

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

August 4, 2022

Item 3. News Release

The news release announcing the material changes described herein was disseminated through GlobeNewswire and concurrently filed on SEDAR on August 5, 2022.

Item 4. Summary of Material Change

On August 4, 2022, the Company completed the previously announced acquisition of Tyrus, LLC (“**Tyrus**”) pursuant to a membership interest purchase agreement (the “**Definitive Agreement**”) dated July 15, 2022, between the Company and The Boehm Collective, LLC, the sole member of Tyrus.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

On August 4, 2022, pursuant to the terms and conditions of the Definitive Agreement, the Company completed the acquisition of 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 was comprised of (i) US\$150,000 in cash payments due within 60 days of closing; and (ii) the issuance 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 are 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 six (6) 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

August 8, 2022