

NORTHSTAR GAMING HOLDINGS INC.
SUBSCRIPTION AGREEMENT FOR UNITS AND 8% SENIOR CONVERTIBLE DEBENTURE

THIS SUBSCRIPTION AGREEMENT, dated as of September 21, 2023 (this “**Agreement**”), is entered into between NorthStar Gaming Holdings Inc. (the “**Corporation**”) and Playtech plc (the “**Subscriber**”).

WHEREAS, subject to the terms and conditions set forth herein, at the Closing, the Corporation desires to issue, sell and deliver to the Subscriber: (i) 28,571,428 Units (as defined herein) at a price of \$0.175 per Unit, each Unit consisting of one Common Share, one-half of one A Warrant, and one-half of one B Warrant (each as defined herein); and (ii) the Debenture (as defined herein, and, together with the Units, Common Shares, A Warrants and B Warrants, the “**Securities**”), and the Subscriber desires to subscribe for and purchase, acquire, accept and receive from the Corporation, the Securities;

AND WHEREAS, the parties desire to make certain representations, warranties, covenants and agreements in connection with this Subscription Agreement and the transactions contemplated by this Subscription Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the representations, warranties, covenants and agreements set forth in this Subscription Agreement, the parties, intending to be legally bound, agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

Whenever used in this Subscription Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and phrases shall have the respective meanings ascribed to them as follows:

“**A Warrant**” means a warrant of the Corporation, in the form attached hereto as Schedule “B”, entitling the holder thereof to acquire, subject to adjustment in accordance with the terms of such warrant, one Common Share at an exercise price of \$0.36 per Common Share until 5:00 p.m. (Toronto time) on the fifth anniversary of the date of issuance of such warrant.

“**Additional Subscriptions**” means the subscriptions of Securities on substantially equivalent terms as set out herein which close on or before the Outside Date.

“**affiliate**” means, with respect to a specified Person, any other Person that such specified Person directly or indirectly Controls, is Controlled by, or is under common Control with.

“**Anti-Corruption Laws**” means any Applicable Laws relating to anti-bribery or anti-corruption, including the Canadian *Corruption of Foreign Public Officials Act*, Canadian *Criminal Code*, U.S. Foreign Corrupt Practices Act of 1977, as amended, and the U.K. *Bribery Act 2010*, as applicable.

“**Applicable Laws**” means, with respect to any Person or matter, any statute, law, rule, treaty, convention, regulation, order, decree, request, determination or other requirement of any Governmental Authority (having the force of law) relating and applicable to such Person or matter and, where applicable, any interpretation thereof by any Governmental Authority having jurisdiction with respect thereto or charged with the administration or interpretation thereof.

“**Approved Budget**” has the meaning ascribed to such term in the Debenture.

“**Assets and Properties**” with respect to any Person means all assets and properties of every kind, nature, character and description (whether real, personal or mixed, tangible or intangible, choate or inchoate, absolute, accrued, contingent, fixed or otherwise and, in each case, wherever situated), including the goodwill related thereto, operated, owned or leased by or in the possession of such Person.

“**Authorizations**” has the meaning ascribed to such term in Section 5.1(ii).

“**B Warrant**” means a warrant of the Corporation, in the form attached hereto as Schedule “B”, entitling the holder thereof to acquire, subject to adjustment in accordance with the terms of such warrant, one Common Share at an exercise price of \$0.40 per Common Share until 5:00 p.m. (Toronto time) on the fifth anniversary of the date of issuance of such warrant.

“**Business**” means the business carried on by the Corporation and its Subsidiaries as of the date hereof;

“**Business Day**” means any day which is not a Saturday, a Sunday or a day observed as a holiday under Applicable Laws in either Toronto, Ontario or London, the United Kingdom, or a day in which banking institutions located in Toronto, Ontario or London, the United Kingdom, are permitted to be closed.

“**Closing**” has the meaning ascribed to such term in Section 4.1.

“**Closing Date**” has the meaning ascribed to such term in Section 4.1.

“**Closing Time**” has the meaning ascribed to such term in Section 4.1.

“**Common Shares**” means the common shares in the capital of the Corporation.

“**Control**” means that a Person has the power to direct or cause the direction of the management and policies of another Person, whether through holding a beneficial ownership interest in such other Person, through contract or otherwise.

“**Corporation**” means NorthStar Gaming Holdings Inc.

“**Corporation Financial Statements**” means, collectively, (i) the audited consolidated financial statements of the Corporation for the six months ended December 31, 2022 and the year ended June 30, 2022, together with the notes thereto and the auditors’ report thereon, (ii) the audited consolidated financial statements of NGI for the year ended December 31, 2022, together with the notes thereto and the auditors’ report thereon, and (iii) the unaudited condensed consolidated interim financial statements of the Corporation for the six months ended June 30, 2023, all prepared in accordance with IFRS.

“**Debenture**” means an unsecured convertible debenture of the Corporation in the principal amount of \$5,000,000, bearing interest at a rate of 8.0% per annum, substantially in the form attached hereto as Schedule “A”.

“**Debt Instrument**” means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability.

“**Due Diligence Materials**” means the materials relating to the Corporation and its Subsidiaries previously provided to the Subscriber and the Subscriber’s counsel in connection with the prior subscription for an unsecured convertible debenture of NGI dated December 19, 2022, in the principal amount of \$12,250,000, bearing interest at a rate of 8.0% per annum, by the Subscriber.

“**Environmental Laws**” means all Applicable Laws and agreements with Governmental Authorities and all other statutory requirements relating to public health and safety, noise control, pollution or the protection

of the environment or to the generation, production, installation, use, storage, treatment, transportation, release or threatened release of Hazardous Materials, including civil responsibility for acts or omissions with respect to the environment, and all Authorizations issued pursuant to such Applicable Laws, agreements or other statutory requirements.

“**Environmental Permits**” includes all orders, permits, certificates, approvals, consents, registrations and licences issued by any authority of competent jurisdiction under any Environmental Law.

“**Gaming Regulatory Authority**” means those international, national, state, local, tribal and other governmental, regulatory and administrative authorities, agencies, boards and officials responsible for or regulating gaming or gaming activities in any of the jurisdictions in which the Corporation and its Subsidiaries are qualified, licensed or registered to carry on business, including the Alcohol and Gaming Commission of Ontario and its subsidiary, iGaming Ontario.

“**Governmental Authority**” means any provincial, state, territorial or federal, and as applicable in the circumstances, any foreign: (a) government; (b) court, arbitral or other tribunal or governmental or quasi-governmental authority of any nature (including any governmental agency, political subdivision, instrumentality, branch, department, official, or entity); (c) body or other instrumentality exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory (including gaming authorities), or taxing authority or power of any nature pertaining to government; or (d) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange.

“**Government Official**” means any officer or employee of a Governmental Authority or any department, agency or instrumentality thereof, including state-owned entities, or of a public organization or any person acting in an official capacity for or on behalf of any such government, department, agency, or instrumentality or on behalf of any such public organization.

“**Hazardous Materials**” has the meaning ascribed to such term in Section 5.1(xx).

“**including**” means including without limitation.

“**IFRS**” means international financial reporting standards as adopted in Canada.

“**Indebtedness**” of any Person means all obligations of such Person: (a) for borrowed money; (b) evidenced by notes, bonds, debentures or similar instruments; (c) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the ordinary course of business); (d) under capital and operating leases; (e) under “vendor take-back” financing or deferred payments in connection with any acquisition; and (f) which are guarantees of the obligations described in clauses (a) through (e) above of any other Person if secured by any or all of the Assets and Properties of the guarantor.

“**Intellectual Property**” means all industrial and other intellectual property rights comprising or relating to (a) trademarks, trade dress, trade and business names, branding, brand names, logos, design rights, corporate names and domain names and other similar designations of source, sponsorship, association or origin, together with the goodwill symbolized by any of the foregoing; (b) internet domain names registered by any authorized private registrar or Governmental Authority, web addresses, web pages, website and URLs; (c) works of authorship, expressions, designs and industrial design registrations, whether or not copyrightable, including copyrights and copyrightable works, software and firmware, data, data files, and databases and other specifications and documentation; (d) inventions, discoveries, trade secrets, business and technical information, know-how, databases, data collections, patent disclosures and other confidential or proprietary information; and (e) all industrial and other intellectual property rights, and all rights, interests and protections that are associated with, equivalent or similar to, or required for the exercise of, any of the foregoing, however arising, in each case whether registered or unregistered, such registered rights

including patent, trademark, industrial design, copyright and including all registrations and applications for, and renewals or extensions of, such rights or forms of protection under the Applicable Law of any jurisdiction in any part of the world;

“**Investor Rights Agreement**” means the investor rights agreement dated December 19, 2022, between the Subscriber and the Corporation.

“**IR Agreements**” means (i) the investor rights agreement dated February 8, 2023, among the Corporation, Tevir Capital LP Ltd. and Rivett Capital Syndicate Inc., (ii) the investor rights agreement dated February 8, 2023, among the Corporation, 1135531 Ontario Inc., Torstar Holdings Inc. and Torstar Corporation, and (iii) the Investor Rights Agreement.

“**knowledge of**” (or similar phrases) means, with respect to the Corporation, the actual knowledge of any of Michael Moskowitz (Chief Executive Officer of the Corporation), Jennifer Barber (Chief Financial Officer) and Corey Goodman (Executive Vice-President, Business Development, Counsel) after reasonable investigation and due enquiry;

“**Lien**” means with respect to any asset, any mortgage, charge, hypothec, assignment, pledge, lien or other security interest or encumbrance of whatever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise), in, on or of such asset that secures the payment of any indebtedness or liability or the observance or performance of any obligation.

“**Material Adverse Effect**” means the effect resulting from any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision of the board of directors is probable), event, violation, inaccuracy or circumstance that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, prospects, financial condition, or results of operations of the Corporation and its Subsidiaries, taken as a whole.

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

“**Money Laundering Laws**” has the meaning ascribed to such term in Section 5.1(kkk).

“**NGI**” means NorthStar Gaming Inc., a wholly-owned subsidiary of the Corporation.

“**NI 45-102**” means National Instrument 45-102 – *Resale of Securities*.

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*.

“**NorthStar Ontario**” means NorthStar Gaming (Ontario) Inc., a wholly owned subsidiary of the Corporation.

“**Offering**” means the offering of the Securities pursuant to this Subscription Agreement.

“**Operational Plan**” has the meaning ascribed to such term in the Debenture.

“**OSA**” means the *Securities Act* (Ontario).

“**Outside Date**” means November 30, 2023.

“**PATRIOT Act**” has the meaning ascribed to such term in Section 6.1(s).

“**PCMLTFA**” has the meaning ascribed to such term in Section 6.1(s).

“**Person**” includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning.

“**Preferred Shares**” means the preferred shares in the capital of the Corporation.

“**POCA**” has the meaning ascribed to such term in Section 6.1(s).

“**Registration Rights Agreements**” means the (i) registration rights agreement dated December 19, 2022, between the Corporation and the Subscriber, (ii) registration rights agreement dated February 8, 2023, among the Corporation, Tevir Capital LP Ltd. and Rivett Capital Syndicate Inc., and (iii) registration rights agreement dated February 8, 2023, among the Corporation, 1135531 Ontario Inc., Torstar Holdings Inc. and Torstar Corporation.

“**RSUs**” means the restricted share units of the Corporation issued pursuant to the Corporation’s amended equity incentive plan dated March 3, 2023, as ratified by shareholders on July 6, 2023.

“**Securities**” has the meaning given to it in the recitals.

“**Securities Laws**” means all applicable securities legislation in each of the provinces and territories of Canada or any other applicable jurisdiction, and the rules and regulations made thereunder, and the orders and published policy statements of the securities commissions or other securities regulatory authorities in such jurisdictions, and the applicable rules, regulations and policies of any applicable stock exchange.

“**Securities Regulators**” means, collectively, the securities regulators or other securities regulatory authorities in each of the provinces and territories of Canada;

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval+ maintained by the Canadian Securities Administrators.

“**Shareholder Approval**” means any approval(s) required from Shareholders (whether by way of written consent resolution or at a duly held meeting of Shareholders) pursuant to MI 61-101, the TSXV Policies, or any other applicable Securities Laws, for the issuance of the Securities.

“**Shareholder Meeting**” has the meaning ascribed to such term in Section 4.5.

“**Shareholders**” means the holders of Common Shares.

“**SlapShot**” means SlapShot Inc., a wholly-owned subsidiary of the Corporation.

“**Subscriber**” means Playtech plc.

“**Subscription Agreement**” means this subscription agreement (including all Schedules attached hereto) and any instrument amending this Subscription Agreement; “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**”, and similar expressions mean and refer to this Subscription Agreement and not to a particular Article or Section; and the expression “**Article**” or “**Section**” followed by a number means and refers to the specified Article or Section of this Subscription Agreement.

“**Subscription Amount**” means \$10,000,000.

“**Subsidiaries**” means NGI, NorthStar Ontario and SlapShot.

“**Taxes**” means any and all present or future taxes (including but not limited to income taxes, payroll taxes and social contributions and sales tax), levies, imposts, duties, deductions, charges or withholdings imposed by any applicable Governmental Authority, and including any interest and penalties thereon or with respect to the foregoing, and whether contested or not.

“**TSXV**” means the TSX Venture Exchange.

“**TSXV Approval**” means any approval(s) required from the TSXV pursuant to the TSXV Policies, or an exemption therefrom, for the issuance of the Securities in accordance with the rules, requirements and procedures of the TSXV Policies.

“**TSXV Policies**” means the Corporate Finance Policies of the TSXV.

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**Units**” means units of the Corporation, each unit consisting of (i) one Common Share, (ii) one-half of one A Warrant, and (iii) one-half of one B Warrant, with each Unit separating into its components immediately upon issuance.

“**U.S. Person**” means a U.S. person as that term is defined in Rule 902(o) of Regulation S; and for greater certainty, “U.S. Person” includes but is not limited to (A) any natural person resident in the United States; (B) any partnership or corporation organized or incorporated under the laws of the United States; (C) any partnership or corporation organized outside the United States by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts; and (D) any estate or trust of which any executor or administrator or trustee is a U.S. Person.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

“**Warrants**” means, collectively, the A Warrants and B Warrants.

1.2 Gender and Number

Words importing the singular number only shall include the plural and *vice versa* and words importing one gender include all genders.

1.3 Currency

Unless otherwise specified, all dollar amounts in this Subscription Agreement are expressed in Canadian dollars.

1.4 Subdivisions and Headings

The division of this Subscription Agreement into Articles, Sections, Schedules and other subdivisions and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Subscription Agreement. The headings in this Subscription Agreement are not intended to be full or precise descriptions of the text to which they refer. Unless something in the subject matter or context is inconsistent therewith, references herein to an Article, Section, Subsection, paragraph, clause or Schedule are to the applicable article, section, subsection, paragraph, clause or schedule of this Subscription Agreement.

ARTICLE 2 SCHEDULES

2.1 Description of Schedules

The following are the Schedules attached to and incorporated in this Subscription Agreement by reference and deemed to be a part hereof:

| | | |
|--------------|---|-------------------|
| Schedule "A" | - | Form of Debenture |
| Schedule "B" | - | Form of Warrant |

ARTICLE 3 SUBSCRIPTION AND DESCRIPTION OF SECURITIES

3.1 Subscription for Securities

On and subject to the terms and conditions set forth in this Subscription Agreement, at the Closing, the Corporation shall issue, sell and deliver to the Subscriber the Securities and the Subscriber shall subscribe for and purchase, acquire, accept and receive from the Corporation the Securities, for the Subscription Amount.

3.2 Subscription Amount

Subject to the terms and conditions set forth in this Subscription Agreement, at the Closing, the Subscriber shall, in full satisfaction for the subscription price for the Securities, pay or cause to be paid to the Corporation (or as directed by the Corporation) an amount in cash equal to the Subscription Amount, without any setoff, counterclaim, deduction or withholding, by wire transfer of immediately available funds. The Subscription Amount shall be allocated and applied as follows:

- (a) \$5,000,000 to the purchase of the Units at a price of \$0.175 per Unit; and
- (b) \$5,000,000 to the purchase of the Debenture.

3.3 Use of Subscription Amount

The Corporation acknowledges and agrees that the Subscription Amount advanced under this Subscription Agreement, and the amount of cash proceeds received by the Corporation pursuant to the Additional Subscriptions, shall be applied to the Corporation's general working capital to be used in accordance with the Approved Budget and agreed upon Operational Plan.

