at arm's length with SVH.
- (iii) The Assets of SVH include all rights, assets and property necessary for the conduct of SVH's business after Closing substantially in the same manner as it was conducted prior

to Closing and no other property rights are needed in order to conduct the business of SVH after Closing in substantially the same manner as such business was conducted prior to Closing. There are no restrictions on the ability of SVH to use, transfer or otherwise exploit any such property rights, and SVH does not know of any basis for a claim that may adversely affect such rights.

- (jjj) Except to the extent as will be reflected or reserved against in the SVH Financial Statements, or incurred in the Ordinary Course since the most recent date of the SVH Financial Statements, SVH nor any SVH Subsidiary does not have any material outstanding indebtedness or any material Liabilities or obligations (whether accrued, accruing, absolute, contingent or otherwise) and, except for such Liabilities which may be contemplated hereunder or which KEG approves before being incurred, any Liabilities or obligations incurred in the Ordinary Course since the most recent date of the SVH Financial Statements, will not have had a Material Adverse Effect on the financial condition of SVH or any SVH Subsidiary as at the Closing Date.
- (kkk) Except as would not be reasonably expected to result in, individually or in the aggregate, a Material Adverse Effect, all of the Contracts which are material to the SVH and the SVH Subsidiaries on a consolidated basis are in full force and effect, and the SVH or one of the SVH Subsidiaries is entitled to all rights and benefits thereunder in accordance with the terms thereof.
- (III) SVH is not a “non-Canadian” within the meaning of the Investment Canada Act.

Article 4

REPRESENTATIONS AND WARRANTIES OF KEG

4.1 Representations and Warranties of KEG.

KEG represents and warrants as follows to SVH and acknowledges and confirms that SVH is relying on such representations and warranties in connection with the transactions contemplated by this Agreement:

- (a) KEG is a corporation incorporated and existing under the Province of Ontario, and has the corporate power and authority to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party.
- (b) The KEG Subsidiaries are the only Subsidiaries of KEG and KEG, or one of the KEG Subsidiaries, are the sole shareholders of each KEG Subsidiary. Each KEG Subsidiary is duly incorporated and validly existing under the laws of its jurisdiction of existence, and has the requisite corporate power and authority to carry on its business as it is now being conducted.
- (c) KEG is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on KEG.
- (d) Each KEG Subsidiary is duly registered to do business and is in good standing in each jurisdiction in which the character of its Assets, owned or leased, or the nature of its activities, make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on KEG.
- (e) The execution and delivery of and performance by KEG of this Agreement and each of the Ancillary Agreements to which it is a party, and the consummation of the transactions

contemplated by them have been duly authorized by all necessary corporate action on the part of KEG.

- (f) The execution and delivery of and performance by KEG of this Agreement, and by KEG of each of the Ancillary Agreements to which it is a party:
 - (i) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a violation or breach of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of its Constatng Documents;
 - (ii) do not and will not (or would not with the giving of notice, the lapse of time or the happening or any other event or condition) constitute or result in a breach or violation of, or conflict with or allow any other Person to exercise any rights under, any of the terms or provisions of any material contracts to which it is a party; and
 - (iii) do not and will not result in the violation of any Law.
- (g) This Agreement and each of the Ancillary Agreements to which KEG is a party have been duly executed and delivered by KEG and constitute legal, valid and binding agreements of KEG enforceable against it in accordance with their respective terms subject only to any limitation under applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (h) KEG has an authorized capital of an unlimited number of KEG Shares, of which, as of the date hereof, KEG has issued and outstanding 68,463,500 KEG Shares. In addition, as of the date hereof, there are 10,012,000 KEG Options outstanding.
- (i) Except as aforesaid and for the KEG Options and as otherwise set out in Section 4.1(i) of the KEG Disclosure Letter, there are no outstanding shares of KEG or options, warrants, rights or conversion or exchange privileges or other securities entitling anyone to acquire any shares of KEG or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by KEG of any shares of KEG (including KEG Shares) or any securities convertible into, exchangeable or exercisable for, or otherwise evidencing a right to acquire, any KEG Shares or other equity securities of KEG. All outstanding KEG Shares have been duly authorized and validly issued, and are fully paid and non-assessable and are not subject to, nor have they been issued in violation of any pre-emptive rights, and all KEG Shares issuable upon exercise of the KEG Options will, when issued in accordance with their respective terms, be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.
- (j) there are no outstanding options, warrants, rights, conversion or exchange privileges, or other securities entitling any Person to acquire any shares or other equity securities of any KEG Subsidiary, or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by any KEG Subsidiary of any shares or other equity securities, or any securities convertible into, exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares or other equity securities of any KEG Subsidiary.
- (k) There are no suits, actions or litigation or arbitration proceedings or governmental proceedings in progress pending or, to the best of the knowledge of KEG, contemplated or threatened, to which KEG or any KEG Subsidiary is a party or to which the property of KEG

or any KEG Subsidiary are subject, except where such suit, action or litigation or arbitration proceeding or governmental proceeding would not result in a Material Adverse Effect to KEG taken as a whole. There is not presently outstanding against KEG or any KEG Subsidiary any judgment, injunction, rule or order of any court, governmental department, commission, agency or arbitrator.

- (l) KEG is a “reporting issuer” under the laws of British Columbia, Alberta, Ontario and Manitoba and is not in default in any material respect of any requirements of applicable Canadian provincial securities Laws related thereto. KEG is not, as at the date hereof, included on the list of defaulting reporting issuers maintained by any of the applicable securities regulatory authorities.
- (m) The KEG Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with prior periods and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of KEG as at the respective dates of the KEG Financial Statements and the sales, earnings and results of operations of KEG for the respective periods covered by the KEG Financial Statements.
- (n) Since the date of the KEG Financial Statements, KEG and each of the KEG Subsidiaries have conducted their businesses only in the Ordinary Course. Since the date of the KEG Financial Statements, (i) there has been no Material Adverse Effect on KEG or any KEG Subsidiary, or any condition, event or development involving a prospective change that would constitute a Material Adverse Effect on KEG or any KEG Subsidiary, and (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to KEG has been incurred, other than in the Ordinary Course.
- (o) KEG has prepared and filed all Tax Returns within the prescribed period with the appropriate Governmental Entity in accordance with applicable Laws. KEG has reported all income and all other amounts and information required by applicable Laws to be reported on each such Tax Return. Each such Tax Return is true, correct and complete in all material respects.
- (p) KEG has paid, within the prescribed period, all Taxes and instalments of Taxes which are required to be paid to any Governmental Entity pursuant to applicable Laws. No deficiency with respect to the payment of any Taxes or Tax instalments has been asserted against it by any Governmental Entity. Since the date of the KEG Financial Statements, KEG has not:
 - (i) incurred any liability for Taxes;
 - (ii) engaged in any transaction or event which would result in any liability for Taxes;
or
 - (iii) realized any income or gain for Tax purposes,

other than, in each case, in the Ordinary Course. KEG has made full and adequate provision in the KEG Financial Statements in accordance with IFRS for all Taxes which are not yet due and payable.

- (q) KEG has duly and timely withheld and collected all Taxes required by applicable Laws to be withheld or collected by it and has duly and timely remitted to the appropriate Tax Authority all such Taxes as and when required by applicable Laws.
- (r) There are no proceedings, investigations or audits pending or, to the knowledge of the Seller, threatened against KEG in respect of any Taxes. No event has occurred or circumstance exists which would reasonably be expected to give rise to or serve as a valid basis for the commencement of any such proceeding, investigation or audit. There are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes.
- (s) KEG and each KEG Subsidiary has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business and with all Laws, tariffs and directives material to its operation.
- (t) KEG and the KEG Subsidiaries, own, hold, possess or lawfully use in the operation of its respective business all licenses, authorizations, consents and approvals which are necessary for them to conduct the business as presently or previously conducted or for the ownership and use of their assets in compliance with all applicable Laws. All such licenses, authorizations, consents and approvals are set forth in Section 4.1(t) of the KEG Disclosure Letter (the "**KEG Gaming Licenses**").
- (u) Section 4.1(u) of the Disclosure Letter, sets out all issued or pending Gaming Licenses, along with the registration details and status of each license and KEG has provided a complete and accurate copy of all such KEG Gaming Licenses and amendments thereto to SVH, as well as material correspondence related thereto with any Governmental Entity or otherwise.
- (v) there is no requirement to make any filing with or give any notice to any Governmental Entity or body, or obtain any consent, order, permit, approval, waiver, licence or similar authorization from any third party or governmental agency pursuant to any Gaming License in connection with the Amalgamation or the completion of the transactions contemplated by this Agreement.
- (w) Section 4.1(w) of the KEG Disclosure Letter sets out a list of (i) all IP Rights which are material to KEG's or KEG Subsidiaries' business and which are owned or used by the KEG and/or KEG Subsidiaries, and (ii) all material licenses or similar agreements to which KEG or KEG Subsidiaries is a party, either as licensee or licensor, with respect to IP Rights (collectively, the "**KEG Business IP**"). KEG has the full authority to use, and to continue to use after the Closing, the KEG Business IP and such use does not infringe upon or violate any rights (including IP Rights) of any other Person. The KEG Business IP is sufficient to conduct KEG's and KEG Subsidiaries' business as presently conducted. All material licenses or similar contracts to which KEG and/or KEG Subsidiaries is a party relating to KEG Business IP are in good standing and no default exists on the part of KEG or KEG Subsidiaries thereunder. All applications for registration of the KEG Business IP have been filed in a timely manner with the appropriate offices to preserve the rights thereto. KEG and each of the KEG Subsidiaries has maintained its registered KEG Business IP in full force and effect and has renewed or has made application for renewal of its registered KEG Business IP which are subject to expiration on or prior to the Closing. No royalty or other fee is required to be paid by KEG or KEG Subsidiaries to any other Person for the use of the KEG Business IP and there are no restrictions on the ability of KEG or KEG Subsidiaries to use those IP Rights, including any contract in relation to the operation or allocation of revenue with respect to online sports better or other gaming. None of KEG or KEG Subsidiaries have (i) deposited the source code to any software included in the KEG Business IP with any escrow agent; (ii) disclosed any source code to any software included in the KEG Business IP to any Person; and (iii) no person has any right, contingent or otherwise to obtain access to or use any source code to any software

