

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

**Item 1. Name and Address of Company**

X1 Esports and Entertainment Ltd. (the “**Company**”)  
615 – 800 West Pender Street  
Vancouver, BC V6C 2V6

**Item 2. Date of Material Change**

July 15, 2022

**Item 3. News Release**

The news release announcing the material changes described herein was disseminated through GlobeNewswire and concurrently filed on SEDAR on July 18, 2022.

**Item 4. Summary of Material Change**

On July 15, 2022, the Company entered into a definitive agreement pursuant to which the Company intends to acquire Tyrus, LLC (“**Tyrus**”).

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

**5.1 Full Description of Material Change**

On July 15, 2022, the Company entered into a membership interest purchase agreement (the “**Agreement**”) pursuant to which the Company will acquire 100% of the issued and outstanding membership interest of Tyrus for total consideration of to approximately US\$350,000 (the “**Purchase Price**”).

The Purchase Price is comprised of (i) US\$150,000 in cash payments due within 60 days of closing; and (ii) the issuance, at closing, of 555,555 common shares in the capital of the Company (“**Common Shares**”) at a deemed issue price of \$0.45 per Common Share. Additionally, a bonus payment of US\$100,000 may payable if within the twelve (12) months following closing the aggregate gross revenue of Tyrus exceeds US\$1,750,000, which may be settled in cash or Common Shares at the option of the Company.

The Common Shares forming part of the Purchase Price will be subject to subject to a statutory hold period of four months and one day from the date of issuance and a contractual resale restriction that will result in 25% of the Common Shares being released twelve (12) months following the closing date, and 25% being released at six (6) month intervals thereafter.

The securities of the Company referred to in this material change report have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws. Accordingly, the securities of the Company may not be offered or sold within the United States unless registered under the U.S.

Securities Act and applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This material change report does not constitute an offer to sell or a solicitation of any offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

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

Not applicable.

**Item 7. Omitted Information**

None.

**Item 8. Executive Officers**

Mark Elfenbein  
Chief Executive Officer  
Email: Mark@X1Esports.com

**Item 9. Date of Report**

July 19, 2022