ARTICLE 4 CLOSING

4.1 Closing

Delivery and sale of the Securities and payment of the aggregate Subscription Amount will be completed (the "**Closing**") via electronic exchange or at the offices of the Corporation's counsel, Gardiner Roberts LLP, in Toronto, Ontario, at 8:00 a.m. (Toronto time) (the "**Closing Time**") on the third (3rd) Business Day following the date on which all conditions to Closing (other than those conditions that by their nature are to be, and can be, satisfied by actions taken at the Closing) have been satisfied or waived

(the “**Closing Date**”), or at such other date, time and place (or by means of remote communication) as the parties may agree.

4.2 Mutual Conditions of Closing

The respective obligation of each party hereto to effect the Closing is subject to the satisfaction or, to the extent permitted by Applicable Law, waiver by each of the parties at or prior to the Closing of each of the following conditions:

- (a) the Corporation having obtained all necessary approvals and consents, including, but not limited to, any required TSXV Approval, Shareholder Approval, approval of any Gaming Regulatory Authority and any other necessary regulatory approval, in connection with this Subscription Agreement and the issuance of the Securities;
- (b) there shall not be in effect any Applicable Law (including, for the avoidance of doubt, any order) that makes the consummation of the transactions contemplated under this Subscription Agreement illegal or otherwise prohibits or enjoins any party from consummating the transactions contemplated under this Subscription Agreement; and
- (c) the issue and sale of the Securities being exempt from the requirements to file a prospectus, registration statement or similar document under applicable Securities Laws relating to the sale of the Securities, or the Corporation having received such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or filing or delivering a similar document.

4.3 Conditions of Closing of the Corporation

The obligation of the Corporation to effect the Closing is subject to the satisfaction or, to the extent permitted by Applicable Law, waiver by the Corporation at or prior to the Closing of each of the following conditions:

- (a) the representations and warranties made by the Subscriber herein being true and correct in all material respects as of the date of this Subscription Agreement and shall be true and correct in all material respects as if made as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of a different date or time, in which case such representation and warranty shall be true and correct as of such different date or time); *provided* that, to the extent any such representations and warranties of the Subscriber contain any materiality qualification, such representations and warranties are true and correct in all respects as of the date of this Subscription Agreement and shall be true and correct in all respects as if made as of the Closing Date;
- (b) all covenants, agreements and conditions contained in this Subscription Agreement to be performed by the Subscriber having been performed or complied with in all material respects on or prior to the Closing Date;
- (c) at or prior to the Closing Time, the Subscriber having wired the Subscription Amount to the Corporation in accordance with the instructions in Section 3.2, or the Subscriber and the Corporation having made alternative payment arrangements for the Subscription Amount;
- (d) the Subscriber having executed and returned to the Corporation, at the Corporation’s request, all other documents as may be required by the Securities Laws or any other

Applicable Laws for delivery by the Corporation in connection with the Subscriber's subscription for the Securities; and

- (e) at or prior to the Closing Time, the Subscriber shall deliver or cause to be delivered to the Corporation a certificate dated the Closing Date and signed on behalf of the Subscriber by an executive officer of the Subscriber, in such executive officer's individual capacity as such and not in their personal capacity and without personal liability to the effect that the conditions set forth in Sections 4.3(a) and 4.3(b) have been satisfied.

4.4 Conditions of Closing of the Subscriber

The obligation of the Subscriber to effect the Closing is subject to the satisfaction or, to the extent permitted by Applicable Law, waiver by the Subscriber at or prior to the Closing of each of the following conditions:

- (a) the representations and warranties made by the Corporation herein (including representations and warranties made in any certificate provided pursuant to this Subscription Agreement), being true and correct in all material respects as of the date of this Subscription Agreement and shall be true and correct in all material respects as if made as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of a different date or time, in which case such representation and warranty shall be true and correct as of such different date or time); provided that, to the extent any such representations and warranties of the Corporation contain any materiality qualification, such representations and warranties are true and correct in all respects as of the date of this Subscription Agreement and shall be true and correct in all respects as if made as of the Closing Date;
- (b) all covenants, agreements and conditions contained in this Subscription Agreement to be performed by the Corporation having been performed or complied with in all material respects on or prior to the Closing Date;
- (c) satisfactory evidence of the receipt by the Corporation of any required TSXV Approval and Shareholder Approval;
- (d) the necessary steps shall have been taken such that any Investor Additional Nominees (as defined in the Investor Rights Agreement), as identified by the Subscriber in writing to the Corporation prior to Closing, shall, concurrently with Closing, be appointed to the board of directors of the Corporation, in accordance with the terms of the Investor Rights Agreement;
- (e) all material third party consents, waivers, permits, orders and approvals that are necessary, proper or advisable to consummate the transactions contemplated under this Subscription Agreement shall have been obtained or received on terms that are acceptable to the Subscriber, acting reasonably;
- (f) since the date of this Subscription Agreement, there shall not have occurred anything that has had or would reasonably be expected to result in a Material Adverse Effect on the Corporation and its Subsidiaries and that remains in effect;
- (g) at or prior to the Closing Time, the Corporation shall deliver or cause to be delivered to the Subscriber the following documents, in the form and substance satisfactory to the Subscriber:

- (i) a certificate dated as of the Closing Date and signed on behalf of the Corporation by an executive officer of the Corporation, in such executive officer's individual capacity as such and not in their personal capacity and without personal liability to the effect that the conditions set forth in Sections 4.4(a), 4.4(b) and 4.4(f) have been satisfied;
- (ii) a certificate dated as of the Closing Date of an officer of the Corporation certifying (A) the constating documents of the Corporation, (B) the incumbency of certain officers and directors of the Corporation executing documents relating to Closing; and (C) all resolutions of the board of directors of the Corporation relating to this Subscription Agreement and the transactions contemplated hereunder and such other matters as the Subscriber may reasonably request;
- (iii) a certificate of status (or equivalent) with respect to each of the Corporation and the Subsidiaries dated no earlier than the Business Day prior to the Closing Date;
- (iv) certificate(s) or one or more direct registration statements representing the Common Shares, A Warrants and B Warrants issuable to the Subscriber hereunder, registered in the name of the Subscriber or its nominee as directed by the Subscriber;
- (v) the executed Debenture purchased by the Subscriber registered in the name of the Subscriber or its nominee as directed by the Subscriber;
- (vi) legal opinions addressed to the Subscriber, dated as of the Closing Date, from Gardiner Roberts LLP, counsel to the Corporation, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Corporation and its Subsidiaries, as appropriate, with respect to the following matters:
 - (A) with respect to the Corporation:
 - (i) as to the incorporation and valid existence of the Corporation;
 - (ii) as to the authorized and issued shares of the Corporation immediately prior to the Closing Time;
 - (iii) the corporate power, capacity and authority of the Corporation to carry on its business as presently carried on and to own, lease and operate its properties and assets and execute and deliver this Subscription Agreement and to perform all of its obligations hereunder and to issue the Securities and the Common Shares underlying, and issuable on the due exercise or conversion, as applicable, of the Warrants and the Debenture;
 - (iv) this Subscription Agreement has been duly authorized and executed and delivered by the Corporation and constitutes a valid and legally binding agreement of the Corporation enforceable against it in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and the

qualification that the enforceability of rights of indemnity, contribution and waiver and the ability to sever unenforceable terms may be limited by Applicable Law;

- (v) the execution and delivery of this Subscription Agreement, the performance by the Corporation of its obligations hereunder and the issuance and sale of the Securities and the Common Shares underlying, and issuable on the due exercise or conversion, as applicable, of the Warrants and the Debenture does not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both, (i) Applicable Laws of British Columbia or (ii) the notice of articles and articles of the Corporation;
- (vi) the authorization, creation and valid issuance of the Securities;
- (vii) the Common Shares issuable hereunder being issued as fully paid and non-assessable shares in the capital of the Corporation;
- (viii) the Common Shares issuable hereunder, as well as those underlying, and issuable on the due exercise or conversion, as applicable, of the Warrants and the Debenture being authorized and allotted and reserved for issuance;
- (ix) upon the due exercise of the Warrants in accordance with the provisions thereof, the Common Shares so issued will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (x) upon conversion of the Debenture in accordance with the provisions thereof, the Common Shares so issued will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (xi) the appointment of Odyssey Trust Company, at its principal office in Toronto, Ontario, as the duly appointed registrar and transfer agent for the Common Shares;
- (xii) the Corporation is a reporting issuer not on the list of defaulting reporting issuers maintained pursuant the applicable Securities Laws of each of the Provinces of British Columbia, Alberta and Ontario;
- (xiii) the issuance and sale by the Corporation of the Securities to the Subscriber in accordance with the terms of the Subscription Agreement is exempt from the prospectus requirements of applicable Securities Laws and no documents are required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained by the Corporation under applicable Securities Laws to permit such issuance and sale;

- (xiv) the issuance of the Common Shares upon the due exercise of the Warrants in accordance with the provisions thereof is or will be exempt from the prospectus requirements of applicable Securities Laws and no documents are required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained by the Corporation under applicable Securities Laws to permit such issuance; and
- (xv) the issuance of the Common Shares upon the due conversion of the Debenture in accordance with the provisions thereof is or will be exempt from the prospectus requirements of applicable Securities Laws and no documents are required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained by the Corporation under applicable Securities Laws to permit such issuance; and
- (xvi) the first trade by the Subscriber of the Securities and the Common Shares underlying, and issuable on the due exercise or conversion, as applicable, of the Warrants and the Debenture in accordance with the provisions thereof, other than a trade which is otherwise exempt under the applicable Securities Laws of Ontario, will be a distribution and will be subject to the prospectus requirements under the Securities Laws of Ontario unless: (1) at the time of such trade, the Corporation is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding such trade; (2) at the time of such trade, at least four months have elapsed from the “distribution date” (as such term is defined under NI 45-102) of the Securities; (3) the certificates representing the Securities and the applicable underlying Common Shares carry a legend stating “Unless permitted under securities legislation, the holder of this security must not trade the security before • [insert the date that is four months and a day after the Closing Date” (or, if the security is entered into a direct registration or other electronic book entry system, or if the Subscriber did not directly receive a certificate representing the security, the Subscriber received written notice containing such legend); (4) the trade is not a “control distribution” (as such term is defined in the NI 45-102); (5) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of such trade; (6) no extraordinary commission or consideration is paid to a person or corporation in respect of such trade; and (7) if the selling securityholder is an “insider” or “officer” of the Corporation (as such terms are defined under applicable Securities Laws), the selling securityholder has no reasonable grounds to believe that the Corporation is in default of “securities legislation” (as such term is defined in National Instrument 14-101 – “Definitions”).

(B) with respect to each Subsidiary:

- (i) being a corporation existing under the laws of the jurisdiction in which it was incorporated, amalgamated, continued or formed, as

the case may be, and having all requisite corporate power to carry on its business as now conducted and to own, lease and operate its property and assets;

- (ii) as to its authorized and issued and outstanding capital; and
 - (iii) all of its issued and outstanding shares being registered, directly or indirectly, in the name of the Corporation;
- (h) concurrently with or prior to the Closing, directors and senior management of the Corporation shall complete an Additional Subscription for Securities with an aggregate subscription price of at least \$150,000, equally split between Units and Debentures; and
- (i) the Corporation and its Subsidiaries having executed and returned to the Subscriber, at the Subscriber's request, all other documents as may be required by the Securities Laws or any other Applicable Laws for delivery by the Subscriber in connection with the Subscriber's subscription for the Debenture.

4.5 Shareholder Approval

The Corporation hereby covenants and agrees that, if the Corporation is required to obtain Shareholder Approval at a duly held meeting of Shareholders, then the Corporation shall call and hold a meeting of its Shareholders (the "**Shareholder Meeting**") in accordance with its constituting documents and Applicable Laws to consider and, if thought advisable, approve the issuance of the Securities to the Subscriber as soon as reasonably practicable, and in any event such meeting shall be held within 60 days after the date hereof, and the Corporation's directors shall unanimously (subject to abstentions required due to conflicts of interest) recommend that the Shareholders approve the issuance of the Securities and shall use reasonable commercial efforts to solicit proxies in support thereof. The Corporation shall give the Subscriber a reasonable opportunity to review and comment on the proxy circular and any other documents provided to Shareholders in connection with the Shareholder Meeting (or any exemption from the requirement to hold a Shareholder Meeting). The Corporation shall give reasonable consideration to any comments made by the Subscriber or its legal counsel on such documents.

ARTICLE 5 REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CORPORATION

5.1 Representations, Warranties and Covenants of the Corporation

The Corporation represents and warrants to the Subscriber, and acknowledges that the Subscriber is relying upon such representations and warranties in connection with the transactions contemplated by this Subscription Agreement, that:

- (a) each of the Corporation and its Subsidiaries have been duly incorporated, amalgamated, continued or formed, and organized and is validly existing under the laws of the jurisdiction in which it was incorporated, amalgamated, continued or formed, as the case may be, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Corporation or any of its Subsidiaries;
- (b) each of the Corporation and its Subsidiaries is duly qualified to carry on its business in each jurisdictions in which the conduct of its business or the ownership, leasing or operation of its Assets and Properties requires such qualification and has all requisite corporate power and authority to conduct its business and own, lease and operate its Assets

and Properties and to execute, deliver and perform its obligations under this Subscription Agreement to which it is a party and any other document, filing, instrument or agreement delivered in connection with the Offering;

- (c) the Corporation has no direct or indirect subsidiaries other than the Subsidiaries nor any investment or proposed investment in any Person which would otherwise be material to the business and affairs of the Corporation on a consolidated basis;
- (d) each of the Corporation and its Subsidiaries: (i) conducts and has been conducting its business in compliance in all material respects with all Applicable Laws of each jurisdiction in which its business is carried on or in which its services are provided and neither the Corporation nor any of its Subsidiaries has received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Applicable Laws; and (ii) is not in breach or violation of any judgment, order or decree of any Governmental Authority having jurisdiction over the Corporation or any of its Subsidiaries, as applicable;
- (e) the Corporation directly or indirectly owns all of the issued and outstanding shares of each of its Subsidiaries, all of the issued and outstanding shares of each of its Subsidiaries are issued as fully paid and non-assessable shares, free and clear of all mortgages, Liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and no Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement for the purchase from the Corporation or any Subsidiary of any interest in any of the shares or other interests in the capital of any Subsidiary;
- (f) except as disclosed in the Due Diligence Materials or otherwise in writing by the Corporation to the Subscriber, (i) each of the Corporation and its Subsidiaries is the absolute legal and beneficial owner, and has good and valid title to, all of its material Assets and Properties, including all contracts that are material to the business of the Corporation and its Subsidiaries taken as a whole, and no other material assets or properties are necessary for the conduct of the business of the Corporation or its Subsidiaries as currently conducted and as presently proposed to be conducted; (ii) the Corporation does not know of any claim or the basis for any claim that might or could materially and adversely affect the right of the Corporation or its Subsidiaries to use, transfer or otherwise exploit such Assets and Properties; and (iii) other than in the ordinary course of business, neither the Corporation nor any Subsidiary has any responsibility or obligation to pay any commission, royalty, license fee or similar payment to any Person with respect to the Assets and Properties thereof;
- (g) the Corporation is authorized to issue: (i) an unlimited number of Common Shares, of which 163,263,557 are issued and outstanding; and (ii) an unlimited number of Preferred Shares, of which 66,300 Preferred Shares are issued and outstanding;
- (h) all of the issued and outstanding shares of the Corporation have been duly and validly issued as fully paid and non-assessable, none of the outstanding shares of the Corporation were issued in violation of the pre-emptive or similar rights of any securityholder of the Corporation and, other than pursuant to the IR Agreements, no current or former holder of shares in the capital of the Corporation is entitled to any pre-emptive or any similar rights to subscribe for any shares or other securities of the Corporation;
- (i) no rights to acquire, or instruments convertible into or exchangeable for, any shares in the capital of the Corporation or its Subsidiaries are outstanding and no Person has any

agreement, option, right or privilege (contractual or otherwise) capable of becoming an agreement for the purchase or acquisition of any interest in the shares or other securities of the Corporation or its Subsidiaries, other than (i) 13,063,366 stock options exercisable for 13,063,366 Common Shares at a prices ranging between \$0.21 and \$0.50 per Common Share; (ii) 12,135,827 RSUs; (iii) the Warrants; and (iv) 26,562,680 Common Share purchase warrants of the Corporation, each entitling the holder thereof to purchase one Common Share at exercise prices between \$0.33 and \$0.90 per Common Share;