included in the KEG Business IP. None of the KEG Business IP incorporates, contains, relies upon or otherwise uses any software code that is subject to the terms and conditions of a “free software” license, “software libre” license, “public” license, or open-source software license.

- (x) Section 4.1(x) of the KEG Disclosure Letter sets out a list of all Information Technology owned, licensed, used or held for use in connection with the KEG’s and each of the KEG Subsidiaries’ business (the “**KEG Business IT**”) and all Contracts relating to maintenance and support, security, disaster recovery management and utilization of KEG Business IT (the “**KEG Business IT Contracts**”). KEG and KEG Subsidiaries have performed all of the obligations required to be performed by it and is entitled to all benefits under each KEG Business IT Contract. Each of the KEG Business IT Contracts is in full force and effect, unamended and there exists no default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event, would become a default under, or a breach of, any KEG Business IT Contract. True, correct and complete copies of all KEG Business IT Contracts have been made available to SVH. Other than as disclosed in Section 4.1(x) of the KEG Disclosure Letter and other than off-the-shelf software, KEG and KEG Subsidiaries do not own, license, use or hold for use any Information Technology.
- (y) Except as set out in Section 4.1(y) of the KEG Disclosure Letter, none of the KEG Business IT depends upon any service, technology or data of any third party. Such KEG Business IT is sufficient for the conduct of KEG and KEG Subsidiaries’ business in the ordinary course after Closing. The use of any Information Technology by KEG and KEG Subsidiaries does not exceed the scope of the rights granted to such party with respect thereto, including any applicable limitation upon the usage, type or number of licenses, users, hardware, time, services or systems. No material changes or upgrades to the KEG Business IT is reasonably foreseen to be required for KEG or KEG Subsidiaries’ business in the next twenty four (24) months.
- (z) There has been no unauthorized access or breach of or security incident relating to KEG or KEG Subsidiaries’ Information Technology. KEG and each of the KEG Subsidiaries has in place appropriate physical, organizational and technological security measures, processes and safeguards to secure its Information Technology and business data from unauthorized use, copying, disclosure, modification, theft, destruction and threats that a reasonably prudent and diligent commercial entity would undertake in similar circumstances. In the past three years, no written notice of a defect or default has been sent or received by KEG or KEG Subsidiaries in respect of any license or lease under which KEG or KEG Subsidiaries receive Information Technology.
- (aa) KEG and each of the KEG Subsidiaries maintain commercially reasonable data back-up procedures and data recovery procedures and tools to safeguard against loss or corruption of business or customer data in the event of a failure of the Information Technology. Disaster recovery plans are in place for KEG and each of the KEG Subsidiaries and are designed to ensure that, in the event of a failure of the Information Technology operated by or on behalf of KEG or KEG Subsidiaries’ business, such Information Technology and the data and other material contained therein can be recovered or replaced without disruption to such business.
- (bb) KEG and each of the KEG Subsidiaries are, and at all times have been, in compliance with all applicable Privacy Laws with respect to their operation of the KEG’s and KEG Subsidiaries’ business. To the extent required by applicable Privacy Laws, KEG and each of the KEG Subsidiaries have notified and obtained all necessary consents for the collection, use, storage and processing of Personal Information from individuals about whom KEG or KEG Subsidiaries Process or direct the Processing of Personal Information, each in conformance with all applicable Privacy Laws. KEG and KEG Subsidiaries’ written

privacy notices comply with applicable Privacy Laws regarding disclosure of how KEG Processes Personal Information about such individuals. True, complete, current and accurate copies of all written privacy notices and statements issued by KEG or KEG Subsidiaries regarding the KEG's and KEG Subsidiaries' business have been made available to KEG.

- (cc) KEG and each of the KEG Subsidiaries have contractually obligated all third-party service providers Processing Personal Information, in each case on behalf of KEG or KEG Subsidiaries to (i) comply with applicable Privacy Laws; (ii) take reasonable steps to protect and secure Personal Information from loss, theft, unauthorized or unlawful Processing or other misuse; (iii) maintain a written information privacy and security program that establishes reasonable and appropriate measures to protect the privacy, operation, confidentiality, integrity and security of all Personal Information against any data or security breach; (iv) maintain, a written public-facing privacy policy that fully and accurately disclose how the third-party Processes Personal Information; and (v) all obligations required to be incorporated into such contracts by applicable Privacy Laws.
- (dd) KEG's and each of the KEG Subsidiaries' transfer of Personal Information pursuant to this Agreement does not, and will not, violate any applicable Privacy Laws.
- (ee) KEG and each of the KEG Subsidiaries: (i) is in compliance with applicable Anti-Spam Laws; (ii) has an express or implied consent that complies with the consent requirements under applicable Anti-Spam Laws, or is otherwise permitted under applicable Anti-Spam Laws, to send Commercial Electronic Messages; and (iii) has in place appropriate processes and practices to ensure compliance with the additional requirements of applicable Anti-Spam Laws for each Commercial Electronic Message sent or caused or permitted to be sent by KEG or KEG Subsidiaries.
- (ff) KEG and KEG Subsidiaries have not received any notice of any claims, investigations (including investigations by a Governmental Entity), or alleged violations of Laws (including without limitation, Privacy Laws and Anti-Spam Laws) with respect to Personal Information under the custody or control of KEG or KEG Subsidiaries, and to the knowledge of KEG, neither KEG nor any of the KEG Subsidiaries are subject of any complaint, investigation or proceeding relating to Privacy Laws or Anti-Spam Laws.
- (gg) Other than pursuant to the Loan Agreement, neither KEG or any KEG Subsidiary is subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.
- (hh) KEG has a valid contractual interest in all of its material properties and Assets, including, without limitation, all properties and Assets reflected in the KEG Financial Statements, free and clear of all Liens whatsoever, other than Permitted Liens.
- (ii) KEG has not received notice of any material defect in its title or claim to any of its Assets, or any notice from any third party claiming such an interest, and, for the period of time that KEG has owned the Assets, as applicable, all material relevant obligations of KEG have been performed and observed.
- (jj) Except as would not be reasonably expected to result in, individually or in the aggregate, a Material Adverse Effect, all of the Contracts which are material to KEG and the KEG Subsidiaries on a consolidated basis are in full force and effect, and KEG is entitled to all rights and benefits thereunder in accordance with the terms thereof there exists no default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event, would become a default under, or a breach of, any such Contract.

