

X1 ESPORTS AND ENTERTAINMENT LTD.
Initial Public Offering of Units

TERM SHEET

A final prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in certain of the provinces of Canada.

Copies of the final prospectus may be obtained from Research Capital Corporation at Suite 1920, 1075 West Georgia Street, Vancouver, BC V6E 3C9.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final prospectus, and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Issuer:	X1 Esports and Entertainment Ltd. (the “ Company ”).
Incorporation:	The Company was incorporated under the <i>Business Corporations Act</i> (British Columbia). Its head office is located at 615 – 800 West Pender St. Vancouver, BC V6C 2V6.
Business of the Company:	The Company is an esports portfolio company, which owns and operates a growing esports franchise, RixGG. RixGG is currently focused on competitive gaming and merchandising, and is expanding into content creation.
Offering:	Initial public offering (the “ Offering ”) of a minimum of 6,666,667 units of the Company (the “ Units ”) and up to a maximum of 7,777,778 Units on a commercially reasonable efforts basis.
Offering Size:	Minimum of \$3,000,000.15 and up to a maximum of \$3,500,000.10.
Offering Price:	\$0.45 per Unit.
Unit:	Each Unit shall be composed of one common share of the Company (a “ Common Share ”) and one common share purchase warrant (a “ Warrant ”).
Warrant:	Each Warrant will entitle the holder thereof to purchase one additional common share of the Company at a price of \$0.70 per share for a period of 24 months following the date (the “ Closing Date ”) of Closing (as defined herein), but will be subject to an early expiry date of 30 days on from the last day of the period during which the closing price of the Common Shares on the Canadian Securities Exchange (the “ CSE ”) or any equivalent exchange is equal to or greater than \$0.90 per Common Share for a period of 10 consecutive trading days.
Use of Proceeds:	Content development, player and team acquisition, business acquisitions, sales and marketing and general working capital.
Offering Jurisdictions:	All Provinces of Canada except Quebec.
Listing:	The Common Shares issued on Closing will be listed on the Canadian Securities Exchange.
Eligibility:	Eligible for RRSPs, RRIFs, RESPs, RDSPs, and TFSAs.
Selling Concession:	(i) A cash commission equal to 6.0% of the gross proceeds of the Offering not listed on the president’s list; and (ii) an advisory fee equal to 2.0% of the gross proceeds of the Offering;

(i) Compensation options, entitling the holder thereof to purchase that number of Common Shares equal to 6.0% of the Units sold under the Offering not listed on the president's list, at a price of \$0.70 per share for a period of 24 months from the Closing Date; and (ii) advisory options, entitling the holder thereof to purchase that number of Common Shares equal to 2.0% of the Units sold under the Offering, at a price of \$0.70 per share for a period of 24 months from the Closing Date;

A corporate finance fee of \$30,000 payable in Units at a deemed price of \$0.45 per Unit with applicable taxes payable in cash.

Agent: Research Capital Corporation

Over-Allotment Option: The Company has granted to the Agent an over-allotment option, exercisable by the Agent by giving notice to the Company up to 30 calendar days following the Closing Date, to sell up to an additional 1,166,667 Units at the Offering Price.

Closing: On or about the week of June 3rd, 2022, or on such date as the Agent and the Company may agree upon (the “**Closing**”).