- (j) the Corporation has not initiated any proceedings to redeem the Preferred Shares in accordance with their terms, nor has it received a retraction request from any holder of Preferred Shares initiating redemption proceedings in accordance with the terms of the Preferred Shares;
- (k) all consents, approvals, permits, authorizations or filings as may be required to be made or obtained by the Corporation under the Securities Laws necessary for the execution and delivery of the this Subscription Agreement and the consummation of the transactions contemplated thereby, will have been made or obtained, as applicable (other than the filing of reports required under applicable Securities Laws within the prescribed time periods, which documents shall be filed as soon as practicable after the Closing Date and, in any event, within 10 Business Days of the Closing Date or within such other deadline imposed by applicable Securities Laws);
- (l) the execution and delivery of this Subscription Agreement and the performance by the Corporation of its obligations hereunder, the issue and sale of the Securities and the consummation of the transactions contemplated in this Subscription Agreement, including the issuance and delivery of the Common Shares underlying, and issuable upon the due exercise or conversion, as applicable, of, the Warrants and the Debenture, each in accordance with its terms: do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both): (i) any statute, rule or regulation applicable to the Corporation or its Subsidiaries, including, without limitation, the Securities Laws; (ii) the constating documents, or resolutions of the Corporation or its Subsidiaries which are in effect; (iii) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or its Subsidiaries are a party or by which they are bound; or (iv) any judgment, decree or order binding the Corporation, its Subsidiaries or their respective Assets and Properties;
- (m) all necessary corporate action will have been taken by the Corporation to validly create and issue the Securities and to validly allot, authorize and reserve for issuance the Common Shares underlying, and issuable upon the due exercise or conversion, as applicable, of, the Warrants and the Debenture and such Common Shares will be issued as fully paid and non-assessable shares in the capital of the Corporation and will not have been issued in violation of any pre-emptive rights or contractual rights to purchase securities issued by the Corporation or subject to pre-emptive rights or, other than pursuant to the IR Agreements, contractual rights to purchase securities issued by the Corporation;
- (n) this Subscription Agreement shall have been duly authorized, executed and delivered by the Corporation and upon the execution and delivery of this Subscription Agreement, this Subscription Agreement shall constitute a valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other Applicable Laws relating to or affecting the rights of creditors generally and except as

limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Law;

- (o) Odyssey Trust Company, at its principal office in Toronto, Ontario, has been duly appointed as registrar and transfer agent in respect of the Common Shares;
- (p) other than the Registration Rights Agreements, there are no contracts or agreements between either the Corporation or any of its Subsidiaries and any Person granting such person the right to require the Corporation or any of its Subsidiaries to file a registration statement under Securities Laws in the United States or a prospectus under Securities Laws in Canada, with respect to any securities of the Corporation or any of its Subsidiaries owned or to be owned by such Person;
- (q) the Corporation has made available to the Subscriber and counsel to the Subscriber all of the material agreements and documents that pertain to the Corporation and its Subsidiaries;
- (r) there has not been any material change in the capital, assets, liabilities (absolute, accrued, contingent or otherwise) or obligations (absolute, accrued, contingent or otherwise) of the Corporation or its Subsidiaries, on a consolidated basis, since the date of the Corporation Financial Statements, there has not been any material adverse change in the business, operations, condition or prospects (financial or otherwise) or results of the operations of the Corporation or its Subsidiaries, on a consolidated basis, and to the best of the knowledge, information and belief of the Corporation, there have been no material facts, transactions, events or occurrences which could reasonably materially and adversely affect such capital, assets, liabilities (absolute, accrued, contingent or otherwise), obligations, business, operations, condition or prospects (financial or otherwise) of the Corporation or its Subsidiaries which have not been disclosed in writing by the Corporation to the Subscriber;
- (s) the Corporation and its Subsidiaries have not approved, have not entered into any agreement in respect of or have any knowledge of:
 - (i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Corporation or its Subsidiaries whether by asset sale, transfer of shares or otherwise;
 - (ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the Assets and Properties of the Corporation or its Subsidiaries or otherwise) of the Corporation or its Subsidiaries; or
 - (iii) any proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Corporation or its Subsidiaries;
- (t) other than as set out in the Corporation Financial Statements, pursuant to this Subscription Agreement, the Additional Subscriptions or as otherwise set out in writing by the Corporation to the Subscriber, the Corporation and its Subsidiaries have no Indebtedness except for indebtedness owed directly to vendors, consultants, suppliers and service providers that was incurred in the ordinary course of business in connection with the Corporation's establishment of its operations in pursuit of the Business;

- (u) other than pursuant to this Subscription Agreement, the Additional Subscriptions or as otherwise set out in writing by the Corporation to the Subscriber, the Corporation and its Subsidiaries are not a party to any Debt Instrument nor any contract to create, assume or issue any Debt Instrument, nor does the Corporation or any Subsidiary have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present or any person not dealing at “arm’s length” (as such term is defined in the *Income Tax Act* (Canada)) with the Corporation or any of its Subsidiaries;
- (v) all Taxes due and payable or required to be collected or withheld and remitted, by the Corporation or its Subsidiaries have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Corporation and its Subsidiaries have been filed with all appropriate Governmental Authority and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading or have a Material Adverse Effect. To the knowledge of the Corporation, no examination of any tax return of the Corporation or its Subsidiaries is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by the Corporation or its Subsidiaries. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to the Corporation or its Subsidiaries;
- (w) the Corporation and its Subsidiaries have established on their books and records reserves that are adequate for the payment of all material Taxes not yet due and payable and there are no Liens for Taxes on the assets of the Corporation or its Subsidiaries that are material, and there are no audits pending of the tax returns of the Corporation or its Subsidiaries (whether federal, state, provincial, local or foreign) and there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any governmental agency of any deficiency that would result in a Material Adverse Effect;
- (x) there is no bankruptcy, liquidation, winding up or other similar proceeding pending or in progress or, to the knowledge of the Corporation or any of its Subsidiaries, threatened of or against the Corporation before any court, regulatory or administrative agency or tribunal;
- (y) no legal or governmental actions, suits, judgments, investigations or proceedings are pending to which the Corporation or its Subsidiaries or the directors, officers or employees of the Corporation or its Subsidiaries are a party or to which the Corporation’s or its Subsidiaries’ property or assets are subject which, if finally determined adversely to the Corporation or its Subsidiaries, would be expected to result in a Material Adverse Effect and, to the knowledge of the Corporation, no such proceedings have been threatened against or are pending with respect to the Corporation or its Subsidiaries, or with respect to their respective property and assets and neither the Corporation nor its Subsidiaries is subject to any judgment, order, writ, injunction, decree or award of any Governmental Authority, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect;
- (z) neither the Corporation nor its Subsidiaries is: (i) in violation of its constating documents; or (ii) in default of the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, joint venture, mortgage, loan

agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound which default constitutes or would reasonably be expected to have a Material Adverse Effect;

- (aa) to the knowledge of the Corporation, no counterparty to a contract of the Corporation or its Subsidiaries is in default or breach of such contract and there exists no condition, event or act which, with the giving of notice or lapse of time or both would constitute a default or breach by such party under any such contract which would give rise to a right of termination on the part of such party to such contract which termination would reasonably be expected to have a Material Adverse Effect;
- (bb) the Corporation Financial Statements have been prepared in accordance with IFRS, contain no misrepresentations and present fairly, in all material respects, the financial condition of the Corporation and its Subsidiaries, taken as a whole, as at the date thereof and the results of the operations and cash flows of the Corporation for the period then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation that are required to be disclosed in such financial statements and there has been no material change in accounting policies or practices of the Corporation since December 31, 2022;
- (cc) other than as described in the Due Diligence Materials, disclosed in writing by the Corporation to the Subscriber, in the Corporation Financial Statements or as disclosed on SEDAR+, since December 31, 2022, there has been no change in the condition (financial or otherwise), or in the business, capital, affairs, operations, properties, assets, liabilities or prospects of the Corporation or its Subsidiaries, whether or not arising in the ordinary course of business, which would have a Material Adverse Effect;
- (dd) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets; and (iii) access to assets is permitted only in accordance with management's general or specific authorization;
- (ee) the description of the assets and liabilities (absolute, accrued, contingent or otherwise) of the Corporation and its Subsidiaries set forth in the Corporation Financial Statements, fairly represent, in accordance with IFRS, the financial position and condition of the Corporation and its Subsidiaries (taken as a whole) at the dates thereof and reflects all material liabilities (absolute, accrued, contingent or otherwise) of the Corporation and its Subsidiaries, on a consolidated basis, as at the dates thereof and the Corporation and its Subsidiaries, on a consolidated basis, have no additional material liabilities (absolute, accrued, contingent or otherwise) which has not been disclosed on SEDAR+ or otherwise in writing by the Corporation to the Subscriber and the assets of the Corporation and its Subsidiaries, on a consolidated basis, are in all material respects as disclosed on SEDAR+;
- (ff) there is no material fact known to the Corporation which the Corporation has not disclosed to the Subscriber which materially and adversely affects, or would reasonably be expected to materially and adversely affect, the assets, liabilities (contingent or otherwise), affairs, business, prospects, operations or condition (financial or otherwise) of the Corporation or its Subsidiaries, on a consolidated basis, or the ability of the Corporation or its Subsidiaries to perform their respective obligations under this Subscription Agreement;

- (gg) other than as disclosed in the Due Diligence Materials, in writing by the Corporation to the Subscriber, or on SEDAR+, since December 31, 2022: (i) neither the Corporation nor its Subsidiaries has paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor; and (ii) neither the Corporation nor its Subsidiaries has incurred any obligation or liability, direct or indirect, contingent or otherwise, except in the ordinary course of business or which in the aggregate are not material;
- (hh) other than in respect of the TSXV Approval and the Shareholder Approval, there are no third party consents required to be obtained that have not been obtained in order for the Corporation to create and issue the Securities and the Common Shares underlying, and issuable on the due exercise or conversion, as applicable, of the Warrants and the Debenture in accordance with their respective terms, other than those which have been obtained;
- (ii) the Corporation and its Subsidiaries: (i) are and at all times have been in full compliance with all Applicable Laws; (ii) have not received any correspondence or notice from any Governmental Authority or Gaming Regulatory Authority alleging or asserting noncompliance with any Applicable Laws or any licenses, certificates, approvals, clearances, authorizations, permits, qualifications, consents and supplements or amendments thereto required by any such Applicable Laws (collectively, “**Authorizations**”); (iii) possess all Authorizations required for the conduct of their respective business, and such Authorizations are valid and in full force and effect and the Corporation and its Subsidiaries are not in violation of any term of any such Authorization; (iv) have not received notice of any pending or threatened claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action from any Governmental Authority or third party alleging that any operation or activity of the Corporation or its Subsidiaries is in violation of any Applicable Laws or Authorizations and have no knowledge or reason to believe that any such Governmental Authority or third party is considering any such claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action; (v) have not received notice that any Governmental Authority, including the Gaming Regulatory Authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any material Authorizations and/or will not grant any required Authorization and have no knowledge or reason to believe that any such Governmental Authority is considering such action; and (vi) have, or have had on their behalf, filed, declared, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations except where failure to do so would not reasonably be expected to have a Material Adverse Effect and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission);
- (jj) the Corporation and its Subsidiaries own or have the right to use all of the Intellectual Property owned or used by their respective business as of the date hereof. All registrations, if any, and filings necessary to preserve the rights of the Corporation and its Subsidiaries in such Intellectual Property have been made and are in good standing. The Corporation and its Subsidiaries have no pending action or proceeding nor any threatened action or proceeding, against any Person with respect to the use of such Intellectual Property and there are no circumstances which cast doubt on the validity or enforceability of such Intellectual Property owned or used by the Corporation and its Subsidiaries. The conduct of the business of the Corporation and its Subsidiaries does not, to the knowledge of the Corporation, infringe upon the Intellectual Property of any other Person. The Corporation and its Subsidiaries have no pending action or proceeding, nor, to the knowledge of the

Corporation, is there any threatened action or proceeding against them with respect to the Corporation's and its Subsidiaries' use of such Intellectual Property;

- (kk) to the extent that any of the Corporation's or its Subsidiaries' owned Intellectual Property that is material to the business of the Corporation and its Subsidiaries taken as a whole is licensed or disclosed to any Person or any Person has access to such Intellectual Property (including but not limited to any employee, officer, shareholder or consultant of the Corporation), the Corporation has entered into a valid and enforceable written agreement which contains terms and conditions prohibiting the unauthorized use, reproduction, disclosure, reverse engineering or transfer of such Intellectual Property by such Person. All such agreements are in full force and effect and neither the Corporation nor its Subsidiaries, or, to the knowledge of the Corporation, any other Person, is in default of its obligations thereunder;
- (ll) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation or its Subsidiaries has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Corporation, are pending, contemplated or threatened by any regulatory authority;
- (mm) other than transfer restrictions under the Corporation's and its Subsidiaries articles, the IR Agreements and the Registration Rights Agreements, there are no voting trusts or agreements, shareholders' agreements, buy sell agreements, rights of first refusal agreements, agreements relating to restrictions on transfer, pre-emptive rights agreements, tag-along agreements, drag along agreements or proxies relating to any of the securities of the Corporation or its Subsidiaries or any agreement which in any manner affects or will affect to the voting or control of any securities of the Corporation or its Subsidiaries, to which the Corporation or its Subsidiaries is a party;
- (nn) except as disclosed in the Due Diligence Materials, in writing by the Corporation to the Subscriber, or on SEDAR+, there is no agreement, plan or practice relating to the payment of any management, consulting, service or other fee or any bonus, pensions, share of profits or retirement allowance, insurance, health or other employee benefit other than in the ordinary course of business;
- (oo) no union has been accredited or otherwise designated to represent any employees of the Corporation or its Subsidiaries and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or its Subsidiaries and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the facilities of the Corporation or its Subsidiaries and none is currently being negotiated by the Corporation or its Subsidiaries;
- (pp) with respect to each premises of the Corporation and its Subsidiaries which is material to the Corporation or its Subsidiaries, and which the Corporation or its Subsidiaries occupies as tenant (the "**Leased Premises**"), the Corporation or its Subsidiaries occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation or its Subsidiaries occupies the Leased Premises is in good standing and in full force and effect;
- (qq) the Corporation and its Subsidiaries are each in compliance in all material respects with all Applicable Laws respecting employment and employment practices, terms and conditions

of employment, pay equity and wages and have not and are not engaged in any unfair labour practice;

- (rr) each plan of the Corporation and its Subsidiaries for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Corporation or its Subsidiaries or for the benefit of any current or former director, officer, employee or consultant of the Corporation or its Subsidiaries (the “**Employee Plans**”) is set out in the Due Diligence Materials, has been disclosed in writing by the Corporation to the Subscriber, or is set out on SEDAR+ and each Employee Plan has been maintained in all material respects with its terms and with the requirements prescribed by any and all Applicable Laws that are applicable to such Employee Plans;
- (ss) no Person would be entitled to a payment under a contract with the Corporation or its Subsidiaries as a result of the Offering;
- (tt) other than as disclosed in the Due Diligence Materials, in writing by the Corporation to the Subscriber or on SEDAR+, no material labour dispute with current and former employees of the Corporation or its Subsidiaries exists, or, to the knowledge of the Corporation, is imminent and the Corporation is not aware of any existing, threatened or imminent labour disturbance by the employees of any of the principal suppliers, manufacturers or contractors of the Corporation or its Subsidiaries;
- (uu) other than as shareholders, none of the directors, officers or employees of the Corporation or its Subsidiaries or any associate or affiliate of any of the foregoing have any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Corporation or its Subsidiaries that materially affects, is material to or will materially affect the Corporation or its Subsidiaries;
- (vv) neither the Corporation nor any of its Subsidiaries own any real property;
- (ww) the Corporation and its Subsidiaries’ insurance policies are valid and enforceable and in full force and effect, are underwritten by unaffiliated and reputable insurers, are sufficient for all requirements of Applicable Law and provide insurance, including liability and product liability insurance, in such amounts and against such risks as is customary for corporations engaged in businesses similar to that carried on by the Corporation and its Subsidiaries. The Corporation and its Subsidiaries are not in default in any material respect with respect to the payment of any premium or compliance with any of the provisions contained in any such insurance policy and have not failed to give any notice or present any claim within the appropriate time therefor. There are no circumstances under which the Corporation or its Subsidiaries would be required to or, in order to maintain its coverage, should give any notice to the insurers under any such insurance policy which has not been given;
- (xx) (i) the Corporation and its Subsidiaries, their Assets and Properties and the operation of their respective business, have been and are, to the knowledge of the Corporation, in compliance in all material respects with all Environmental Laws; (ii) the Corporation and its Subsidiaries are not in violation of any regulation relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, “**Hazardous Materials**”);