- (kk) There is no agreement, judgement, injunction, order or decree binding upon KEG that has or would reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of KEG or the conduct of business by KEG as currently conducted or contemplated, other than such agreements, judgments, injunctions orders or decrees as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.
- (ll) Except as set out in Section 4.1(II) of the KEG Disclosure Letter, there are no payments required to be made to directors, officers, consultants and employees of KEG or any KEG Subsidiary as a result of this Agreement or the Amalgamation under all contract settlements, bonus plans, retention agreements, change of control agreements and severance obligations (whether resulting from termination, change of control or alteration of duties).
- (mm) KEG is not a party to any written management contract or employment agreement which provides for a right of payment in the event of a change in control of KEG.
- (nn) Except for customary indemnity to its directors and officers, KEG is not a party to or bound by any agreement, guarantee, indemnification, or endorsement or like commitment respecting the obligations, liabilities (contingent or otherwise) or indebtedness of any Person, firm or corporation, other than as provided in the Ordinary Course, in transfer agency agreements, underwriting and agency agreements and agreements in connection with indebtedness of KEG outstanding on the date hereof.
- (oo) The common shares of KEG are listed and posted for trading solely on the CSE and other than as publicly disclosed, no order ceasing or suspending trading in any securities of KEG is currently outstanding and no proceeding for such purpose are pending, or to the knowledge of KEG, threatened.
- (pp) KEG has filed all proxy circulars, reports and other continuous disclosure documents required to be filed by it by applicable Canadian provincial securities Laws (“**Securities Reports**”). Each Securities Report was, as of the date of filing, in compliance in all material respects with all applicable requirements under applicable Canadian provincial securities Laws and none of the Securities Reports, as of their respective filing dates, contained any Misrepresentation. No material change has occurred in relation to KEG which is not disclosed in the Securities Reports, and KEG has not filed any confidential material change reports which continue to remain confidential.
- (qq) KEG is not in any discussions and has not entered any outstanding proposals, letters of intent, agreements or any understandings with any Person (other than SVH) with respect to an amalgamation, merger, business combination or similar transaction.
- (rr) KEG is not a party to any lease, management or service agreement that cannot be immediately terminated without notice or penalty or both.
- (ss) Except for the retention of Cormark Securities Inc. and Haywood Securities Inc., KEG has not retained any financial advisor, broker, agent or finder, or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement or the Amalgamation, any transaction contemplated hereby or any transaction presently ongoing or contemplated.
- (tt) All information concerning KEG and each KEG Subsidiary made available to SVH by KEG is accurate, true and correct in all material respects and does not omit any statement to make such information misleading in light of the circumstances.

- (uu) Except with respect to the Regulatory Approvals and the requisite approvals in respect of the resolutions of the KEG Shareholders passed in connection with the KEG Meeting and except as set out in Section 4.1(uu) of the KEG Disclosure Letter, there are no third party consents required to be obtained by KEG in order to complete the transactions contemplated hereby.
- (vv) The buildings, plants, structures, vehicles, equipment, technology and communications hardware and other tangible personal property of KEG are structurally sound, in good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put. None of such buildings, plants, structures, vehicles, equipment or other property are in need of maintenance or repairs except for routine maintenance and repairs in the Ordinary Course that are not material in nature or cost.
- (ww) Neither KEG nor any KEG Subsidiary nor, any director, officer, employee nor, to the knowledge of KEG, any consultant of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to KEG and any KEG Subsidiary, including but not limited to the U.S. Foreign Corrupt Practices Act, Canada's Corruption of Foreign Public Officials Act, and Canada's Criminal Code or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any government official, whether directly or through any other Person, for the purpose of influencing any act or decision of a government official in his or her official capacity; inducing a government official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a government official to influence or affect any act or decision of any Governmental Entity; or assisting any representative of KEG or any KEG Subsidiary in obtaining or retaining business for or with, or directing business to, any Person; or (Y) to any Person, in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither KEG nor any KEG Subsidiary nor, any director, officer, employee nor, and to the knowledge of KEG, any consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded KEG or any KEG Subsidiary or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Entity responsible for enforcing anti-bribery or anti-corruption Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such Laws, or received any notice, request, or citation from any person alleging non-compliance with any such Laws.
- (xx) No employees of KEG or any KEG Subsidiary are covered by any collective bargaining agreement.
- (yy) Each person providing services to KEG as an independent contractor has been properly classified as an independent contractor and KEG has not received any notice in writing or any oral notice from any Governmental Entity disputing such classification.
- (zz) There are no representation questions, arbitration proceedings, labour strikes, slow-downs or stoppages, material grievances, or other labour troubles pending or, to the knowledge of KEG, threatened with respect to the employees of KEG or any KEG Subsidiary.
- (aaa) To the best of KEG's knowledge, there are no present or pending applications for certification (or the equivalent procedure under any applicable Law) of any union as the bargaining agent for any employees of KEG.

- (bbb) KEG and each KEG Subsidiary is in material compliance with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, including worker classification Laws, and neither KEG nor any KEG Subsidiary has engaged in any unfair labour practice, nor has there ever been any material labour disruption.
- (ccc) Except as set out in Section 4.1(ccc) of the KEG Disclosure Letter, KEG does not maintain or contribute to any Employee Plan.
- (ddd) None of the directors or officers of KEG or any associate or affiliate of any of the foregoing has any interest, direct or indirect, in any transaction or any proposed transaction with KEG that is material to KEG, other than interests with respect to the transactions contemplated by this Agreement arising solely due to ownership of securities of KEG. KEG is not indebted to: (i) any director, officer or shareholder of KEG (other than in respect of the reimbursement of expenses incurred on behalf of KEG in the Ordinary Course); (ii) any individual related to any of the foregoing by blood, marriage or adoption; or (iii) any Person controlled, directly or indirectly, by any one or more of those Persons referred to in this Section 4.1(ddd). None of those Persons referred to in this Section 4.1(ddd) is indebted to KEG or any KEG Subsidiary. KEG is not currently a party to any Contract or understanding with any officer, director, shareholder or any other Person not dealing at arm's length with KEG.
- (eee) The Assets of KEG include all rights, assets and property necessary for the conduct of KEG's business after Closing substantially in the same manner as it was conducted prior to Closing and no other property rights are needed in order to conduct the business of KEG after Closing in substantially the same manner as such business was conducted prior to Closing. There are no restrictions on the ability of KEG to use, transfer or otherwise exploit any such property rights, and KEG does not know of any basis for a claim that may adversely affect such rights.
- (fff) Except to the extent as will be reflected or reserved against in the KEG Financial Statements, or incurred in the Ordinary Course since the most recent date of the SVH Financial Statements, KEG nor any KEG Subsidiary does not have any material outstanding indebtedness or any material Liabilities or obligations (whether accrued, accruing, absolute, contingent or otherwise) and, except for such Liabilities which may be contemplated hereunder or which SVH approves before being incurred, any Liabilities or obligations incurred in the Ordinary Course since the most recent date of the KEG Financial Statements, will not have had a Material Adverse Effect on the financial condition of KEG or any KEG Subsidiary as at the Closing Date.
- (ggg) Except as would not be reasonably expected to result in, individually or in the aggregate, a Material Adverse Effect, all of the Contracts which are material to the KEG and the KEG Subsidiaries on a consolidated basis are in full force and effect, and the KEG or one of the KEG Subsidiaries is entitled to all rights and benefits thereunder in accordance with the terms thereof.

Article 5

COVENANTS OF THE PARTIES

5.1 Conduct of Businesses of KEG and SVH.

- (a) During the period between the date of this Agreement and the earlier of the Effective Date and the termination of this Agreement in accordance with its terms, except as otherwise expressly contemplated by this Agreement, KEG will conduct its business in the Ordinary Course.

- (b) Without limiting the generality of Section 5.1(a), KEG covenants as follows for the period between the date of this Agreement and the earlier of the Effective Date and the termination of this Agreement in accordance with its terms:
- (i) KEG's business shall be conducted only in the usual and Ordinary Course and KEG shall keep SVH apprised of all material developments relating thereto.
 - (ii) Except as set forth in Section 4.1(i) of the KEG Disclosure Letter, KEG shall not directly or indirectly do or permit to occur any of the following: (A) amend its Constatng Documents, other than as required to give effect to the Amalgamation and this Agreement; (B) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares (other than salaries and expense reimbursements made in the Ordinary Course); (C) issue (other than for the SVH Offering, pursuant to the Amalgamation or the issuance on exercise of currently outstanding KEG Options), grant, sell or pledge or agree to issue, grant, sell or pledge any shares of KEG, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of KEG, without the prior written approval of SVH; (D) redeem, purchase or otherwise acquire any of its outstanding shares or other securities, except as permitted hereunder; (E) split, combine or reclassify any of its shares and other than pursuant to the Amalgamation or as contemplated by this Agreement and/or in connection with the Consolidation; (F) reduce its stated capital; (G) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of KEG; (H) take any action, or refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere with or adversely affect the consummation of the Amalgamation; or (I) enter into or modify any contract, agreement or commitment with respect to any of the foregoing.
 - (iii) KEG shall not adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or agreements for the benefit of employees or consultants, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, or agreements.
 - (iv) KEG shall make payment of all accounts payable as same become due and payable and shall collect all accounts receivable in the Ordinary Course.
 - (v) KEG shall not incur any debt, except in the Ordinary Course.
 - (vi) KEG shall not incur any significant expenditure commitments, without the prior written approval of SVH.
 - (vii) KEG shall operate and maintain its assets in strict compliance with regulations and with good and prudent industry standards and practices and all applicable Laws, licenses and permits and will keep all leases, agreements, licenses and permits comprising its assets or necessary for the operation thereof in good standing and ensure that, at the Effective Date, all property and assets necessary or desirable to enable KEG to conduct its business (on a consolidated basis) following Closing in substantially the same manner as it was conducted as of the date of this Agreement and that KEG (on a consolidated basis) owns, with good title, all of the properties and assets that it purports to own including the properties and assets reflected as being owned in KEG's Financial Statements.