- (iii) the Corporation and its Subsidiaries have complied in all material respects with all reporting and monitoring requirements under all Environmental Laws; (iv) the Corporation and its Subsidiaries have never received any notice of any material noncompliance in respect of any Environmental Laws; (v) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Corporation or its Subsidiaries relating to Hazardous Materials or any Environmental Laws; and (vi) there are no Environmental Permits necessary to conduct the Business;
- (yy) the minute books and records of the Corporation and its Subsidiaries made available to counsel for the Subscriber in connection with the due diligence investigation of the Corporation and its Subsidiaries for the period from the date of incorporation to the Closing Date are all of the minute books of the Corporation and its Subsidiaries, contain full, true and correct copies of the constating documents and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Corporation and its Subsidiaries to the date hereof and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Corporation and its Subsidiaries to the date hereof not reflected in such minute books;
- (zz) all information which has been prepared by the Corporation relating to the Corporation, its Subsidiaries and their respective business, property and liabilities and made available to the Subscriber, including all financial, marketing, sales and operational information related to the Corporation, its Subsidiaries and their respective business provided to the Subscriber was as of the date of such information, true and correct in all material respects, taken as a whole, and no fact or facts have been omitted therefrom which would make such information materially misleading;
- (aaa) there is no Person acting or purporting to act at the request or on behalf of the Corporation that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Subscription Agreement;
- (bbb) no shareholder of the Corporation shall have any pre-emptive right in respect of the Securities or any Common Shares issuable on the due exercise or conversion, as applicable, of the Warrants or the Debenture;
- (ccc) to the knowledge of the Corporation, there are no other agreements, understandings or commitments relating to this Offering other than this Subscription Agreement that have not been disclosed to the Subscriber;
- (ddd) neither the Corporation nor any of its Subsidiaries have received at any time within the last three (3) years any written notice from any Gaming Regulatory Authority anywhere in the world alleging that the business as operated by the Corporation or its Subsidiaries, or their predecessors, infringes the gambling laws and/or regulations enforced by such Gaming Regulatory Authority, except where such infringement would not have a Material Adverse Effect;
- (eee) to the knowledge of the Corporation, neither the Corporation nor any of its Subsidiaries have, in relation to its business, been the subject of any investigation or enquiry by any Gaming Regulatory Authority and, to the knowledge of the Corporation, neither the

Corporation nor any of its Subsidiaries have taken any action which could give rise to any such investigation or enquiry;

- (fff) the Corporation is a “reporting issuer” within the meaning of applicable Securities Laws in the Provinces of British Columbia, Alberta and Ontario, is in good standing and is not included in a list of defaulting reporting issuers maintained by the applicable Securities Regulators in such provinces, and is in compliance, in all material respects, with all of its obligations as a reporting issuer and has not been the subject of any investigation by any stock exchange or any Securities Regulator, is current with all filings required to be made by it under Securities Laws and other Applicable Laws, is not aware of any deficiencies in the filing of any documents or reports with any Securities Regulators and there is no material change relating to the Corporation or its Subsidiaries which has occurred and with respect to which the requisite news release or material change report has not been filed with the Securities Regulators;
- (ggg) the issued and outstanding Common Shares are listed and posted for trading on the TSXV and the Corporation has not taken any action which could be reasonably expected to result in the delisting or suspension of such Common Shares on or from the TSXV and the Corporation is currently in compliance with the written rules and policies of the TSXV;
- (hhh) all material filings and fees required to be made and paid by the Corporation pursuant to applicable Securities Laws and the rules and policies of the TSXV have been made and paid;
- (iii) all documents and information filed by the Corporation on SEDAR+ (or its predecessor) contain all material facts pertaining to the securities of the Corporation and does not omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. The Corporation has been in compliance in all material respects with its timely and continuous disclosure obligations under applicable securities laws in Canada, and, without limiting the generality of the foregoing, there has been no material change or material fact as to the Corporation that has occurred which has not been publicly disclosed. The Corporation has not filed any confidential material change reports which remain confidential as at the date hereof and there are no circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part XXIII – *Civil Liability for Secondary Market Disclosure* of the *Securities Act* (Ontario) and analogous provisions under applicable Securities Laws in the Provinces of Alberta and British Columbia;
- (jjj) neither the Corporation nor any of its Subsidiaries and, to the Corporation’s knowledge, none of their respective directors, officers, supervisors, managers, employees or, while acting on behalf of the Corporation or any of its Subsidiaries, agents has: (A) violated any applicable Anti-Corruption Laws, export control or economic sanctions Laws, (B) made or authorized any direct or indirect contribution, payment or gift of funds, property or anything else of value to any Government Official in Canada, other jurisdictions in which the Corporation or any of its Subsidiaries has assets or any other jurisdiction other than in accordance with Applicable Laws, (C) used any corporate funds, or made any direct or indirect unlawful payment from corporate funds, to any foreign or domestic Government Official or employee or for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; or (D) violated or is in violation of any provision of the Anti-Corruption Laws or other Applicable Law relating to foreign corrupt practices, including making any contribution to any Government Official or candidate for public office, in either case, where either the payment or gift or the purpose of such contribution

payment or gift was or is prohibited under the foregoing or any other Applicable Law of any locality; and

- (kkk) the operations of the Corporation and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any Governmental Authority or any arbitrator non-Governmental Authority involving the Corporation or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened.

ARTICLE 6 REPRESENTATIONS, WARRANTIES, COVENANTS AND ACKNOWLEDGEMENTS OF THE SUBSCRIBER

6.1 Representations, Warranties, Covenants and Acknowledgements of the Subscriber

The Subscriber represents and warrants to the Corporation, and acknowledges that the Corporation is relying on such representations and warranties in connection with the transactions contemplated by this Subscription Agreement, that:

- (a) the Subscriber is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to execute and deliver this Subscription Agreement, to subscribe for the Debenture as contemplated herein and to carry out and perform its covenants and obligations under the terms of this Subscription Agreement and to undertake all actions required of the Subscriber hereunder, and has obtained all necessary approvals in respect thereof and the individual signing this Subscription Agreement has been duly authorized to execute and deliver this Subscription Agreement;
- (b) the execution and delivery of this Subscription Agreement and the performance by the Subscriber of its obligations hereunder, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both): (i) any statute, rule or regulation applicable to the Subscriber, including, without limitation, Securities Laws; (ii) the constating documents or resolutions of the Subscriber which are in effect at the date hereof; (iii) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Subscriber is a party or by which they are bound; or (iv) any judgment, decree or order binding the Subscriber;
- (c) this Subscription Agreement shall have been duly authorized, executed and delivered by the Subscriber or its affiliate, as applicable, and upon the execution and delivery of this Subscription Agreement, this Subscription Agreement shall constitute a valid and binding obligation of the Subscriber enforceable against the Subscriber in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other Applicable Laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Law;

- (d) the Subscriber is a resident of the Isle of Man and not a resident of Canada or the United States;
- (e) the Subscriber is not a U.S. Person nor subscribing for the Securities for the account of a U.S. Person or for resale in the United States and the Subscriber confirms that the Securities have not been offered to the Subscriber in the United States and that this Subscription Agreement has not been signed in the United States;
- (f) the Subscriber acknowledges that the Securities and the Common Shares underlying, and issuable on the due exercise or conversion, as applicable, of the Warrants and the Debenture have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold in the United States or to a U.S. Person unless the securities are registered under the U.S. Securities Act and all applicable State securities laws or an exemption from such registration requirements is available, and further agrees that hedging transactions involving such securities may not be conducted unless in compliance with the U.S. Securities Act;
- (g) the execution of this Subscription Agreement and the final decision by the Subscriber to acquire the Securities, together with all acts of solicitation and negotiation, were made outside of North America;
- (h) the Subscriber is not purchasing the Securities for the benefit of any citizen or resident of Canada, or a corporation, partnership or other entity created in or organized under the laws of Canada or any province or territory of Canada, or any U.S. Person;
- (i) the Subscriber is purchasing the Securities for investment only and not with a view to the resale or distribution of all or any of the Securities and the Common Shares underlying, and issuable on the due exercise or conversion, as applicable, of the Warrants and the Debenture;
- (j) the Subscriber is not purchasing the Securities as a result of any form of directed selling efforts, and the sale of the Securities was not accompanied by any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over radio, television or telecommunications, including electronic display and the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (k) the Subscriber is an "accredited investor" (within the meaning of Section 1.1 of NI 45-106 or Section 73.3(1) of the OSA, as applicable) and the Subscriber was not created, nor is it being used, solely to purchase or hold the Securities;
- (l) the Subscriber has not received or been provided with nor has it requested, nor does it have any need to receive any prospectus, registration statement, offering memorandum (within the meaning of the Securities Laws) or any sales or advertising literature in connection with the Offering or any other document purporting to describe the business and affairs of the Corporation which has been prepared for review by prospective purchasers to assist in making an investment decision in respect of the Securities, and the Subscriber's decision to subscribe for the Securities was not based upon, and the Subscriber has not relied upon, any oral or written representations as to facts made by or on behalf of the Corporation, or any employee, agent or affiliate thereof or any other Person associated therewith, except as set forth in this Subscription Agreement;

- (m) the Subscriber acknowledges and confirms that it: (i) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks (including the potential loss of its entire investment) of its proposed investment in the Securities; (ii) is aware of the characteristics of the Securities and the Common Shares underlying, and issuable on the due exercise or conversion, as applicable, of the Warrants and the Debenture, and understands the risks relating to an investment therein; (iii) is capable of assessing the proposed investment in the Securities as a result of the Subscriber's own experience or as a result of advice received from a person registered under applicable Securities Laws; and (iv) is able to bear the economic risk of loss of its entire investment in the Securities;
- (n) the Subscriber understands that no securities commission, stock exchange, governmental agency, regulatory body or similar authority has reviewed or made any finding or determination or expressed any opinion with respect to the merits of investing in the Securities and the Common Shares underlying, and issuable on the due exercise or conversion, as applicable, of the Warrants and the Debenture;
- (o) the Subscriber acknowledges that no prospectus has been filed by the Corporation with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Securities or any Common Shares issuable on the due exercise or conversion, as applicable, of the Warrants or the Debenture and that it is a condition of the Offering that the issuance of the Securities be exempted from the prospectus requirements available under the provisions of applicable Securities Laws and as a result:
 - (i) the Subscriber is restricted from using most of the civil remedies available under Securities Laws,
 - (ii) the Subscriber may not receive information that would otherwise be required to be provided to it under applicable Securities Laws, and
 - (iii) the Corporation is relieved from certain obligations that would otherwise apply under applicable Securities Laws.
- (p) the ability to transfer the Securities and any Common Shares issuable on the due exercise or conversion, as applicable, of the Warrants or the Debenture, is limited by, among other things, applicable Securities Laws and the Corporation shall refuse, and shall instruct its transfer agent to refuse, to register any transfer that does not comply with the Securities Laws;
- (q) the Subscriber acknowledges that the Securities and the Common Shares underlying, and issuable on the due exercise or conversion, as applicable, of the Warrants and the Debenture will bear such legend or legends as may, in the opinion of counsel to the Corporation, be reasonably necessary in order to avoid a violation of any applicable Securities Laws or to comply with the requirements of the TSXV;
- (r) the Subscriber is not aware of any person acting or purporting to act in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee; and
- (s) the funds representing the Subscription Amount which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (the "**PCMLTFA**"), the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**"), the *United Kingdom's Proceeds of Crime Act 2002* (the "**POCA**") or equivalent legislation, and the

Subscriber acknowledges that the Corporation may in the future be required by Applicable Law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA, the PATRIOT Act, the POCA or equivalent legislation. The Subscriber represents and covenants that (i) to the best of its knowledge, none of the Subscription Amount to be provided by the Subscriber (A) has been or will be derived from or related to any activity that is deemed criminal under the Applicable Laws of Canada, the United States, or any other jurisdiction, or (B) is being tendered on behalf of a Person who has not been identified to the Subscriber, and (ii) the Subscriber shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true and shall provide the Corporation with appropriate information in connection therewith.

ARTICLE 7 SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 Survival of Representations, Warranties and Covenants of the Corporation

The representations, warranties and covenants of the Corporation contained in this Subscription Agreement, or any certificate of the Corporation provided in connection with this Subscription Agreement (and any rights arising out of any breach of such representations, warranties or covenants), shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Subscriber with respect thereto, shall continue in full force and effect for the benefit of the Subscriber for a period of two (2) years from the Closing Date.

7.2 Survival of Representations, Warranties and Covenants of the Subscriber

The representations, warranties and covenants of the Subscriber contained in this Subscription Agreement (and any rights arising out of any breach of such representations, warranties or covenants), shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Corporation with respect thereto, shall continue in full force and effect for the benefit of the Corporation for a period of two (2) years from the Closing Date.

ARTICLE 8 TERMINATION

8.1 Term

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

8.2 Termination

This Agreement and the subscription for the Securities by the Subscriber may be terminated at any time prior to the Closing Date (notwithstanding any TSXV Approval or Shareholder Approval):

- (a) by the mutual written agreement of the Corporation and the Subscriber;
- (b) by written notice of either party to the other, if the Closing has not occurred on or before the Outside Date, except that the right to terminate this Agreement under this Section 8.2(b) shall not be available to any party whose failure to fulfill any of its obligations or covenants,

or any of its representations and warranties, under this Agreement has been the cause of, or resulted in, the Closing not occurring by the Outside Date;

- (c) by written notice of the Corporation to the Subscriber, if any of the conditions set forth in Section 4.2 and Section 4.3 are not satisfied, and such condition is incapable of being satisfied by the Outside Date; *provided*, that the Corporation is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 4.2 or Section 4.3 not to be satisfied;
- (d) by written notice of the Subscriber to the Corporation, if any of the conditions set forth in Section 4.2 and Section 4.4 are not satisfied, and such condition is incapable of being satisfied by the Outside Date; *provided*, that the Subscriber is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 4.2 or Section 4.4 not to be satisfied; or
- (e) by written notice of the Subscriber to the Corporation, if the Shareholder Meeting is held and the Shareholder Approval is not obtained in accordance with Applicable Laws and the Corporation's constating documents.

ARTICLE 9 MISCELLANEOUS

9.1 Further Assurances

Each of the parties hereto upon the request of each of the other parties hereto, whether before or after the Closing Time, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may reasonably be necessary or desirable to complete the transactions contemplated herein.

9.2 Public Communications

Except as required by Applicable Law, including the filing by the Corporation of a material change report and, if required, a Form 45-106F1 with the Securities Regulators and the early warning report and insider report to be filed by the Subscriber pursuant to applicable Securities Laws, neither the Corporation nor the Subscriber may issue any press release or make any other public statement or disclosure with respect to this Agreement or the Offering and neither the Corporation nor the Subscriber will make any filing with any Governmental Authority with respect to this Agreement or the Offering without the consent of the other (which consent shall not be unreasonably withheld or delayed); provided, however, that the foregoing will be subject to the Corporation's and the Subscriber's overriding obligation to make any disclosure or filing required under Applicable Law or requirements of a Governmental Authority; and further provided that if either the Corporation or the Subscriber, in the opinion of its legal counsel, is required by Applicable Law or Governmental Authority to make any disclosure or filing shall use commercially reasonable efforts to give the other prior oral or written notice and a reasonable opportunity to review and comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing), and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure. The party making such disclosure or filing shall give reasonable consideration to any comments made by the other party or its legal counsel.

9.3 Notices

(a) Any notice, direction or other instrument required or permitted to be given to any party hereto shall be in writing and shall be sufficiently given if delivered personally, or transmitted by e-mail, as follows:

(i) in the case of the Corporation, to:

220 King St. West, Suite 200
Toronto, Ontario
M5H 1K4, Canada

Attention: [Contact Person]
e-mail: [email address]

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

[Address]

Attention: [Contact Person]
e-mail: [email address]

(ii) in the case of the Subscriber, to:

[Address]

Attention: [Contact Person]
E-mail: [email address]

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

[Address]

and

[Address]

Attention: [Contact Persons]
E-mail: [email addresses]

- (b) Any such notice, direction or other instrument, if delivered personally, shall be deemed to have been given and received on the day on which it was delivered, provided that if such day is not a Business Day then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day following such day and if transmitted by e-mail, shall be deemed to have been given and received on the day of its transmission, provided that if such day is not a Business Day or if it is transmitted or received after the end of normal business hours then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day following the day of such transmission.
- (c) Any party hereto may change its address for service from time to time by notice given to each of the other parties hereto in accordance with the foregoing provisions.

9.4 Time of the Essence

Time shall be of the essence of this Subscription Agreement and every part hereof.

9.5 Costs and Expenses

All costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Subscription Agreement and the transactions herein contemplated shall be paid and borne by the party incurring such costs and expenses. For the avoidance of doubt, all costs and expenses incurred by the Subscriber (including any fees and disbursements of legal counsel, tax advisors, or other professional advisors retained by the Subscriber) relating to the Offering shall be borne solely by the Subscriber.