- (viii) KEG shall not grant any officer, director, employee or consultant an increase in compensation in any form or take any action with respect to the amendment or grant of any severance or termination pay policies for any directors, officers, employees or consultants, nor adopt or amend (other than to permit accelerated vesting of options) or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan from a trust fund for the benefit of directors, officers, employees or consultants, except as is necessary to comply with applicable local Law or with respect to existing provisions of any such plans, programs, arrangements or agreements.
 - (ix) KEG shall promptly notify SVH in writing of any Material Adverse Effect on KEG or of any material breach by KEG of any representation or warranty provided by KEG in this Agreement with respect to itself.
- (c) During the period between the date of this Agreement and the earlier of the Effective Date and the termination of this Agreement in accordance with its terms, except as otherwise expressly contemplated by this Agreement, SVH will conduct its business in the Ordinary Course.
- (d) Without limiting the generality of Section 5.1(c), SVH covenants as follows for the period between the date of this Agreement and the earlier of the Effective Date and the termination of this Agreement in accordance with its terms:
- (i) SVH's business shall be conducted only in the usual and Ordinary Course and SVH shall keep KEG apprised of all material developments relating thereto.
 - (ii) SVH shall not directly or indirectly do or permit to occur any of the following: (A) amend its Constatng Documents, other than as required to give effect to the Amalgamation; (B) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares (other than salaries and expense reimbursements made in the Ordinary Course); (C) issue (other than for the SVH Offering or pursuant to the Amalgamation), grant, sell or pledge or agree to issue, grant, sell or pledge any shares of SVH, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of SVH, without the prior written approval of KEG; (D) redeem, purchase or otherwise acquire any of its outstanding shares or other securities, except as permitted hereunder; (E) split, combine or reclassify any of its shares and other than pursuant to the Amalgamation or as contemplated by this Agreement; (F) reduce its stated capital; (G) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of SVH; (H) take any action, or refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere with or adversely affect the consummation of the Amalgamation; or (I) enter into or modify any contract, agreement or commitment with respect to any of the foregoing.
 - (iii) SVH shall not adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or agreements for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, or agreements.
 - (iv) SVH shall make payment of all accounts payable as same become due and payable and shall collect all accounts receivable in the Ordinary Course.

- (v) SVH shall not incur any debt, except in the Ordinary Course and pursuant to the Loan Agreement.
 - (vi) SVH shall not incur any significant expenditure commitments, without the prior written approval of KEG.
 - (vii) SVH shall operate and maintain its assets in strict compliance with regulations and with good and prudent industry standards and practices and all applicable Laws, licenses and permits and will keep all leases, agreements, licenses and permits comprising its Assets or necessary for the operation thereof in good standing.
 - (viii) SVH shall not grant any officer, director, employee or consultant an increase in compensation in any form or take any action with respect to the amendment or grant of any severance or termination pay policies for any directors, officers, employees or consultants, nor adopt or amend (other than to permit accelerated vesting of options) or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan from a trust fund for the benefit of directors, officers, employees or consultants, except as is necessary to comply with applicable local Law or with respect to existing provisions of any such plans, programs, arrangements or agreements.
 - (ix) SVH shall promptly notify KEG in writing of any Material Adverse Effect on SVH or of any material breach by KEG of any representation or warranty provided by KEG in this Agreement with respect to itself.
- (e) Subject to receipt of any necessary approvals, KEG shall complete the Consolidation immediately following the Amalgamation.

5.2 Actions to Satisfy Conditions

- (a) SVH shall take all such actions as are within its power to control and use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the applicable conditions precedent in favour of KEG as set forth in this Agreement and the Ancillary Agreements.
- (b) KEG shall take all such actions as are within its power to control and use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the applicable conditions precedent in favour of SVH as set forth in this Agreement and the Ancillary Agreements.

5.3 Confidential Information

- (a) Except as required by applicable Law, each Party will receive and maintain all information received from the other, and all reports, documents or work product based thereon (collectively, the “**Confidential Information**”), strictly in confidence and not disclose to any person, other than to its Representatives (who shall be subject to the same obligations), or make public or authorize the disclosure of any such Confidential Information and not use such Confidential Information for any purpose except for the purpose contemplated by this Agreement, whether or not the Closing occurs, unless: (i) the specific information is now or hereafter publicly disclosed other than as a result of a breach of this provision or, to the knowledge of the applicable party, as a result of breach of any other confidentiality provision; (ii) the specific information was in the possession of the disclosing party prior to the disclosure by the disclosing party; (iii) the specific information is hereafter disclosed to the disclosing party by a third party having no obligation of confidentiality with regard to the

information; (iv) the specific information is required to be disclosed, by law or by subpoena, civil investigative demand or similar process having force of law, in which case the receiving party shall give the disclosing party prompt notice so that it can seek a protective order or other appropriate remedy and shall disclose only that portion of the Confidential Information which is legally required; or the specific information is independently generated by the disclosing party without the use and not as a consequence of the disclosure by any person or entity.

- (b) In the event that the Amalgamation is not completed, each party must immediately return to the other or destroy all Confidential Information, without retaining any copy thereof *provided that* if electronic records containing Information are kept for the purposes of backup, recovery, contingency planning or business continuity planning (any such purpose, a “**Recovery Purpose**”) or are otherwise not accessible in the ordinary course of business, such records, to the extent not otherwise permanently deleted or overwritten in the ordinary course of business, may be retained but shall not be accessed except as required for a Recovery Purpose.

5.4 No Shop

- (a) From the date hereof until the Outside Date (the “**Standstill Period**”), each Party shall not, directly or indirectly through its Representatives or otherwise, (i) make, solicit, assist, initiate, encourage, discuss or otherwise facilitate any proposal, offer or enquiry from any other person relating to (A) any merger, amalgamation, consolidation, share exchange, recapitalization, reorganization, business combination, liquidation or dissolution involving themselves or any of their respective subsidiaries, (B) any sale of any material asset(s) or any of its subsidiaries outside the ordinary course of business, (C) any take-over bid or tender-offer for, or offer to acquire or subscribe for, any of its securities or any of its subsidiaries, or (D) any similar transaction or business combination involving either Party or any of its subsidiaries (any proposal, offer or enquiry relating to the transactions described in (A) through (D) being an “**Acquisition Proposal**”), (ii) enter into any agreement or commitment related to any Acquisition Proposal, (iii) provide or continue to provide any information (including as a result of any prior request or inquiry) with respect to any Acquisition Proposal, (iv) in the case of SVH, take any action to directly or indirectly seek the listing of SVH or its subsidiaries on any stock exchange, including by way of initial public offering, direct listing or reverse takeover, or (v) take any action to encourage or assist any third party to do any of the prohibited acts referred to in clauses (i) to (iv) above. The Parties and their respective Representatives shall also terminate any existing discussions with any third party with respect to an Acquisition Proposal. Notwithstanding the foregoing, nothing herein will restrict the Parties hereto and their respective directors, officers, employees, representatives or agents (including without limitation, investment bankers, attorneys and accountants) from taking such actions as may be required in order to discharge their obligations pursuant to applicable Laws.
- (b) In addition, and without derogation from its obligations under Section 3.1(h), except in connection with the Amalgamation, the SVH Offering and in the case of the exercise of outstanding SVH Options and SVH Warrants, SVH agrees not to issue, or enter into any agreement that may result in the issuance of any securities or right to acquire securities in the capital of SVH or SVH Subsidiaries.
- (c) Notwithstanding the foregoing, nothing herein will restrict the Parties hereto and their respective directors, officers, employees, representatives or agents (including without limitation, investment bankers, attorneys and accountants) from taking such actions as may be required in order to discharge their obligations pursuant to applicable corporate and securities Laws.

Article 6 CONDITIONS

6.1 Mutual Conditions Precedent

The Parties are not required to complete the Amalgamation, or any of the other transactions contemplated under this Agreement, unless each of the following conditions is satisfied on or prior to the Effective Date, which conditions may only be waived, in whole or in part, by the mutual written consent of each of the Parties:

- (a) Each Party will have obtained all required director, shareholder, third party and Governmental Entity consents, waivers and approvals for the Amalgamation and transactions contemplated under this Agreement, including, all necessary approvals of the CSE, having been made, given or obtained on terms acceptable to SVH and KEG, each acting reasonably.
- (b) No Law is in effect that makes the consummation of the Amalgamation illegal or otherwise prohibits or enjoins SVH or Subco from consummating the Amalgamation.
- (c) Each Regulatory Approval necessary to consummate the Amalgamation, including all necessary approvals of the CSE, has been made, given or obtained on terms acceptable to SVH and KEG, each acting reasonably, and each such Regulatory Approval is in force and has not been modified.
- (d) The latest available audited and unaudited financial statements of each of the Parties, as required by the CSE policies for inclusion in the Circular, and Listing Statement shall have been delivered and shall be true and correct and have been prepared in accordance with GAAP.
- (e) There shall not be any pending or threatened litigation in any court or any proceeding or investigation by any Governmental Entity in which it is or may be sought to restrain or prohibit consummation of the Amalgamation and related transactions or to obtain divestiture, rescission or damages in connection with the Amalgamation and related transactions.
- (f) All applicable securityholders shall have entered into the requisite escrow agreements and/or lock-up agreements required by the CSE.
- (g) SVH shall have received the Ontario License.
- (h) The KEG Shares set forth in Section 6.1 of the KEG Disclosure Letter shall, when issued, be subject to the legend restriction set out in Annex A of the Amalgamation Agreement.
- (i) All Resulting Issuer Shares to be issued to former holders of the SVH Shares shall be subject to the legend restriction set out in Annex A of the Amalgamation Agreement.

6.2 Conditions for the Benefit of KEG

- (a) The completion of the transactions contemplated hereunder is subject to the following conditions being satisfied at or prior to the Effective Date, which conditions are for the exclusive benefit of KEG and may be waived, in whole or in part, by KEG in its sole discretion:
 - (i) The representations and warranties of SVH which are qualified by references to materiality or by the expression "Material Adverse Effect" were true and correct as

of the date of this Agreement and are true and correct as of the Effective Date, in all respects, and all other representations and warranties of SVH were true and correct as of the date of this Agreement and are true and correct as of the Effective Date, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and SVH shall have executed and delivered a certificate of an officer to that effect.

- (ii) SVH shall have fulfilled or complied, in all material respects, with all covenants contained in this Agreement and the Ancillary Agreements to be fulfilled or complied with by SVH at or prior to the Effective Date, and SVH shall have executed and delivered a certificate of an officer to that effect.
 - (iii) To the extent required by the CSE or otherwise, KEG shall have received a positive fairness opinion in respect of the Transaction provided by a third party expert chosen and overseen by KEG.
 - (iv) Delivery of legal opinion addressed to KEG in form and substance satisfactory to KEG acting reasonably, with respect to the SVH operation in its material jurisdictions.
 - (v) Receipt of an Option Treatment Agreement from all SVH Option Holders.
 - (vi) There shall not have occurred a Material Adverse Effect with respect SVH.
- (b) SVH shall deliver or cause to be delivered to KEG at or prior to the Effective Date the following in form and substance satisfactory to KEG acting reasonably:
- (i) a certified copy of the Amalgamation Resolution;
 - (ii) a certified copy of (A) all resolutions of the board of directors of SVH approving the entering into of this Agreement and the completion of the Amalgamation transactions contemplated hereunder, and (B) a list of the directors and officers of SVH authorized to sign agreements together with their specimen signatures; and
 - (iii) a certificate of status, compliance, good standing or like certificate with respect to SVH issued by appropriate government officials of its jurisdiction of incorporation.

6.3 Conditions for the Benefit of SVH

- (a) The completion of the transactions contemplated hereunder is subject to the following conditions being satisfied at or prior to the Effective Date, which conditions are for the exclusive benefit of SVH and may be waived, in whole or in part, by SVH in its sole discretion:
- (i) The representations and warranties of KEG which are qualified by references to materiality or by the expression "Material Adverse Effect" were true and correct as of the date of this Agreement and are true and correct as of the Effective Date, in all respects, and all other representations and warranties of KEG were true and correct as of the date of this Agreement and are true and correct as of the Effective Date, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and KEG shall have executed and delivered a certificate of an officer to that effect.

- (ii) KEG shall have fulfilled or complied, in all material respects, with all covenants contained in this Agreement and any Ancillary Agreement to be fulfilled or complied with by it at or prior to the Effective Date, and KEG shall have executed and delivered a certificate of an officer to that effect.
 - (iii) Each of the required directors and officers of KEG and KEG Sub shall have resigned from their respective positions, other than those persons identified in Section 2.1(b)(xi).
 - (iv) Each of Adam Arviv, Jared Beber and Simon Legge shall have entered into employment agreements and restrictive covenant agreements with the Resulting Issuer.
 - (v) There shall not have occurred a Material Adverse Effect with respect to KEG.
- (b) KEG shall deliver or cause to be delivered to SVH at or prior to the Effective Date the following in form and substance satisfactory to SVH acting reasonably:
- (i) a certified copy of (A) all resolutions of the board of directors of such entity approving the entering into of this Agreement and the completion of the transactions contemplated hereunder, (B) all resolutions of the KEG Shareholders passed in connection with the KEG Meeting and (C) a list of the directors and officers authorized to sign agreements together with their specimen signatures; and
 - (ii) a certificate of status, compliance, good standing or like certificate with respect to KEG issued by appropriate government officials of their respective jurisdictions of incorporation.

Article 7 TERMINATION

7.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Date and the termination of this Agreement in accordance with its terms.

7.2 Termination Rights

This Agreement may, by Notice in writing given prior to the Effective Date, be terminated:

- (a) by mutual consent of SVH and KEG;
- (b) either SVH or KEG if:
 - (i) the approval of SVH Shareholders of the Amalgamation or the approval of KEG Shareholders of all matters to be considered at the KEG Meeting, is not obtained, provided that a Party may not terminate this Agreement pursuant to this Section 7.2(b)(i) if the failure to obtain such approval has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement;
 - (ii) after the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Amalgamation illegal or otherwise permanently prohibits or enjoins SVH or KEG from consummating the

Amalgamation, and such Law has, if applicable, become final and non-appealable;
or

- (iii) the Effective Date does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 7.2(b)(iii) if the failure of the Effective Date to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement.
- (c) by SVH if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of KEG under this Agreement occurs that would cause any condition in Section 6.3(a)(i) or Section 6.3(a)(ii) not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date; provided that SVH is not then in breach of this Agreement so as to cause any condition in Section 6.2(a)(i) or Section 6.2(a)(ii) not to be satisfied;
- (d) by KEG if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of SVH under this Agreement occurs that would cause any condition in Section 6.2(a)(i) or Section 6.2(a)(ii) not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date; provided that KEG is not then in breach of this Agreement so as to cause any condition in Section 6.3(a)(i) or Section 6.3(a)(ii) not to be satisfied; and
- (e) by any Party if it receives an Acquisition Proposal which it is required to proceed with in order for the respective directors to discharge their obligations pursuant to applicable Laws.

7.3 Effect of Termination

- (a) If a Party waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.
- (b) If this Agreement is terminated, the Parties are released from all of their respective obligations under this Agreement except that each Party's rights and obligations under Article 1, Section 5.3 and Article 8 will survive, and provided that no Party shall be relieved of any liability for the prior breach hereof.

Article 8 MISCELLANEOUS

8.1 Notices.

Any notice, direction or other communication (each a "**Notice**") given regarding the matters contemplated by this Agreement or any Ancillary Agreement must be in writing, sent by personal delivery, courier or by e-mail and addressed:

- (a) to KEG at:

Suite 1570-505 Burrard Street
Vancouver, British Columbia
V7X 1M5

Attention: Kelvin Lee, Chief Financial Officer
Email Address: klee@k2capital.ca

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

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, Ontario
M5K 1E7

Attention: Walled Soliman
Bruce Sheiner
Email Address: walled.soliman@nortonrosefulbright.com
bruce.sheiner@nortonrosefulbright.com

(b) to SVH at:

77 King St. West, Suite 700, P.O Box 118
Toronto, Ontario
M5K 1G8

Attention: Jared Beber
Email Address: jared.beber@bet99.com

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

Chitiz Pathak LLP
77 King St. West, Suite 700, P.O Box 118
Toronto, Ontario
M5K 1G8

Attention: Paul Pathak
Email Address: ppathak@chitizpathak.com

A Notice is deemed to be delivered and received (i) if sent by personal delivery, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by same-day service courier, on the date of delivery if sent on a Business Day and delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (iii) if sent by overnight courier, on the next Business Day, or (iv) if sent by e-mail, on the Business Day following the date of confirmation of transmission. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that Party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

8.2 Time of the Essence

Time is of the essence in this Agreement.

8.3 Announcements

The Parties agree that KEG shall issue a press release with respect to Amalgamation immediately following the execution of this Agreement, which press release shall be jointly approved by the Parties. No other

press release, public statement or announcement or other public disclosure (a **Public Statement**) with respect to this Agreement or the transactions contemplated in this Agreement may be made except with the prior written consent and joint approval of KEG and SVH, or if required by Law or a Governmental Entity. Where the Public Statement is required by Law or a Governmental Entity, the Party required to make the Public Statement will use commercially reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of the disclosure.