9.6 Applicable Law

This Subscription Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any and all disputes arising under this Subscription Agreement, whether as to interpretation, performance or otherwise, shall be subject to the non-exclusive jurisdiction of the courts of the Province of Ontario and each of the parties hereto hereby irrevocably attorns to the jurisdiction of the courts of such province.

9.7 Entire Agreement

This Subscription Agreement, including the Schedules hereto and certificates provided pursuant to the terms herein, and the Debenture and Warrants constitutes the entire agreement between the parties with respect to the transactions contemplated herein and cancels and supersedes any prior understandings, agreements, negotiations and discussions between the parties. There are no representations, warranties, terms, conditions, undertakings or collateral agreements or understandings, express or implied, between the parties hereto other than those expressly set forth in this Subscription Agreement or in any such agreement, certificate, affidavit, statutory declaration or other document as aforesaid.

9.8 Counterparts

This Subscription Agreement may be executed and delivered in two or more counterparts (whether by facsimile, email, or other electronic means), with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be deemed to be an original and all of which together shall constitute one and the same Subscription Agreement.

9.9 Severability

If any provision of this Subscription Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Subscription Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Subscription Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

9.10 Waiver

No act or omission by the Subscriber in any manner whatever will extend to or be taken to affect any provision hereof or any subsequent breach or default or the rights resulting therefrom save and except for an express waiver or consent in writing. A waiver of default will not extend to, or be taken in any manner whatsoever to affect the rights of the Subscriber with respect to, any subsequent default, whether similar or not. The Corporation waives every defence based upon any or all indulgences that may be granted by the Subscriber.

9.11 Amendment

Except as otherwise provided herein, this Subscription Agreement may only be amended by the parties hereto in writing.

9.12 Assignment

This Subscription Agreement may not be assigned by either party except with the prior written consent of the other parties hereto.

9.13 Enurement

This Subscription Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors (including any successor by reason of the amalgamation or merger of any party), administrators and permitted assigns.

9.14 Language

It is the express wish of the Subscriber that the Subscription Agreement and any related documentation be drawn up in English. Il est de la volonté expresse du souscripteur que la convention de souscription ainsi que tout document connexe soient rédigées en langue anglaise.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first hereinabove written.

NORTHSTAR GAMING HOLDINGS INC.

"Michael Moskowitz"

Per: _____

Name: Michael Moskowitz

Title: Chief Executive Officer

PLAYTECH PLC

Per: _____

Name:

Title:

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first hereinabove written.

NORTHSTAR GAMING HOLDINGS INC.

Per: _____
Name:
Title:

PLAYTECH PLC

"Chris McGinnis"

Per: _____
Name: Chris McGinnis
Title: Director and CFO

**SCHEDULE A
FORM OF DEBENTURE**

[See Attached]

PLAYTECH PLC

as the Holder

- and -

NORTHSTAR GAMING HOLDINGS INC.

as the Company

UNSECURED CONVERTIBLE DEBENTURE

[•], 2023

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EXHIBIT A NOTICE OF CONVERSION

SENIOR UNSECURED CONVERTIBLE DEBENTURE
(the “**Debenture**”)

THIS DEBENTURE, dated as of [●], 2023 between NorthStar Gaming Holdings Inc. (the “**Company**”) and Playtech plc (the “**Holder**” and, together with the Company, the “**Parties**”).

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

As used herein the following expressions will have the following meanings and grammatical variations thereof shall have corresponding meanings:

“**Additional Amounts**” has the meaning assigned to such term in Section 2.7(a).

“**Additional Debentures**” means any convertible debenture(s) issued by the Company on or before the date hereof to other parties on terms substantially equivalent to those set out herein, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“**Affiliate**” means, with respect to a specified Person, any other Person that such specified Person directly or indirectly Controls, is Controlled by, or is under common Control with.

“**Applicable Laws**” means, with respect to any Person or matter, any statute, law, rule, treaty, convention, regulation, order, decree, request, determination or other requirement of any Governmental Agency (having the force of law) relating and applicable to such Person or matter and, where applicable, any interpretation thereof by any Governmental Agency having jurisdiction with respect thereto or charged with the administration or interpretation thereof.

“**Approved Budget**” means (i) for the 2023 Fiscal Year, the 2023 Fiscal Year forecasts provided to the Holder prior to the date hereof; and (ii) for subsequent Fiscal Years, the annual budget of the Company duly approved or adopted by the Board and made available to the Holder, from time to time, and agreed to in writing by the Holder, acting reasonably.

“**Base Interest Rate**” has the meaning assigned to such term in Section 2.2(a).

“**Board**” means the board of directors of the Company.

“**Business Day**” means any day which is not a Saturday, a Sunday or a day observed as a holiday under Applicable Laws in either Toronto, Ontario or London, the United Kingdom, or a day in which banking institutions located in Toronto, Ontario or London, the United Kingdom, are permitted to be closed.

“**Capital Lease**” means a lease that is categorized as a lease or other arrangement in respect of real or personal property that is required to be classified and accounted for as a capital lease obligation on a balance sheet of the relevant Person in accordance with IFRS.

“**Capital Reorganization**” has the meaning assigned to such term in Section 4.3(d).

“Capital Stock” means Equity Securities or other equity interests in any Person or any warrants, options or other rights to acquire any such interests.

“Cash Equivalents” means:

- (a) marketable direct obligations issued by, or unconditionally guaranteed by, any Permitted Cash Equivalent Jurisdiction or any agency or instrumentality of any of them, and backed by the full faith and credit of any Permitted Cash Equivalent Jurisdiction, in each case maturing in one year or less from the date of acquisition;
- (b) term deposits, certificates of deposit or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any commercial bank organized under the laws of any Permitted Cash Equivalent Jurisdiction having combined capital and surplus of not less than \$100,000; and
- (c) commercial paper (i) for which a recognised trading market exists; (ii) issued by an issuer incorporated in Canada, the United States of America or the United Kingdom; (iii) which matures within six months after the relevant date of calculation; and (iv) of an issuer rated at least A-1 or the equivalent thereof by Standard & Poor’s Ratings Services or at least P-1 or the equivalent thereof by Moody’s Investors Service Inc.

“Change of Control” means (a) a transaction that would result in the acquisition or purchase by any Person (other than the Holder, any Affiliate of the Holder, or any Person that is acting jointly or in concert with the Holder or any Affiliate of the Holder) of (i) assets of the Company and its Subsidiaries, the Fair Market Value of which assets, in the aggregate, constitute 50% or more of the Fair Market Value of the consolidated assets of the Company, (ii) Equity Securities of the Company where those securities, together with any Equity Securities of the Company already held by the offeror and its Affiliates, constitute, in the aggregate, 50% or more of the outstanding Equity Securities of the Company, or (iii) 50% or more of the Equity Securities of or one of more of the Subsidiaries of the Company; or (b) an amalgamation, arrangement, consolidation, merger or combination as a result of which the Person(s) who were holders of Equity Securities of the Company or one of more of its Subsidiaries, as applicable, immediately prior to such transaction cease to hold a majority of the Equity Securities, as applicable, of the specified Person immediately following such transaction; or (c) a transaction or event that would result in a change in the composition of the Board such that more than 50% of the Persons who were directors of the Company immediately prior to completion of such transaction or event are no longer directors upon completion of such transaction or event.

“Change of Control Effective Date” means, in respect of a Change of Control, the date upon which such Change of Control is completed or becomes effective.

“Change of Control Repayment Offer” has the meaning assigned to such term in Section 2.5.

“Closing Date” means the date of issue of this Debenture.

“Common Shares” means the common shares in the capital of the Company.

“Company” means NorthStar Gaming Holdings Inc., and its legal successors and permitted assigns.

“Control” means that a Person has the power to direct or cause the direction of the management and policies of another Person, whether through holding a beneficial ownership interest in such other Person, through contract or otherwise.

“Conversion” has the meaning assigned to such term in Section 4.1.

“Conversion Date” has the meaning assigned to such term in Section 4.1.

“Conversion Period” has the meaning assigned to such term in Section 4.1.

“Conversion Price” means \$0.20 per Common Share provided that, (i) in the case of the Conversion of accrued but unpaid interest that has been capitalized, the “Conversion Price” shall be the Market Price determined as at the last trading day of the Interest Period during which the applicable interest was accrued and (ii) in the case of the Conversion of accrued but unpaid interest that has not been capitalized, the “Conversion Price” shall be the Market Price determined as at the date the Notice of Conversion is delivered, in each case, subject to adjustment in accordance with the terms of this Debenture.

“Converted Amount” has the meaning assigned to such term in Section 4.2(d).

“Convertible Securities” means any agreement, option, warrant, note, instrument, right, unit or other security or conversion privilege issued or granted by the Company or any of its Affiliates that is exercisable or convertible into, or exchangeable for, or otherwise carries the right of the holder to purchase or otherwise acquire Common Shares, including pursuant to one or more multiple exercises, conversions and/or exchanges.

“Credit Obligations” means all present and future indebtedness, liabilities and obligations of the Company to the Holder under the Financing Documents including the principal amount, plus all accrued and unpaid interest and any other monetary amounts, outstanding under this Debenture, all debts, claims and indebtedness (whether incurred before or after the applicable Maturity Date), accrued and unpaid interest and all fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and/or from time to time hereafter owing, due or payable including, without limitation, all interest, fees, costs and expenses accrued or incurred after the filing of any petition under any bankruptcy or insolvency law.

“Current Market Price” at any date means (a) so long as the Common Shares are listed on the TSXV or have been unconditionally listed and posted for trading on any alternative stock exchange, the volume weighted average trading price of the Common Shares on the stock exchange with the greatest volume of trades in the past six months during the five consecutive trading days ending on the trading day immediately preceding such date, where the volume weighted average trading price is determined by dividing the aggregate sale price of all Common Shares sold during that period by the total number of Common Shares sold during that period, (b) if none of the Common Shares are listed on any stock exchange, the most recent price paid per Common Share issued by the Company in a private placement or other similar transaction by any Person who is not an Affiliate of the Company, or (c) if no such prices are available, the Fair Market Value per Common Share.

“Debenture” means this debenture.

“Default” means any event which, with the passage of time, the giving of notice or both, would constitute an Event of Default.

“Default Rate” means the Base Interest Rate plus 7%, subject to the provisions of this Debenture (including Section 7.7).

“Derivative Transaction” means any transaction which is (a) a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, forward commodity transaction, credit derivative transaction, repurchase or reverse repurchase transaction, securities lending transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or (b) any combination of these transactions.

“Disqualified Capital Stock” means any shares in the capital of the Company or any Subsidiary thereof which, by their terms (or by the terms of any security into which they are convertible or for which they are exchangeable at the option of the holder), or upon the happening of any event, matures or is mandatorily redeemable (other than solely for shares in the capital of the Company or a Subsidiary thereof which are not otherwise Disqualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely for shares in the capital of the Company or a Subsidiary thereof which are not otherwise Disqualified Capital Stock), in whole or in part, in each case on or prior to the Maturity Date, for cash or securities constituting Indebtedness. Without limiting the foregoing, Disqualified Capital Stock shall be deemed to include (i) any preferred shares of a Subsidiary of the Company, and (ii) any preferred shares of the Company, under the terms of which, by agreement or otherwise, such Subsidiary or the Company, as applicable, is obligated to pay current dividends or distributions in cash during the period prior to the Maturity Date.

“Equity Securities” means any securities (i) having voting rights in respect of the election of the board of directors of a Person not contingent upon default, (ii) evidencing an ownership interest in a Person, or (iii) convertible into or exercisable or exchangeable for any of the foregoing (other than unexercised options issued to an employee, consultant, officer or director of a Person pursuant to an incentive option plan or otherwise), or any agreement or commitment to issue any of the foregoing.

“Event of Default” means any of the events described in Section 6.1.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to the Holder or required to be withheld or deducted from a payment to the Holder, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, capital taxes, and branch profits Taxes, in each case, (i) imposed as a result of the Holder being organized under the laws of, or having its principal office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes; (b) Taxes attributable to the Holder's failure to comply with Section 2.7(e) where such compliance is a legal requirement in order to access the applicable reduction of or exemption from Tax; and (c) any Canadian withholding Taxes imposed on a payment by or on account of interest on any obligation of the Company hereunder by reason of the Holder not dealing at arm's length (for purposes of the *Income Tax Act* (Canada)) with the Company at the time of making such payment (other than where the non-arm's length relationship arises as a result of the Holder holding the Debenture or having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to or enforced any rights under or with respect to, the Debenture).

“Fair Market Value” means the fair market value as determined by the Board, acting reasonably; provided that if a dispute arises with respect to Fair Market Value, such dispute will be conclusively determined by such firm of independent chartered professional accountants as may be selected by the Board and acceptable to the Holder, acting reasonably, and any such determination will be binding upon the Holder and the Company.

“Financing Documents” means this Debenture and the Subscription Agreement.

“Fiscal Quarter” means any of the three month periods ending on the last day of March, June, September and December in each year.

“Fiscal Year” means any of the twelve month periods ending on the last day of December in each year.

“Force Majeure” shall mean acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, pandemic, epidemic or other public health emergency, lock-outs, strikes or other labour disputes (whether or not relating to either Party’s workforce) or any other disabling causes whatsoever beyond the reasonable control of the Company which prevent the Company from complying with a material obligation under this Debenture or may meaningfully interfere with the conduct of the business of the Company.

“Gaming Regulatory Authority” means those international, national, state, local, tribal and other governmental, regulatory and administrative authorities, agencies, boards and officials responsible for or regulating gaming or gaming activities in any jurisdiction in which the Company or any Subsidiary of the Company is qualified, licensed or registered to carry on business, including, but without limitation, the Alcohol and Gaming Commission of Ontario and its Subsidiary, iGaming Ontario.

“Governmental Agency” means any supranational, national, federal, provincial, territorial, regional or local government or governmental department, agency, authority, board, central bank, monetary authority, commission, or other entity charged with the administration, interpretation or enforcement of any Applicable Law.

“Holder” means Playtech plc, and its legal successors and permitted assigns.

“IFRS” means international financial reporting standards as adopted in Canada.

“Indebtedness” of any Person means, without duplication, (i) indebtedness for borrowed money of such Person, (ii) Purchase Money Obligations of such Person, (iii) other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument, (iv) obligations of such Person under any Capital Lease, (v) to the extent accelerated or otherwise then due and payable, all obligations of any Person under any agreement, whether or not in writing, relating to any transaction that is a Derivative Transaction, such obligations to be measured on a marked-to-market basis at the time of determination, (vi) every reimbursement obligation of such Person with respect to letters of credit, bankers’ acceptances or similar facilities issued for the account of such Person and (vii) contingent obligations of such Person under any guarantee, indemnity or other agreement assuring payment of any obligations of another Person of the type described in any of clauses (i) through (vi) above (to the extent, with respect to any such indemnity, of the amount of such indemnity which is not in dispute), and the Indebtedness of a Person shall include the Indebtedness of any other entity (including any partnership in which any such Person is a general partner) to the extent such Person is liable therefor by operation of law as a result of such

Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by the Company under the Debenture (including for greater certainty and without limitation, the delivery of Common Shares, or other property in connection with the exercise of a conversion right or otherwise), and (b) to the extent not otherwise described in (a), Other Taxes.

"Interest Payment Date" means (i) for any particular Interest Period, the last day of each Interest Period or (ii) the Conversion Date (in relation to the accrued and unpaid interest on the principal amount of the Debenture converted in accordance with the terms hereof).

"Interest Period" means the period commencing on the Closing Date and ending three months following the Closing Date of this Debenture, and each successive three month period thereafter.

"Investment" means, directly or indirectly, any loan, advance or other extension of credit (excluding an account receivable arising in the ordinary course of business) to any capital contribution to (by means of transfers of property to others, payments for property or services for the account or use of others or otherwise), the purchase of any Capital Stock, bonds, notes or debentures of, the acquisition, by purchase or otherwise, of all or substantially all of the business or assets or Equity Securities of, any Person; provided that Investments shall exclude extensions of trade credit on commercially reasonable terms in accordance with normal trade practices.

"Investor Rights Agreement" means the Investor Rights Agreement between the Holder and Baden Resources Inc., the Company's predecessor, dated December 19, 2022.

"Lien" means with respect to any asset, any mortgage, charge, hypothec, assignment, pledge, lien or other security interest or encumbrance of whatever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise), in, on or of such asset that secures the payment of any indebtedness or liability or the observance or performance of any obligation.