8.4 Expenses

Each Party will pay for its own costs and expenses incurred in connection with this Agreement and the transactions contemplated herein. Notwithstanding the foregoing, in the event of (i) a breach of 5.4(a), the breaching Party, or (ii) termination of this Agreement under Section 7.2(e), the Party receiving the Acquisition Proposal, shall pay to the other Party a break fee in the aggregate amount of \$5 million in cash in immediately available funds upon the specified event occurring.

8.5 Amendments

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Parties.

8.6 Waiver

No waiver of any of the provisions of this Agreement or any Ancillary Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

8.7 Entire Agreement

This Agreement, together with the Ancillary Agreements, constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, including the letter of intent dated April 13, 2022. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement or any Ancillary Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement and the Ancillary Agreements. If there is any conflict or inconsistency between the provisions of this Agreement and the provisions of any Ancillary Agreement, the provisions of this Agreement shall govern.

8.8 Successors and Assigns

- (a) This Agreement becomes effective only when executed by KEG and SVH. After that time, it will be binding upon and enure to the benefit of KEG and SVH and their respective successors and permitted assigns.
- (b) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Parties.

8.9 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect.

8.10 Governing Law.

- (a) This Agreement will be governed by and interpreted and enforced in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein.
- (b) Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the Ontario courts situated in the City of Toronto and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

8.11 Counterparts.

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or other form of electronic transmission) and all such counterparts taken together shall be deemed to constitute one and the same instrument.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have executed this Transaction Agreement.

KINGS ENTERTAINMENT GROUP INC.

Per: (Signed "Steven Budin")

Authorized Signatory

SPORTS VENTURE HOLDINGS INC.

Per: (Signed "Jared Beber")

Authorized Signatory

Schedule A
FORM OF AMALGAMATION AGREEMENT

See attached.

**SCHEDULE A
FORM OF AMALGAMATION AGREEMENT**

THIS AGREEMENT is dated as of the [●] day of [●], 2022,

BY AND AMONG:

SPORTS VENTURE HOLDINGS INC., a corporation existing under the laws of the Province of British Columbia

(hereinafter referred to as “**SVH**”)

OF THE FIRST PART;

- and -

1000212177 ONTARIO INC., a corporation existing under the laws of the Province of Ontario

(hereinafter referred to as “**Subco**”)

OF THE SECOND PART;

- and -

KINGS ENTERTAINMENT GROUP INC., a corporation existing under the laws of the Province of Ontario

(hereinafter referred to as “**KEG**”)

OF THE THIRD PART.

WHEREAS SVH and Subco wish to amalgamate and continue as one corporation to be known as “[●]” in accordance with the terms and conditions hereof;

AND WHEREAS Subco is a wholly-owned subsidiary of KEG and has not carried on active business;

AND WHEREAS KEG and SVH are parties to the Transaction Agreement (as defined below) which contemplates such amalgamation;

AND WHEREAS the parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the proposed amalgamation;

NOW THEREFORE THIS AGREEMENT WITNESSES that for and in consideration of the mutual covenants and agreements herein contained and other lawful and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Definitions.** In this Agreement (including the recitals hereto):
 - (a) “**Act**” means the *Business Corporations Act* (Ontario) as from time to time amended or re-enacted;
 - (b) “**Agreement**” means this amalgamation agreement;

- (c) **“Amalco”** means the continuing corporation constituted upon the amalgamation of the Amalgamating Parties pursuant to the Amalgamation;
- (d) **“Amalco Shares”** means the common shares in the capital of Amalco;
- (e) **“Amalgamating Parties”** means, collectively, SVH and Subco;
- (f) **“Amalgamation”** means the amalgamation of SVH and Subco on the terms and conditions set forth in this Agreement;
- (g) **“Articles of Amalgamation”** means the articles of amalgamation to be filed with the Ministry in order to effect the Amalgamation, substantially in the form agreed to between the Amalgamating Parties;
- (h) **“Business Combination”** means the business combination between KEG and SVH wherein KEG will acquire 100% of the issued and outstanding shares of SVH by way of the Amalgamation;
- (i) **“Business Combination Date”** means the date the Business Combination is completed, as evidenced by the issuance of the Certificate of Amalgamation giving effect to the Amalgamation;
- (j) **“Business Day”** means a day other than a Saturday, Sunday or a civic or statutory holiday in the City of Toronto, Ontario;
- (k) **“Certificate of Amalgamation”** means the certificate of amalgamation to be issued by the Director, as date stamped on the Articles of Amalgamation, evidencing that the Articles of Amalgamation are effective;
- (l) **“CSE”** means the Canadian Securities Exchange;
- (m) **“Director”** means the Director appointed under Section 278 of the Act;
- (n) **“Effective Time”** means 12:01 a.m. (Toronto time) on the Business Combination Date;
- (o) **“Exchange Ratio”** means [●];
- (p) **“KEG Shares”** means the common shares in the capital of KEG, as presently constituted on the date hereof.
- (q) **“Ministry”** means the Ontario Ministry of Government and Consumer Services;
- (r) **“Paid-up Capital”** has the meaning assigned to the term “paid-up capital” in subsection 89(1) of the *Income Tax Act* (Canada);
- (s) **“SVH Offering”** means a proposed private placement offering of equity securities of SVH or the KEG with expected proceeds to the Resulting Issuer of not less than \$5 million or such other amount as may be agreed, all on terms as may be agreed upon by SVH and KEG.
- (t) **“Subco Shares”** means the common shares in the capital of Subco;
- (u) **“SVH Securityholder”** means a registered holder owning SVH Shares immediately prior to the filing of the Articles of Amalgamation;

- (v) **"SVH Shares"** means the common shares in the capital of SVH, as presently constituted on the date hereof; and
 - (w) **"Transaction Agreement"** means the transaction agreement dated May [24], 2022 among KEG and SVH governing the terms and conditions of the Business Combination, as amended from time to time.
2. **Amalgamation.** In accordance with the Transaction Agreement, the Amalgamating Parties hereby agree to amalgamate and continue as one corporation under the provisions of the Act upon the terms and conditions hereinafter set out.
 3. **Certain Phrases, etc.** In this Agreement (i) the words "including", "includes" and "include" mean "including (or includes or include) without limitation", and (ii) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of". In the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".
 4. **Effect of Amalgamation.** At the Effective Time, subject to the Act:
 - (a) the amalgamation of the Amalgamating Parties and their continuance as one corporation, Amalco, under the terms and conditions prescribed in this Agreement shall be effective;
 - (b) the property, rights and interests of each of the Amalgamating Parties shall continue to be the property of Amalco;
 - (c) Amalco will be a wholly-owned subsidiary of KEG;
 - (d) Amalco shall continue to be liable for the obligations of each of the Amalgamating Parties;
 - (e) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Parties shall be unaffected;
 - (f) a legal proceeding prosecuted or pending by or against any of the Amalgamating Parties may be prosecuted, or its prosecution may be continued, as the case may be, by or against Amalco;
 - (g) any conviction against, or ruling, order or judgment in favour of or against, any of the Amalgamating Parties may be enforced by or against Amalco; and
 - (h) the Articles of Amalgamation shall be deemed to be the articles of incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the certificate of incorporation of Amalco.
 5. **Name.** The name of Amalco shall be "[●]".
 6. **Registered Office.** The registered office of Amalco shall be located at [●].
 7. **Authorized Capital.** The authorized capital of Amalco shall consist of an unlimited number of Amalco Shares, which shares shall have the rights, privileges, restrictions and conditions as set out in the Act.
 8. **Restrictions on Business.** There shall be no restrictions on the business which Amalco is authorized to carry on.

9. **Transfer Restrictions.** The right to transfer securities of Amalco shall be restricted. Securities of Amalco, other than non-convertible debt securities, may not be transferred unless:
- (a) the consent of the directors of Amalco is obtained; or (ii) the consent of shareholders of Amalco is obtained; or
 - (b) in the case of securities, other than shares which are subject to restrictions on transfer contained in a securityholders' agreement, such restrictions on transfer are complied with.

The consent of the directors or the shareholders for the purposes of this section is evidenced by a resolution of the directors or shareholders, as the case may be, or by an instrument or instruments in writing signed by a majority of the directors, or by all of the shareholders.

10. **Number of Directors.** The minimum number of directors of Amalco shall be one (1) and the maximum number of directors of Amalco shall be ten (10).
11. **By-laws.** The by-laws of SVH shall, so far as applicable, be the by-laws of Amalco until repealed or amended in the normal manner provided for in the Act. Prior to the Effective Time, a copy of such by-laws may be examined at the registered address of SVH at any time during regular business hours.
12. **First Directors.** The first directors of Amalco, at least one of whom is resident Canadian, shall be the Persons whose names and addresses are set out below, who shall hold office until the first annual meeting of shareholders of Amalco or until their successors are duly elected or appointed and will be responsible for the subsequent management and operation of Amalco:

Name	Address
●	●

13. **Treatment of Issued Capital.** On the Effective Time:
- (a) each issued and outstanding Subco Share will be cancelled and replaced by one issued and fully paid Amalco Share for each Subco Share held by KEG;
 - (b) holders of issued and outstanding SVH Shares (including former holders of SVH Share issued pursuant the SVH Offering) shall receive from KEG such number of fully paid KEG Shares (for greater certainty, prior to any Consolidation) as is equal to the number of SVH Shares so held multiplied by the Exchange Ratio, each such KEG Share so issued (and any replacement securities issued following the Consolidation or otherwise) shall be issued subject to, and with, the legend set out in Annex "A";
 - (c) SVH Shares replaced by issued and fully paid KEG Shares in accordance with the provisions of Section 13(b) hereof will be cancelled; and
 - (d) in consideration of the issuance by KEG of the KEG Shares pursuant to Section 13(b), Amalco shall issue to KEG one fully paid and non-assessable Amalco Share for each KEG Share issued to former holders of SVH Shares.
14. **Consolidation. No Fractional Shares or Securities upon Conversion.** It is the parties intention that the Consolidation will occur immediately following the share exchanged referenced in Section 13. Notwithstanding Section 13 of this Agreement, but subject to the Act, no SVH Securityholder shall be entitled to, and KEG will not issue, fractions of KEG Shares and no cash amount will be payable by KEG in lieu thereof. To the extent any SVH Securityholder is entitled to receive a

fractional KEG Share (to the extent applicable, after giving effect to the Consolidation) such fraction shall be rounded down to the closest whole number of the applicable security.

15. **Certificates.** On the Business Combination Date:

- (a) the registered holders of SVH Shares (the “**Original Securities**”) shall be deemed to be the registered holders of the KEG Shares (the “**Replacement Securities**”) to which they are entitled hereunder, and upon surrender to KEG of the certificates representing the issued and outstanding Original Securities along with the a letter of transmittal in the form agreed to between the Parties, such SVH Securityholders shall be entitled, in exchange, to receive certificates representing the Replacement Securities, as the case may be, as set forth in Section 13 hereof (to the extent applicable, after giving effect to the Consolidation) in all cases subject to, and bearing, the legend restriction set out in Annex “A”;
- (b) KEG, as the registered holder of the Subco Shares, shall be deemed to be the registered holder of the Amalco Shares to which it is entitled hereunder and, upon surrender of the certificates representing such Subco Shares to Amalco, KEG shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled as set forth in Section 13 hereof;
- (c) share certificates evidencing SVH Shares and certificates representing the other Original Securities shall cease to represent any claim upon or interest in SVH or Amalco other than the right of the holder to receive, pursuant to the terms hereof and the Amalgamation, the applicable Replacement Securities in accordance with Section 13 hereof (to the extent applicable, after giving effect to the Consolidation); and
- (d) upon the delivery and surrender by a SVH Securityholder to KEG of certificates representing all of the Original Securities owned by such SVH Securityholder which have been exchanged for Replacement Securities and in accordance with the provisions of Sections 13(b) and 13(d) hereof, KEG shall on the later of: (i) the third Business Day following the Business Combination Date; and (ii) the date of receipt by KEG of the certificates referred to above, issue to each such SVH Securityholder certificates representing the number of Replacement Securities to which such holder is entitled (to the extent applicable, after giving effect to the Consolidation).

16. **Lost Certificates.** In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Original Securities that were exchanged pursuant to Section 13 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder of such Original Security claiming such certificate to be lost, stolen or destroyed, KEG will issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing the applicable Replacement Security pursuant to Section 13 (to the extent applicable, after giving effect to the Consolidation). The holder to whom certificates representing Replacement Securities are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to KEG in such sum as KEG may direct or otherwise indemnify KEG in a manner satisfactory to KEG against any claim that may be made against KEG with respect to the certificate alleged to have been lost, stolen or destroyed.

17. **Amalco Stated Capital.** The amount to be added to the stated capital account maintained in respect of the Amalco Shares in connection with the issue of Amalco Shares under Section 13 hereof on the Business Combination Date shall be the amount which is the sum of (i) the Paid-up Capital, determined immediately before the Effective Time, of all the issued and outstanding SVH Shares and (ii) the Paid-up Capital, determined immediately before the Effective Time, of the issued and outstanding Subco Shares converted into Amalco Shares.

18. **KEG Stated Capital.** KEG shall add an amount to the stated capital maintained in respect of the KEG Shares an amount equal to the Paid-Up Capital of the SVH Shares, determined immediately prior to the Effective Time.
19. **Covenants of SVH.** SVH covenants and agrees with Subco and KEG that it will:
- (a) use reasonable commercial efforts to obtain a resolution of the holders of SVH Shares approving the Amalgamation, this Agreement and the transactions contemplated hereby in accordance with the Act;
 - (b) use reasonable efforts to cause each of the conditions precedent set forth in Sections 26 and 27 hereof to be complied with; and
 - (c) subject to the approval of the shareholders of each of SVH and Subco being obtained for the completion of the Amalgamation and subject to all applicable regulatory approvals being obtained (including that of the CSE), thereafter jointly with Subco file with the Ministry the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.
20. **Covenants of KEG.** KEG covenants and agrees with SVH that it will:
- (a) sign a resolution as sole shareholder of Subco in favour of the approval of the Amalgamation, this Agreement and the transactions contemplated hereby in accordance with the Act;
 - (b) use reasonable efforts to cause each of the conditions precedent set forth in Sections 26 and 28 hereof to be complied with; and
 - (c) subject to the approval of the holders of SVH Shares being obtained for the completion of the Amalgamation, and the obtaining of all applicable regulatory approvals (including that of the CSE) and the issuance of the Certificate of Amalgamation, issue that number of KEG Shares and Replacement Securities as required by Section 13(b) hereof (to the extent applicable, after giving effect to the Consolidation).
21. **Covenants of Subco.** Subco covenants and agrees with SVH and KEG that it will not from the date of execution hereof to the Business Combination Date, except with the prior written consent of SVH and KEG, conduct any business which would prevent Subco or Amalco from performing any of their respective obligations hereunder.
22. **Further Covenants of Subco.** Subco further covenants and agrees with SVH that it will:
- (a) use its best efforts to cause each of the conditions precedent set forth in Sections 26 and 28 hereof to be complied with; and
 - (b) subject to the approval of the holders of SVH Shares and the sole shareholder of Subco being obtained and subject to the obtaining of all applicable regulatory approvals, thereafter jointly with SVH file with the Ministry the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.
23. **Representation and Warranty of KEG.** KEG hereby represents and warrants to and in favour of SVH and Subco and acknowledges that SVH and Subco are relying upon such representation and warranty, that KEG is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against KEG in accordance with its terms.

24. **Representation and Warranty of SVH.** SVH hereby represents and warrants to and in favour of KEG and Subco, and acknowledges that KEG and Subco are relying upon such representation and warranty, that SVH is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against SVH in accordance with its terms.
25. **Representation and Warranty of Subco.** Subco represents and warrants to and in favour of SVH and KEG, and acknowledges that SVH and KEG are relying upon such representations and warranty, that Subco is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against Subco in accordance with its terms.
26. **General Conditions Precedent.** The respective obligations of the parties hereto to consummate the transactions contemplated hereby, and in particular the Amalgamation, are subject to the satisfaction, on or before the Business Combination Date, of the following conditions, any of which may be waived by the consent of each of the parties without prejudice to their rights to rely on any other or others of such conditions:
- (a) this Agreement and the transactions contemplated hereby, including, in particular, the Amalgamation, shall be approved by the sole shareholder of Subco and by the holders of SVH Shares in accordance with the Act;
 - (b) all the conditions required to close the Business Combination set out herein and in the Transaction Agreement being met or waived; and
 - (c) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation, the Amalgamation.
27. **Conditions to Obligations of KEG and Subco.** The obligations of KEG and Subco to consummate the transactions contemplated hereby and in particular the issue of the KEG Shares and Replacement Securities and the Amalgamation, as the case may be, are subject to the satisfaction, on or before the Business Combination Date, of the conditions for the benefit of KEG set forth in the Transaction Agreement governing the terms and conditions of the Business Combination and of the following conditions:
- (a) the acts of SVH to be performed on or before the Business Combination Date pursuant to the terms of this Agreement shall have been duly performed by it and there shall have been no material adverse change in the financial condition or business of SVH or its Subsidiaries, taken as a whole, from and after the date hereof; and
 - (b) KEG and Subco shall have received a certificate from a senior officer of SVH confirming that the conditions set forth in Sections 26 and 27(a) hereof have been satisfied.
 - (c) The conditions described above are for the exclusive benefit of KEG and Subco and may be asserted by KEG and Subco regardless of the circumstances or may be waived by KEG and Subco in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which KEG and Subco may have.
28. **Conditions to Obligations of SVH.** The obligations of SVH to consummate the transactions contemplated hereby and in particular the Amalgamation are subject to the satisfaction, on or before the Business Combination Date, of the conditions for the benefit of SVH set forth in the Transaction Agreement governing the terms and conditions of the Business Combination and of the following conditions:
- (a) each of the acts of KEG and Subco to be performed on or before the Business Combination Date pursuant to the terms of this Agreement shall have been duly performed by them and

there shall have been no material adverse change in the financial condition or business of KEG and Subco, taken as a whole, from and after the date hereof; and

- (b) SVH shall have received a certificate from a senior officer of each of KEG and Subco confirming that the conditions set forth in Sections 26 and 28(a) hereof have been satisfied.
- (c) The conditions described above are for the exclusive benefit of SVH and may be asserted by SVH regardless of the circumstances or may be waived by SVH in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which SVH may have.