"Market Price" means the last closing price of the Common Shares on the TSXV (or, if the Common Shares are not listed on the TSXV, such stock exchange on which the Common Shares are listed as may be selected by the directors of the Company, acting reasonably, or, if the Common Shares are not listed on any stock exchange, then on the over-the-counter market or, if there is no market on which the Common Shares are traded, the fair value of the Common Shares as determined by an independent financial advisor selected by the directors of the Company, acting reasonably) at the applicable time.

"Material Adverse Effect" means an event or circumstance taken alone or in conjunction with other events or circumstances (or a series of adverse effects, none of which is material in and of itself but which, cumulatively, result in a material adverse effect) that has or could be reasonably expected to have a material adverse effect upon:

- (a) the condition (financial or otherwise), business, performance, operations, properties or prospects of the Company (including, without limitation, the ability of the Company to perform in accordance with the then applicable Approved Budget and/or Operational Plan) in a durationally significant manner;

- (b) the legality, validity or enforceability of any Financing Document or the Investor Rights Agreement;
- (c) the ability of the Company to exercise its rights or perform its obligations under the Financing Documents or the Investor Rights Agreement; or
- (d) the rights or remedies of the Holder under any Financing Document or the Investor Rights Agreement.

“Maturity Date” has the meaning assigned to such term in Section 2.3.

“Notice of Conversion” means a notice of conversion in the form attached as Exhibit A hereto.

“Offered Securities” has the meaning assigned to such term in Section 4.3(b).

“Operational Plan” means (i) for the 2023 Fiscal Year, the 2023 Fiscal Year forecasts provided to the Holder prior to the date hereof; and (ii) for subsequent Fiscal Years, the operating plan of the Company duly approved or adopted by the Board and agreed to in writing by the Holder, acting reasonably.

“Other Connection Taxes” means, with respect to the Holder, Taxes imposed as a result of a present or former connection between the Holder and the jurisdiction imposing such Tax (other than a connection arising from the Holder having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to or enforced, the Debenture, or sold or assigned an interest in the Debenture).

“Other Taxes” means any and all present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the receipt or perfection of a security interest under, or otherwise with respect to, the Debenture.

“Parties” means the parties to this Debenture.

“Payment-In-Kind Option” has the meaning assigned to such term in Section 2.2(a).

“Permitted Cash Equivalent Jurisdictions” means Canada, the United States and any province or state thereof.

“Permitted Indebtedness” means (without duplication):

- (a) the Credit Obligations;
- (b) other Indebtedness provided by any other Person in an aggregate principal amount not to exceed \$100,000 plus any interest capitalized in accordance with its terms;
- (c) Indebtedness owed by the Company or a Subsidiary of the Company to the other;
- (d) Indebtedness related to performance security posted by the Company or a Subsidiary with any Gaming Regulatory Authority;

- (e) Indebtedness issued or incurred in the ordinary course of business in connection with workers' compensation, employment insurance and other similar legislation and deposits securing liability to insurance carriers under insurance or self-insurance arrangements to the extent required by law;
- (f) Indebtedness secured by a Permitted Lien;
- (g) other unsecured Indebtedness in an aggregate amount not exceeding \$100,000 at any time outstanding;
- (h) any other Indebtedness approved by the Holder as constituting Permitted Indebtedness;
- (i) Purchase Money Obligations in the case of the Company not to exceed \$100,000 at any time outstanding;
- (j) Indebtedness under the Additional Debentures up to a maximum principal amount of \$375,000, plus all accrued and unpaid interest and any other monetary amounts outstanding thereunder;
- (k) guarantees of any Indebtedness that is otherwise Permitted Indebtedness; and
- (l) Indebtedness comprised of amounts owed to trade creditors and accruals in the ordinary course of business, provided always that the failure to pay such Indebtedness would not reasonably be expected to result in a Material Adverse Effect.

"Permitted Investment" means (i) Cash Equivalents, (ii) accounts receivable of the Company or any Subsidiary of the Company generated in the ordinary course of business, and (iii) any Investment by the Company or any Subsidiary of the Company in the other.

"Permitted Liens" means any one or more of the following:

- (a) inchoate or statutory Liens for Taxes, assessments and other governmental charges or levies which are not delinquent (taking into account any relevant grace periods) or the validity of which are currently being contested in good faith by appropriate proceedings and in respect of which there shall have been set aside a reserve (segregated to the extent required by IFRS) in an amount which is adequate therefor;
- (b) Liens securing appeal bonds and other similar Liens arising in connection with court proceedings (including, without limitation, surety bonds, security for costs of litigation where required by law and letters of credit) or any other instruments serving a similar purpose;
- (c) attachments, judgments and other similar Liens arising in connection with court proceedings; provided, however, that the same would not constitute an Event of Default;
- (d) the right reserved to or vested in any Governmental Agency by the terms of any lease, licence, franchise, grant, claim or permit acquired by the Company or any

Subsidiary of the Company or by any statutory provision, to terminate any such lease, licence, franchise, grant, claim or permit, or to require annual or other payments as a condition to the continuance thereof;

- (e) Liens or any rights of distress that are required by Applicable Law;
- (f) Liens in favour of customs and revenue authorities arising as a matter of Applicable Law to secure payment of custom duties in connection with the importation of goods;
- (g) undetermined or inchoate Liens, rights of distress and charges incidental to current operations arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with Applicable Law or of which written notice has not been duly given to the Company or a Subsidiary of the Company in accordance with Applicable Law or which although filed or registered, relate to obligations not due and delinquent;
- (h) customary rights of set-off or bankers' Liens upon deposits of cash or broker's Liens upon securities in favour of financial institutions, banks or other depositary institutions to a maximum of \$100,000;
- (i) any rights of expropriation, access or use or any other rights conferred or vested by or under statutes of Canada or applicable provinces;
- (j) the extension, renewal or refinancing of any Permitted Lien;
- (k) such other Liens as may be consented to by the Holder in writing prior to their creation, assumption or registration; and
- (l) Liens on cash in an amount not exceeding, at any particular time, \$100,000 as collateral security for letters of credit, bonds or bank guarantees in connection with the operations of the Company or any Subsidiary of the Company, all in the ordinary course of business and including Liens or other arrangements related to performance guarantees given to any Gaming Regulatory Authority.

"Person" means any natural person, corporation, firm, partnership, joint venture, joint stock company, incorporated or unincorporated association, government, Governmental Agency or any other entity, whether acting in individual, fiduciary or other capacity.

"prepayment" has the meaning assigned to such term in Section 2.6.

"principal amount" initially means the sum of \$5,000,000.

"Purchase Money Obligations" means Indebtedness arising in the ordinary course of business which is assumed as part of, or issued or incurred to pay or provide funds to pay, all or a part of the purchase price of any personal or moveable property. Security for this Indebtedness will be limited to the item, or items, of personal or moveable property itself.

"Reporting Jurisdictions" means British Columbia, Alberta and Ontario.

“Restricted Payment” means, in respect of a specified Person, any of the following: (i) the declaration or payment of any dividend or any other distribution or payment on the issued and outstanding capital of such Person or any payment made to the direct or indirect holders (in their capacities as such) of capital of such Person (other than (x) dividends or distributions payable solely in Capital Stock (other than Disqualified Capital Stock) or in options, warrants or other rights to purchase Capital Stock (other than Disqualified Capital Stock), and (y) dividends or any other distributions or payments on capital payable to a Subsidiary of such Person), (ii) the purchase, redemption or other acquisition or retirement for value of any Equity Securities of a Person or a Subsidiary of a Person (other than Equity Securities owned by such Person or a wholly-owned Subsidiary of such Person, excluding Disqualified Capital Stock), unless redeemed from a wholly-owned Subsidiary of such Person, (iii) the making of any principal payment on, or the purchase, defeasance, repurchase, redemption or other acquisition or retirement for value, prior to any scheduled maturity, scheduled repayment or scheduled sinking fund payment, of any Indebtedness (other than Permitted Indebtedness), (iv) the making of any Investment or guarantee of any Investment in any Person other than a Permitted Investment and (v) forgiveness of any Indebtedness.

“Rights Offering” has the meaning given to it in Section 4.3(b).

“Securities Legislation” means all applicable securities legislation in each of the provinces and territories of Canada, and the rules and regulations made thereunder, and the orders and published policy statements of the securities commissions or other securities regulatory authorities in such jurisdictions, and the applicable rules, regulations and policies of any applicable stock exchange.

“Share Reorganization” has the meaning given to it in Section 4.3(a).

“Special Distribution” has the meaning assigned to such term in Section 4.3(c).

“Subscription Agreement” means the subscription agreement, dated September 21, 2023, by and between the Company and the Holder providing, among other things, for the issue of this Debenture to the Holder on the Closing Date.

“Subsidiary” means, with respect to any Person (the **“parent”**), any other Person (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are owned, controlled or held by the parent, or (b) that is otherwise Controlled by the parent, and includes a Subsidiary of that other Person.

“Successor Entity” has the meaning given to it in Section 5.3(c).

“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 required to be prepared or filed in respect of Taxes.

“Taxes” means any and all present or future taxes (including but not limited to income taxes, payroll taxes and social contributions and sales tax), levies, imposts, duties, deductions, charges or withholdings imposed by any applicable Governmental Agency, and including any interest and penalties thereon or with respect to the foregoing, and whether contested or not.

“TSXV” means the TSX Venture Exchange.

1.2 Time of the Essence

Time shall be of the essence of each provision of this Debenture. Any extension, waiver or variation of any provision of this Debenture shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

1.3 Calculation of Time

Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end.

1.4 Currency

Unless otherwise specified, all references in this Debenture to dollar amounts, “dollars” or “\$” are references to Canadian dollars.

1.5 Business Days

Whenever any action to be taken pursuant to this Debenture would otherwise be required to be taken on a day that is not a Business Day, such action shall be taken on the next Business Day following the day on which such action was to be taken.

1.6 Headings

The descriptive headings preceding Articles and Sections of this Debenture are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Debenture into Articles and Sections shall not affect the interpretation of this Debenture.

1.7 Exhibits

The Exhibits annexed hereto will, for all purposes, form an integral part of this Debenture.

1.8 Plurals and Gender

Words in the singular include the plural and *vice versa* and words in one gender include all genders.

1.9 Statutory References

Any reference to a statute shall mean the statute in force as at the date of this Debenture, together with all rules and regulations promulgated thereunder (including any instrument of the Canadian Securities Administrators), as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise expressly provided.

ARTICLE 2 TERMS

2.1 Principal Sum

For value received, the Company promises to pay on the Maturity Date, or prior thereto pursuant to Section 2.5 or Section 6.2, to the order of the Holder (or as it may direct) by wire transfer of immediately available funds, the outstanding principal amount of this Debenture, plus all accrued and unpaid interest and any other monetary amounts outstanding under this Debenture, in lawful money of Canada.

2.2 Interest

- (a) The outstanding principal amount, plus any other monetary amounts, outstanding under this Debenture will bear interest from and after the date hereof at the rate of 8.0% per annum (the “**Base Interest Rate**”), calculated on a quarterly basis, and, at the option of the Company, payable (i) in cash quarterly in arrears on each Interest Payment Date, or (ii) by way of payment-in-kind whereby the interest then due and payable at such Interest Payment Date shall be capitalized into the then principal amount outstanding hereunder (the “**Payment-In-Kind Option**”); provided that if the Company does not pay the interest due and payable in cash on an Interest Payment Date, the Company shall be deemed to have elected the Payment-In-Kind Option for the interest due and payable on such Interest Payment Date.
- (b) Notwithstanding Section 2.2(a), the principal amount, plus any other monetary amounts, outstanding under this Debenture will bear interest from and after the occurrence of an Event of Default that is continuing at the Default Rate. For so long as an Event of Default has occurred and is continuing, such interest shall be calculated and be payable in cash quarterly in arrears on each Interest Payment Date, and compounded quarterly until paid; provided, however, any accrued and unpaid interest in respect of the period prior to the Event of Default shall remain calculated at the interest rate specified under Section 2.2(a) but, after the Event of Default, the interest on such overdue interest shall be calculated at the Default Rate.
- (c) For purposes of the *Interest Act* (Canada), whenever any interest or fee under this Debenture is calculated using a rate based on a number of days less than a full year, such rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by the number of days based on which such rate is calculated.

2.3 Maturity

The principal amount, plus all accrued and unpaid interest and any other monetary amounts, outstanding under this Debenture will be repayable on the earlier of: (a) **[•]**, 2026 (the “**Maturity Date**”)¹; and (b) the occurrence of an Event of Default in accordance with Article 6, but

¹ NTD: Three years from issuance date.

only to the extent that this Debenture, or any part of it, has not been converted or redeemed, in each case in accordance with the terms hereof.

2.4 No Prepayment

The Company may not prepay, prior to the Maturity Date, the principal outstanding under this Debenture (in whole or in part) without the prior written consent of the Holder, in its sole discretion.

2.5 Change of Control

If there is a Change of Control at any time during the term of this Debenture, the Company will give the Holder prompt notice thereof in writing and following the occurrence of such a Change of Control the Company will be required to make an offer to immediately repay 100% of the principal amount of this Debenture then outstanding, plus all accrued and unpaid interest and any other monetary amounts outstanding pursuant to this Article 2 by wire transfer of immediately available funds to the benefit of, and as directed by, the Holder (a “**Change of Control Repayment Offer**”).

2.6 Mandatory Prepayment – *Pro-Rata* Treatment

In the event the Company makes a redemption, repurchase or any other form of prepayment (each a “**prepayment**” for purposes of this Section 2.6) of all or a portion of any Additional Debentures, it shall offer to make a *pro-rata* prepayment hereunder such that the amount outstanding under the Debenture relative to the Additional Debentures after giving effect to such prepayments remains the same (which *pro rata* prepayment, in and of itself, shall not be a “prepayment” for the purpose of Section 2.6 of the Additional Debentures), and promptly make such prepayment if such offer is accepted by the Holder, in its sole discretion. Any payment under this Section 2.6 shall be made at a price equal to the greater of (i) the price paid in respect of the applicable prepayment of the Additional Debentures, and (ii) 100% of the principal amount of the Debenture to be prepaid (together with all accrued and unpaid interest thereon), unless otherwise agreed by the Holder.

2.7 Additional Amounts

- (a) Any payments made by or on behalf of the Company under or with respect to the Debenture will be made free and clear of and without withholding or deduction for or on account of any present or future Tax or other governmental charge, unless the Company or any other payor is required to withhold or deduct such Taxes by Applicable Law or by the interpretation or administration thereof by the relevant Governmental Agency. If the Company is so required to withhold or deduct any amount for or on account of Taxes from any payment made under or with respect to the Debenture (including for greater certainty and without limitation, the delivery of Common Shares or other property in connection with the exercise of a conversion right or otherwise), the Company will make such withholding or deduction and will remit the full amount withheld or deducted to the relevant Governmental Agency as and when required by Applicable Law. If such Taxes are Indemnified Taxes, the Company will pay to the Holder such additional amounts (the “**Additional Amounts**”) as may be necessary so that the net amount received (including Additional Amounts) by the Holder after such withholding or deduction (including any withholding or deduction required to be made in respect of any

Additional Amounts) will not be less than the amount the Holder would have received (including for greater certainty and without limitation, the full amount of any Common Shares or other property to which the Holder is entitled under the Debenture in connection with the exercise of a conversion right or otherwise) if such Taxes had not been withheld or deducted.

- (b) The Company shall timely pay any Other Taxes to the relevant Governmental Agency in accordance with Applicable Law.
- (c) As soon as practicable after any payment of Taxes by the Company to a Governmental Agency pursuant to this Section 2.7, the Company shall deliver to the Holder the original or a certified copy of a receipt issued by such Governmental Agency evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Holder.
- (d) The Company will indemnify and hold harmless the Holder, and upon written request reimburse the Holder, for the amount of any Indemnified Taxes including Indemnified Taxes levied or imposed on the Holder with respect to any indemnity payment.
- (e) If the Holder is entitled to an exemption from or reduction of Canadian Tax with respect to payments made under the Debenture, the Holder shall deliver to the Company, at the time or times reasonably requested by the Company, such properly completed and executed documentation reasonably requested by the Company as may be necessary or desirable to confirm that such payments may be made without withholding or at a reduced rate of withholding. Notwithstanding anything to the contrary in the preceding sentence, the completion, execution and submission of such documentation shall not be required if in the Holder's reasonable judgment such completion, execution or submission would subject the Holder to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of the Holder.
- (f) Notwithstanding anything herein to the contrary, this Section 2.7 and the obligations thereunder will survive the repayment of this Debenture and the termination of this Debenture.

ARTICLE 3 USE OF PROCEEDS

3.1 Use of Proceeds

The principal amount advanced under this Debenture shall be applied to the Company's general working capital to be used in accordance with the Approved Budget and agreed upon Operational Plan.