29. **Amendment.** This Agreement may at any time and from time to time be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the parties hereto;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants contained herein and waive or modify performance of any of the obligations of the parties hereto; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by SVH Securityholders in exchange for their SVH Shares without approval by the SVH Securityholders given in the same manner as required for the approval of the Amalgamation.

30. **Termination.** This Agreement may, prior to the issuance of the Certificate of Amalgamation, be terminated by mutual agreement of the respective boards of directors of the parties hereto, without further action on the part of the shareholders of SVH or Subco. This Agreement shall also terminate without further notice or agreement if:

- (a) the Amalgamation is not approved by the shareholders of SVH entitled to vote in accordance with the Act; or
- (b) the Transaction Agreement is terminated.

31. **Binding Effect.** This Agreement shall be binding upon and enure to the benefit of the parties hereto and their successors and permitted assigns.

32. **Assignment.** No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of each of the other parties.

33. **Further Assurances.** Each of the parties hereto agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.

34. **Notice.** Any notice which a party may desire to give or serve upon another party shall be in writing and may be delivered, mailed by prepaid registered mail, return receipt requested or sent by telecopy transmission to the following addresses:

- (a) SVH:

77 King St. West, Suite 700, P.O Box 118
Toronto, Ontario
M5K 1G8

Attention: Jared Beber
Email Address: jared.beber@bet99.com

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

Chitiz Pathak LLP
77 King St. West, Suite 700, P.O Box 118
Toronto, Ontario
M5K 1G8

Attention: Paul Pathak
Email Address: ppathak@chitizpathak.com

(b) KEG and Subco:

Suite 1570-505 Burrard Street
Vancouver, British Columbia
V7X 1M5

Attention: Kelvin Lee, Chief Financial Officer
Email Address: klee@k2capital.ca

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

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, Ontario
M5K 1E7

Attention: Walied Soliman
Bruce Sheiner
Email Address: walied.soliman@nortonrosefulbright.com
bruce.sheiner@nortonrosefulbright.com

or to such other address as the party to or upon whom notice is to be given or served has communicated to the other parties by notice given or served in the manner provided for in this Section. In the case of delivery or telecopy transmission, notice shall be deemed to be given on the date of delivery and in the case of mailing, notice shall be deemed to be given on the third Business Day after such mailing.

35. **Time of Essence.** Time shall be of the essence of this Agreement.
36. **Governing Law.** 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.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written.

SPORTS VENTURE HOLDINGS INC.

Per: _____
Name:
Title:

1000212177 ONTARIO INC.

Per: _____
Name:
Title:

KINGS ENTERTAINMENT GROUP INC.

Per: _____
Name:
Title:

ANNEX A
LEGEND RESTRICTION

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFER EXPIRING ON **[INSERT CLOSING DATE AND THEN 1-23 MONTHS FOLLOWING CLOSING]** AS SET FORTH IN THE AMALGAMATION AGREEMENT DATED [●], 2022 AMONG SPORTS VENTURE HOLDINGS INC., 1000212177 ONTARIO INC. AND KINGS ENTERTAINMENT GROUP INC. SUCH AMALGAMATION AGREEMENT IS AVAILABLE UNDER THE ISSUER'S PROFILE ON WWW.SEDAR.COM.

For the purpose of the foregoing legend:

1. 1/24 of the Resulting Issuer Shares subject to the legend restriction shall be released on closing followed by 23 subsequent releases of 1/24 every month thereafter and Resulting Issuer Shares subject to the legend and the date inserted into the legend shall reflect such release schedule.
2. The transfer restrictions shall be:

THE HOLDER OF THIS SECURITY SHALL NOT DIRECTLY OR INDIRECTLY TRANSFER THIS SECURITY, OR THEIR ECONOMIC INTEREST HEREIN, DURING THE RESTRICTED PERIOD REFERENCED IN THE LEGEND ASSOCIATED WITH THE APPLICABLE SECURITY AND SHALL NOT (A) SELL, OFFER, CONTRACT OR GRANT ANY OPTION OR RIGHT TO SELL (INCLUDING WITHOUT LIMITATION ANY SHORT SALE), PLEDGE, HYPOTHECATE, TRANSFER, MORTGAGE, DISPOSE OF, ASSIGN, ENTER INTO ANY DERIVATIVE TRANSACTION CONCERNING OR OTHERWISE DEAL IN ANY WAY WITH THIS SECURITY (B) ENTER INTO ANY SWAP OR ANY OTHER AGREEMENT OR ANY TRANSACTION THAT TRANSFERS, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, THE ECONOMIC CONSEQUENCE OF OWNERSHIP OF, OR OTHERWISE DIVEST OR ALTER THE ECONOMIC INTEREST IN, THIS SECURITIES, WHETHER ANY SUCH SWAP OR TRANSACTION IS TO BE SETTLED BY DELIVERY OF SECURITIES, IN CASH OR OTHERWISE; (C) IF THE HOLDER OF THIS SECURITY IS NOT AN INDIVIDUAL, PARTICIPATE IN A TRANSACTION THAT RESULTS IN A CHANGE OF ITS OWNERSHIP OR A CHANGE IN THE ECONOMIC EXPOSURE OF THE DIRECTORS, SENIOR OFFICERS OR SECURITYHOLDERS OF THE HOLDER OF THIS SECURITY TO THE RISKS OF HOLDING THIS SECURITIES; OR (D) AGREE TO BECOME BOUND TO OR PUBLICLY ANNOUNCE AN INTENTION TO DO ANY OF THE FOREGOING. BY ACCEPTING THIS SECURITY, THE HOLDER OF THIS SECURITY SHALL, AND SHALL BE DEEMED TO, AGREE AND CONSENT TO THE ENTRY OF STOP TRANSFER INSTRUCTIONS WITH THE ISSUER'S TRANSFER AGENT AND REGISTRAR RELATING TO THE TRANSFER OF THE THIS SECURITIES EXCEPT IN COMPLIANCE WITH THE RESTRICTIONS DESCRIBED HEREIN.

THIS RESTRICTION ON TRANSFER SHALL NOT PREVENT THE HOLDER OF THIS SECURITY FROM: (I) TENDERING OR DISPOSING OF ANY OR ALL OF THE SECURITY SUCH HOLDER HOLDS IN CONNECTION WITH A TAKE-OVER BID, MERGER, AMALGAMATION, STATUTORY ARRANGEMENT, BUSINESS COMBINATION OR OTHER SIMILAR TRANSACTION INVOLVING THE SECURITY OR ASSETS OF THE ISSER THAT HAS BEEN APPROVED BY THE BOARD OF DIRECTORS OF THE ISSUER OR RECOMMENDED TO THE HOLDER'S SHAREHOLDERS FOR APPROVAL BY THE BOARD OF DIRECTORS OF THE ISSUER; (II) DEALING WITH THIS SECURITY PURSUANT TO THE TERMS OF CUSTOMARY BROKERAGE ACCOUNT AGREEMENTS THAT APPLY TO THIS SECURITY HELD IN BROKERAGE ACCOUNTS, INCLUDING ACTIVITIES THAT MAY INVOLVE A TRANSFER TO A BANK, BROKER-DEALER OR OTHER FINANCIAL INSTITUTION FOR THE PURPOSE OF GIVING COLLATERAL OR AS SETTLEMENT FOR A DEBT OR OTHERWISE (PROVIDED THE SAME AGREE TO BE SUBJECT HERETO); (III) TRANSFERRING ANY OR ALL OF THE SECURITY TO ANY AFFILIATE, FAMILY MEMBER, TRUST FOR THE SOLE BENEFIT OF THE HOLDER OR HOLDER'S FAMILY MEMBERS OR REGISTERED RETIREMENT SAVINGS PLAN, PROVIDED THE TRANSFEREE AGREES TO BE BOUND BY THE TERMS OF SUCH RESTRICTION ON TRANSFER; OR (IV) ENTERING INTO A LOCK-UP AGREEMENT RELATING TO ANY AGREEMENT REFERRED TO IN (I) ABOVE

PURSUANT TO WHICH THE HOLDER WOULD AGREE TO VOTE IN FAVOUR OF, OR TENDER THE SECURITY TO, ANY SUCH TRANSACTION.