ARTICLE 4 CONVERSION OF DEBENTURE

4.1 Holder's Option and Right to Convert Debenture into Common Shares

Upon and subject to the provisions and conditions of this Article 4, the Holder may, at its sole option, at any time and from time to time until 4:00 p.m. (Toronto time) on the Business Day immediately preceding the Maturity Date (the "**Conversion Period**"), notify the Company that it wishes to convert, for no additional consideration, all or any portion of the outstanding principal amount, plus all or any accrued and unpaid or uncanceled interest and any other monetary amounts, outstanding under this Debenture into a number of Common Shares equal to the quotient obtained by dividing the principal amount, plus all or any accrued and unpaid or uncanceled interest and any other monetary amounts, outstanding under this Debenture being converted by the applicable Conversion Price (a "**Conversion**"); provided that, the Conversion of any portion of the principal amount which represents capitalized interest or any accrued and unpaid or uncanceled interest shall be subject to TSXV approval at the time of Conversion.

4.2 Manner of Exercise of Right to Convert into Common Shares

- (a) The Holder may exercise its rights to convert in accordance with the provisions of this Article 4 by (i) sending to the Company a Notice of Conversion in the manner provided in Section 7.5, and (ii) surrendering this Debenture to the Company at its address set out in Section 7.5.
- (b) The date of conversion for the purposes of a Conversion (the "**Conversion Date**") shall be the date that the Company has received (i) the Notice of Conversion and (ii) the surrendered Debenture at the address of the Company set out in Section 7.5.
- (c) Upon conversion of all or a portion of this Debenture in accordance with this Article 4, the Holder will be entitled to be entered in the books of the Company as at the applicable Conversion Date as the holder of the number of Common Shares into which the principal amount, plus all or any accrued and unpaid interest and any other monetary amounts, outstanding under this Debenture is converted and, as soon as practicable, the Company will deliver or cause to be delivered to the Holder certificates or, if available and requested by Holder, DRS Advices evidencing a non-certificated registered position for the appropriate number of the Common Shares.
- (d) The Company and the Holder agree that the conversion of all or any portion of the principal amount, plus all or any accrued and unpaid interest and any other monetary amounts, outstanding under this Debenture (the "**Converted Amount**") into Common Shares, in accordance with the provisions of this Article 4 will constitute payment of an amount equal to the Converted Amount and a full settlement of the debt obligation to the extent of the Converted Amount in consideration for the issuance by the Company of such Common Shares. In connection with such conversion, the Company will add to the stated capital in respect of the Common Shares an amount equal to the Converted Amount.

4.3 Adjustment of Conversion Price

The Conversion Price will be subject to adjustment from time to time in the events and in the manner provided as follows:

- (a) If during the Conversion Period, the Company:
 - (i) issues any of its securities to all or substantially all holders of the Common Shares by way of a stock dividend or interest or distributions;
 - (ii) subdivides its outstanding Common Shares into a greater number of Common Shares; or
 - (iii) combines or consolidates its outstanding Common Shares into a smaller number of Common Shares,

(any of such events being herein called a “**Share Reorganization**”), then the Conversion Price will be adjusted effective as of the effective time of the Share Reorganization referred to in (ii) or (iii) above or after the record date at which holders of Common Shares are determined for the purposes of the Share Reorganization referred to in (i) above, as the case may be, to a price which is the product of (1) the Conversion Price and (2) a fraction:

- (A) the numerator of which is the number of Common Shares outstanding immediately prior to giving effect to such Share Reorganization; and
- (B) the denominator of which is the number of Common Shares outstanding after giving effect to the Share Reorganization;

Such adjustment shall be made successively whenever any event referred to in this Section 4.3(a) occurs.

- (b) If during the Conversion Period, the Company sets a record date for the issuance of Convertible Securities to all or substantially all holders of Common Shares, entitling them, for a period expiring not more than 45 days after the record date (the “**Offered Securities**”) at a price per Offered Security (or having a conversion price per such security) less than the Conversion Price applicable as of such record date (the issuance of any such rights, options or warrants being a “**Rights Offering**”), then the Conversion Price will be adjusted downward effective immediately after the record date so that it will equal the price determined by multiplying the Conversion Price in effect on the record date by a fraction:
 - (i) the numerator of which will be the number of Common Shares outstanding on the record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the Convertible Securities so offered) by the Current Market Price; and

- (ii) the denominator of which will be the number of Common Shares outstanding on the record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the Convertible Securities so offered are convertible);

Such adjustment shall be made successively whenever such an issuance is made or a record date is fixed. To the extent that any such rights, options or warrants are not so issued or are not exercised prior to the expiration thereof, the Conversion Price will be readjusted to the Conversion Price which would then be in effect if the record date had not been fixed or the Conversion Price which would then be in effect based upon the number of Common Shares actually issued upon the exercise of such rights, options and warrants, as the case may be.

- (c) If during the Conversion Period, the Company issues or distributes to all or substantially all holders of Common Shares, (i) securities of any kind (including Convertible Securities), (ii) evidences of indebtedness, or (iii) any other assets and, in any of those cases, the issuance or distribution does not constitute a Share Reorganization or a Rights Offering (any of such events being herein called a “**Special Distribution**”), then the Conversion Price will automatically be adjusted as of the record date for such issuance or distribution so that it will equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction:

- (i) the numerator of which will be the number of Common Shares outstanding on the record date multiplied by the Current Market Price on the record date, less the Fair Market Value of the Special Distribution; and
- (ii) the denominator of which will be the number of Common Shares outstanding on the record date multiplied by such Current Market Price.

Such adjustment shall be made successively whenever such a record date is fixed.

- (d) If during the Conversion Period, there is a reclassification or change of Common Shares into other shares or there is a reorganization of the Company or a consolidation or merger or amalgamation or arrangement of the Company with or into another Person that results in any reclassification of Common Shares or a change of Common Shares into other securities or there is a transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another person (any such event being herein called a “**Capital Reorganization**”), then the Holder will be entitled to receive and will accept, upon the exercise of such right of conversion at any time after the effective date thereof, in lieu of the number of Common Shares to which the Holder was theretofore entitled on conversion, the kind and amount of shares or other securities or money or other property that the Holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of such Common Shares to which the Holder was theretofore entitled upon conversion, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this Section 4.3(d) and Section 4.4.

4.4 Conversion Rights Adjustment Rules

The following rules and procedures are applicable to adjustments made pursuant to Section 4.3:

- (a) any Common Shares owned by or held for the account of the Company, if any, will be deemed not to be outstanding for the purpose of any computation pursuant to Section 4.3;
- (b) in any case in which Section 4.3 shall require that an adjustment become effective immediately after a record date or agreement date for an event referred to herein, the Company may defer, until the occurrence of such event, issuing or transferring to the Holder who converts on a Conversion Date after such record date or agreement date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment of the Conversion Price required by such event before giving effect to such adjustment provided, however, that the Company shall deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such the Common Shares forming part of such additional Common Shares declared in favour of holders of record of such Common Shares on and after the Conversion Date or such later date as such Holder would, but for the provisions of this subsection (b), have become the holder of record of such additional Common Shares pursuant to Section 4.3(b);
- (c) in case the Company after the date hereof shall take any action affecting its Common Shares, other than any action described in Section 4.3, which in the opinion of the Board, acting reasonably, would materially affect the conversion rights of the Holder, the Conversion Price shall be adjusted in such manner, at such time and by such action by the directors, as they may determine, acting reasonably, to be equitable to the Holder and the Company in the circumstances, but subject in all cases to any necessary regulatory approval. The failure to take any such action by the directors so as to provide for an adjustment on or prior to the effective date or record date of any action by the Company affecting its Common Shares shall be conclusive evidence that the Board has determined that it is equitable to make no adjustment in the circumstances;
- (d) the adjustments provided for in Section 4.3 are cumulative and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.4, provided that, notwithstanding any other provision of Section 4.3 or this Section 4.4, no adjustment shall be made which would result in any increase in the Conversion Price (except upon a consolidation or combination of outstanding Common Shares);
- (e) no adjustment in the Conversion Price will be made in respect of any event described in Section 4.3 if the Holder is entitled to participate in such event on the same terms, *mutatis mutandis*, as if the Holder had converted the entire principal amount, plus all accrued and unpaid interest and any other monetary amounts, outstanding under this Debenture immediately prior to the effective date or record date of such event, as applicable;

- (f) no adjustment in the Conversion Price will be made pursuant to Section 4.3 in respect of the issue of Common Shares pursuant to:
 - (i) this Debenture, the Additional Debentures or Convertible Securities existing as of the issue date of this Debenture; or
 - (ii) any stock option, purchase plan or other share compensation arrangement for officers, employees or directors of the Company outstanding or in existence as at the date hereof;
- (g) if a dispute arises with respect to any adjustment or proposed adjustment in the Conversion Price, such dispute will be conclusively determined by a firm of independent chartered professional accountants as may be selected by the Company and the Holder, each acting reasonably, and any such determination will be binding upon the Holder, the Company and all transfer agents and all security holders of the Company;
- (h) if any Common Shares to be issued upon the conversion of this Debenture hereunder require any filing with or registration with or approval of any stock exchange, governmental authority in Canada or compliance with any other requirement under any Applicable Law of Canada or a province thereof before such Common Shares may be validly issued upon such conversion or traded by the person to whom they are issued pursuant to such conversion, the Company will promptly take all action as may be necessary and use its best efforts to secure such filing, registration, approval or compliance, as the case may be;
- (i) if the Company sets a record date to determine holders of Common Shares for the purpose of entitling them to receive any dividend or distribution or any subscription or purchase rights and thereafter legally abandons its plans to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Conversion Price will be required by reason of the setting of such record date; and
- (j) notwithstanding the foregoing, nothing in this Article 4 shall in any manner compromise or derogate from any rights the Holder may have to approve any transaction contemplated by this Article 4, whether in its capacity as a shareholder (if applicable), as a Holder of this Debenture or otherwise.

4.5 No Requirement to Issue Fractional Common Shares

The Company will not be required to issue fractional Common Shares upon the conversion of the principal amount, plus any accrued and unpaid interest and any other monetary amounts, outstanding under this Debenture. Any fractional Common Shares will be rounded down to the nearest whole number without payment or compensation in lieu thereof. For greater certainty, such rounding shall only occur after aggregating all Common Shares to be issued upon the conversion of the principal amount, plus any accrued and unpaid interest and any other monetary amounts, outstanding under this Debenture.

4.6 Certificate as to Adjustment

The Company will from time to time as soon as practicable after the occurrence of any event which requires an adjustment or re-adjustment in the Conversion Price as provided in

Section 4.3, deliver a certificate of the Company to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

4.7 Notice of Certain Matters

The Company will give notice to the Holder, in the manner provided in Section 7.5, of its intention to undertake any event and/or fix a record date (if applicable) for any event described in Section 4.3 that may give rise to an adjustment in the Conversion Price not less than 30 days prior to the earlier of the record date (if applicable) or the effective date of such event, which notice shall include the material terms of such event.

4.8 Company to Reserve Securities

The Company covenants with the Holder that it will at all times allot and reserve out of its authorized Common Shares and solely for the purpose of conversion of this Debenture, into Common Shares as provided in this Article 4, a sufficient number of Common Shares to satisfy the conversion of the remaining principal amount, plus all accrued and unpaid interest and any other monetary amounts, outstanding under this Debenture. The Company covenants with the Holder that all Common Shares which will be so issuable will upon issuance be duly and validly issued as fully paid and non-assessable.

ARTICLE 5 OTHER COVENANTS OF THE COMPANY

5.1 Reporting Requirements

The Company hereby covenants and agrees with the Holder that, until all Credit Obligations have been repaid in full or been converted into Common Shares in accordance with the terms herein:

- (a) **Financial Reporting.** The Company shall furnish the Holder with the following documents, statements and reports (by e-mail in .pdf format):
 - (i) Monthly Financial Report. As soon as available, but in no event later than 20 days following the end of each month, copies of the internal management financial reports prepared for senior management of the Company for the applicable monthly period, in a form consistent with the reporting template used by the Company at the relevant time.
 - (ii) Quarterly Financial Statements. As soon as available, but in no event later than 60 days following the end of each of the first three Fiscal Quarters, the: unaudited condensed consolidated interim statement of financial position as of the close of such Fiscal Quarter; unaudited condensed interim statement of income/loss from the beginning of the then-current Fiscal Year to the close of such Fiscal Quarter; unaudited condensed interim statement of changes in shareholders' equity (deficit) from the beginning of the then-current Fiscal Year to the close of such Fiscal Quarter; and unaudited condense interim statement of cash flows from the beginning of the then-current Fiscal Year to the close of such Fiscal

Quarter, prepared in accordance with IFRS (subject to normal year-end audit adjustments), including principles of consolidation where appropriate, in each case applied on a basis consistent with those used in the preparation of the latest annual financial statements of the Company.

- (iii) Annual Financial Statements. As soon as available, but in no event later than 120 days following the end of each Fiscal Year, audited condensed consolidated financial statements (including any footnotes thereto) of the Company consisting of: a statement of financial position as of the end of such Fiscal Year; a statement of income/loss for such Fiscal Year; a statement of changes in shareholders' equity for such Fiscal Year; and a statement of cash flows for such Fiscal Year, prepared in accordance with IFRS (and including principles of consolidation where appropriate) in each case applied on a basis consistent with those used in the preparation of the latest annual financial statements of the Company and certified by independent chartered professional accountants of recognized national standing.
 - (iv) Compliance Certificate. All financial information delivered (or deemed delivered) under clauses (i) and (iii) shall be accompanied by a certificate of a senior officer of the Company certifying that no Default or Event of Default has occurred and is continuing as of the date of such delivery or deemed delivery.
 - (v) Other Information. The Holder from time to time may request any other reasonable information concerning the Company or any Subsidiary of the Company and/or their respective businesses, with such information to be provided as promptly as reasonably possible.
- (b) **Notices**. The Company shall promptly notify the Holder of:
- (i) the occurrence of any Default or Event of Default, and of the occurrence or existence of any event or circumstance that it is reasonably foreseeable will become a Default or Event of Default, and the action which the Company proposes to take, has taken or cause to be taken with respect thereto;
 - (ii) any change in material fact relating to the Company or any Subsidiary of the Company;
 - (iii) any matter, including the commencement of, or any material development in, any material litigation or proceeding affecting the Company or any Subsidiary of the Company, in each case which has resulted, or is reasonably likely to result in, a Material Adverse Effect;
 - (iv) any event of Force Majeure which has or could reasonably be expected to have a Material Adverse Effect;
 - (v) any material change to the Approved Budget or Operational Plan then in effect;

- (vi) any amendments or modifications to, or notice of default under, the Additional Debentures; and
- (vii) any other event or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.

5.2 Affirmative Covenants

The Company, for and on behalf of itself and on behalf of each Subsidiary of the Company, hereby covenants and agrees with the Holder that, until all Credit Obligations have been repaid in full or been converted into Common Shares in accordance with the terms herein:

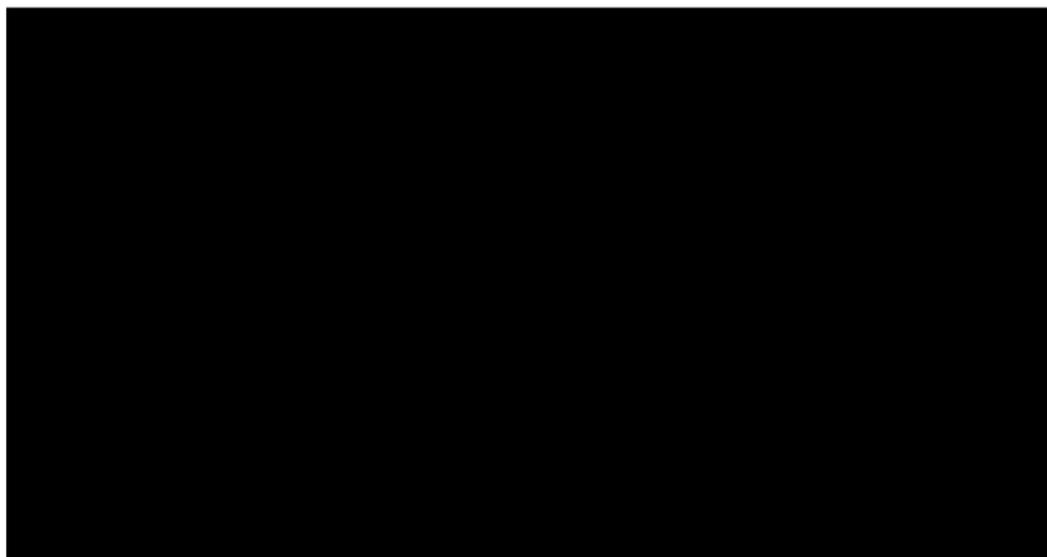
- (a) **Reservation of Sufficient Common Shares.** The Company shall at all times when any part of this Debenture remains outstanding reserve and keep available out of its authorized but unissued Common Shares, for the purpose of effecting the conversion of this Debenture, such number of Common Shares as shall from time to time be sufficient to effect the conversion or exercise hereof or thereof, as applicable. As a condition precedent to the taking of any action which would require an adjustment to the Conversion Price, the Company shall take any corporate action which may be necessary in order that the Company shall have unissued and reserved in its authorized capital, and may validly and legally issue, the Common Shares to which the Holder is entitled on the full exercise of its conversion rights in accordance with the provisions hereof.
- (b) **Prompt Payment.** The Company shall duly and punctually pay or cause to be duly and punctually paid all amounts payable by the Company under this Debenture in accordance with provisions hereof governing the payment of such amounts and at the times and places and in the currency and provided herein. The Company shall promptly comply with all obligations to issue the Common Shares, upon a conversion under Section 4.1 and in compliance with Section 4.2, and take all related steps in furtherance of the foregoing.
- (c) **Legal Existence.** The Company shall, and shall cause each Subsidiary of the Company to, preserve and maintain its legal existence in good standing and shall qualify and remain duly qualified to carry on business and own property in each jurisdiction in which failure to maintain such qualification would have a Material Adverse Effect. The Company intends to continue from British Columbia to Ontario and the Holder expressly consents to this action.
- (d) **Conduct of Business.** The Company shall, and shall cause each Subsidiary of the Company to, conduct its business in such a manner so as to:
 - (i) comply in all material respects with all Applicable Laws (including, without limitation, any regulations set out by any applicable Gaming Regulatory Authority);
 - (ii) observe and perform in all material respects all its obligations under any permits, licenses and approvals (including, without limitation, any such permits, licenses and approvals of any Gaming Regulatory Authority or as required under Applicable Laws) for the proper conduct of the business of the Company; and

- (iii) so as to preserve and protect its property and assets and the earnings, income and profits therefrom in all material respects.

The Company shall, and cause each Subsidiary of the Company to, obtain and maintain all licenses, permits, government approvals, franchises, authorizations and other rights necessary (including, without limitation, any licenses, permits, government approvals, franchises, authorizations and other rights necessary required by any Gaming Regulatory Authority) for the operation of the business of the Company, except where failure to do so could not reasonably be expected to have a Material Adverse Effect.

- (e) **Taxes.** The Company shall, and shall cause each Subsidiary of the Company to, file all Tax Returns and pay all Taxes due, levied, assessed or imposed upon or against it or its property or assets or any part thereof, as and when the same become due and payable (save and except when and so long as the validity of any such Taxes is being contested in good faith by appropriate proceedings and adequate reserves shall have been set aside in the books of the Company or such Subsidiary of the Company in accordance with IFRS, but only to the extent such Taxes are not required to be paid pending resolution of such contest) and the Company shall deliver to the Holder, when requested, written evidence of such payments.
- (f) **Budget and Operational Plan.** The Company shall deliver annually to the Holder no later than 60 days prior to the beginning of each Fiscal Year, a draft proposed annual budget and Operational Plan. Upon obtaining board approval to such annual budget and Operational Plan, a final version shall be sent to the Holder within five (5) business days.
- (g) **Operational Plan.** Subject to Section 5.2(h), the Company shall operate and shall cause its Subsidiaries to operate in all material respects in accordance with the Approved Budget and Operational Plan then in effect, and in a sound and efficient manner consistent with fair and prudent industry practice and standards.

(h)



- (i) **Preservation of Assets.** The Company shall maintain, and shall cause each Subsidiary of the Company to maintain, its respective assets in good working order and condition, ordinary wear and tear excepted, all in accordance with prudent operating practices.
- (j) **Books and Records; Audit Rights.** The Company shall, and shall cause each Subsidiary of the Company to, keep proper books of account and records covering all its business and affairs on a current basis, make full, true and correct entries of its transactions in such books and set aside on its books from its earnings all such proper reserves as required by IFRS. The Company will permit any representatives designated by the Holder, upon reasonable prior notice, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and accountants all at such reasonable times and as often as reasonably requested.
- (k) **Reporting Issuer.** The Company shall use its commercially reasonable efforts to maintain its status as a “reporting issuer” in each of the Reporting Jurisdictions and the Company shall comply with all applicable Securities Legislation, provided that the covenant to remain a “reporting issuer” shall not apply to any merger, amalgamation, arrangement, take-over bid, going private transaction or other similar transaction involving the purchase or sale of all of the outstanding Common Shares.
- (l) **TSXV Listing.** The Company shall use its commercially reasonable efforts to not take any action which would reasonably be expected to result in the delisting or suspension of the Common Shares on or from any securities exchange, market or trading or quotation facility on which the Common Shares are now or are then listed or quoted, including without limitation the TSXV, and the Company shall comply with the rules and regulations thereof; provided that this covenant shall not apply to any merger, amalgamation, arrangement, take-over bid, going private transaction or other similar transaction involving the purchase or sale of all of the outstanding Common Shares for cash or securities of an entity listed on an internationally recognized stock exchange or to the Company delisting its shares in conjunction with a new listing of the Company on an internationally recognized stock exchange in Canada or the United States equivalently senior to or more senior than the TSXV.
- (m) **Equitable Treatment.**
 - (i) In the event any term in the Additional Debentures is amended, restated, waived or otherwise modified following the date hereof, the Company shall provide prompt notice of such amendment, restatement, waiver or modification to the Holder and upon receipt of such notice the Holder shall be entitled to make or receive the same amendment, restatement, waiver or modification hereunder without the consent of the Company.
 - (ii) The Company hereby covenants and agrees to cooperate in all respects and use best efforts to enter into or provide any amendment, restatement, waiver or modification requested by the Holder pursuant to this Section 5.2(m).

5.3 Restrictive Covenants

The Company, for and on behalf of itself and on behalf of each Subsidiary of the Company, hereby covenants and agrees with the Holder that, until all Credit Obligations have been repaid in full or been converted into Common Shares in accordance with the terms herein:

- (a) **Liens.** Neither the Company nor any Subsidiary of the Company shall enter into or grant, create, assume or suffer to exist any Lien affecting any of its property or assets other than Permitted Liens.
- (b) **Indebtedness.** Neither the Company nor any Subsidiary of the Company shall incur, assume or otherwise become liable for or otherwise permit to exist any Indebtedness of the Company or any Subsidiary of the Company other than Permitted Indebtedness; provided that if the Company needs to incur any more Indebtedness for use pursuant to the Approved Budget, the Holder will not unreasonably withhold its consent to such Indebtedness. For certainty, other than with respect to the Additional Debentures, neither the Company nor any Subsidiary of the Company shall issue any further unsecured convertible debentures or incur additional unsecured indebtedness ranking *pari passu* or senior to this Debenture, subject to the Holder's prior written approval, not to be unreasonably withheld.
- (c) **Corporate Existence.** Neither the Company nor any Subsidiary of the Company shall take part in any consolidation, plan of arrangement, amalgamation, merger, winding-up, dissolution, capital or corporate reorganization or similar proceeding or arrangement, unless (i) the corporation formed by or surviving any such proceeding or arrangement is a corporation incorporated under the laws of Canada or any province thereof (such corporation being herein referred to as the "**Successor Entity**"), (ii) the Successor Entity is of comparable or better creditworthiness relative to the Company or such Subsidiary of the Company, as applicable, (iii) if the Company is involved in the transaction, the Successor Entity expressly assumes all the Credit Obligations pursuant to an instrument in form and substance satisfactory to the Holder, acting reasonably, (iv) no Default or Event of Default is then existing or would result from the consummation of such proceeding or arrangement; (v) the provisions of Article 4, as applicable, have been complied with; and (vi) the Successor Entity delivers to the Holder an officer's certificate, in form and substance reasonably satisfactory to the Holder, acting reasonably, with respect to the instrument delivered pursuant to clause (c) above.
- (d) **Change in Business.** Neither the Company nor any Subsidiary of the Company shall discontinue its business or any material part thereof or change the general nature of its business.
- (e) **Insurance.** The Company will use commercially reasonable efforts to maintain at all times liability insurance and other insurance as may be required by Applicable Law or as would be maintained by a reasonably prudent operator in similar circumstances (including industry) to the Company, including all personal property, real property, director and officer, general liability insurance policies and other insurance policies as customary (in the type, amounts, form and content).

- (f) **Fiscal Periods.** The Company shall not change the last day of its Fiscal Year from December 31 of each year, or the last days of the first three Fiscal Quarters in each of its Fiscal Years from March 31, June 30 and September 30, respectively.
- (g) **Restricted Payments.** Neither the Company nor any the Subsidiaries of the Company shall declare, pay or make any Restricted Payment.
- (h) **Revisions to Budget and/or Operational Plans.** The Company and its Subsidiaries shall not change in any material respect the Approved Budget and/or the Operational Plan without the prior written consent of the Holder, such consent not to be unreasonably withheld.
- (i) **Hedging Agreements.** Neither the Company nor any Subsidiary of the Company shall enter into any Derivatives Transactions.
- (j) **No Modification of Constatng Documents.** Other than in connection with a Change of Control of the Company, neither the Company nor any Subsidiary of the Company shall take any action to amend or modify its articles or by-laws (or any corresponding organizational documents for the Company or any Subsidiary of the Company not formed in Canada) in any respect.
- (k) **Transactions with Affiliates.** Other than existing arrangements with Affiliates in effect on the date hereof, copies of which have been provided to the Holder, neither the Company nor any Subsidiary of the Company shall, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale or exchange of property or the rendering of any service) with any Affiliate, or with any officer, director or employee of it or any of its Affiliates, other than transactions entered into in the ordinary course of business on terms no less favourable to the applicable entity than as would be obtainable in a comparable transaction with Persons at arm's length with such entity.
- (l) **Disposition of Assets.** Neither the Company nor any Subsidiary of the Company shall, directly or indirectly, sell, assign, lease, convey, transfer or otherwise dispose of (whether in one or a series of transactions) any of its property or assets (including any portion thereof) or enter into any agreement to do any of the foregoing except:
 - (i) disposition of obsolete or worn out property not required for the conduct by the Company or such Subsidiary of its business;
 - (ii) dispositions by one of the Company or any Subsidiary of the Company to the other; or
 - (iii) otherwise, with the prior written consent of the Holder.
- (m) **Use of Proceeds.** The Company shall not use the proceeds of this Debenture to directly or indirectly engage in any activities that are illegal in any jurisdiction in which such activities occur or in any jurisdiction in which the Company is domiciled or qualified to do business or are otherwise prohibited by Applicable Laws.

- (n) **No Amendments to the Additional Debentures.** The Company shall not amend, restate, modify, or provide a waiver to, the Additional Debentures without the Holder's prior written consent, which shall not be unreasonably conditioned, delayed or withheld.

ARTICLE 6 EVENTS OF DEFAULT AND REMEDIES

6.1 Events of Default

The occurrence of any of the following events will constitute an Event of Default under this Debenture:

- (a) a breach by the Company of any payment obligation under this Debenture and such breach continues unremedied for two (2) Business Days;
- (b) the commencement of proceedings for the dissolution, liquidation or winding up of the Company or any Subsidiary of the Company or for the suspension of the operations of the Company or any Subsidiary of the Company (provided that, if such proceedings are commenced by another Person, such proceedings shall only constitute an Event of Default if either (i) such proceedings are not being diligently defended, or (ii) such proceedings have not been discharged, vacated or stayed within thirty (30) days after commencement);
- (c) the Company or any Subsidiary of the Company ceases to carry on its business or is adjudged or declared bankrupt or insolvent or admits in writing its inability to pay its debts generally as they become due or makes an assignment for the general benefit of creditors, petitions or applies to any tribunal for the appointment of a receiver or trustee for it or for any part of its property (or such a receiver or trustee is appointed for it or any part of its property), or files a notice of intention to file a proposal, or commences (or any other Person commences) any proceedings relating to it under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect (provided that, if such proceedings are commenced by another Person, such proceedings shall only constitute an Event of Default if either (i) such proceedings are not being actively and diligently contested in good faith, or (ii) such proceedings have not been discharged, vacated or stayed within sixty (60) days after commencement), or expressly consents to or approves of any such proceeding for it or for any part of its property, or acquiesces to the appointment of any receiver or trustee, sequestrator or other custodian for it or any such part of its property;
- (d) any representation or warranty made or deemed made by the Company or any Subsidiary of the Company in any Financing Document, the Investor Rights Agreement or in any other document, agreement or instrument delivered pursuant hereto or thereto or referred to herein or therein proves to have been incorrect in any material respect (without duplicating any materiality qualification contained in any such representation or warranty) when made or furnished which has not been remedied within twenty (20) Business Days after written notice to do so has been given by the Holder to the Company;

- (e) the breach or failure of due observance or performance by the Company or any Subsidiary of the Company of any of its covenants or obligations set out herein in any material respect;
- (f) a writ, execution, attachment or similar process is issued or levied against all or any portion of the assets, property and undertaking of the Company or any Subsidiary of the Company in connection with any judgment against such Person in excess of \$100,000 and such writ, execution, attachment or similar process is not released, bonded, satisfied, discharged, vacated or stayed within thirty (30) days after its entry, commencement or levy;
- (g) one or more holders of a Lien enforces their security or other remedies against any part of the assets, property and undertaking of any of the Company or any Subsidiary of the Company having a Fair Market Value in excess of \$100,000;
- (h) the Company or any Subsidiary of the Company in respect of any Indebtedness under (i) the Additional Debentures, and/or (ii) having an aggregate principal amount (including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than \$100,000 or the exchange equivalent thereof, either (x) fails to make any payment (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace or notice period, if any, specified in the relevant document on the date of such failure; or (y) fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any such Indebtedness and (1) as a consequence thereof, the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) are able to cause such Indebtedness to be declared to be due and payable prior to its stated maturity, or (2) the holder of such Indebtedness has declared an event of default under the instrument governing such Indebtedness;
- (i) the Company has not made a Change of Control Repayment Offer within five Business Days following the Change of Control Effective Date;
- (j) the Company has not made a *pro rata* prepayment pursuant to Section 2.6 within five Business Days following a prepayment of all or a portion of any Additional Debentures; or
- (k) a Material Adverse Effect occurs.

6.2 Consequences of an Event of Default

If an Event of Default occurs, the entire unpaid principal amount of this Debenture outstanding at that time, plus all accrued and unpaid interest and any other monetary amounts outstanding under this Debenture, will be accelerated and will become immediately due and payable at the option of the Holder (upon written notice by the Holder to the Company), and all such amounts shall accrue interest at the Default Rate in accordance with Section 2.2(b). Alternatively, if an Event of Default occurs, the Holder may, by giving written notice thereof to the Company, convert the entire principal amount, plus all accrued and unpaid interest and any other

monetary amounts, outstanding under this Debenture then outstanding, in accordance with Section 4.1.

ARTICLE 7 GENERAL

7.1 Waiver

No act or omission by the Holder in any manner whatever will extend to or be taken to affect any provision hereof or any subsequent breach or default or the rights resulting therefrom save and except for an express waiver or consent in writing. A waiver of default will not extend to, or be taken in any manner whatsoever to affect the rights of the Holder with respect to, any subsequent default, whether similar or not. The Company waives every defence based upon any or all indulgences that may be granted by the Holder.

7.2 Consent

Where a provision of this Debenture requires an approval or consent by a Party to this Debenture and written notification of such approval or consent is not delivered within the applicable time in accordance with this Debenture, then the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

7.3 No Merger or Novation

Neither the taking of any judgment nor the exercise of any power of seizure or sale will operate to extinguish the liability of the Company to pay the monies owed hereunder nor will the same operate as a merger of any covenant herein contained or of any other obligation, nor will the acceptance of any payment or other security constitute or create any novation.

7.4 Holder May Remedy Default

If the Company fails to do anything hereby required to be done by it, the Holder may, but will not be obliged to, do such thing and all reasonable sums thereby expended by the Holder will be payable forthwith by the Company, but no such performance by the Holder will be deemed to relieve the Company from any default hereunder.

7.5 Notices

Any notice or other communication that is required or permitted to be given hereunder shall be in writing and shall be validly given if delivered in person (including by courier service) or transmitted by electronic transmission (including email) to such party, as follows:

(a) to the Holder at:

Attention: [Contact person]

Address: [Address]

[Address]

Email: [Email address]

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

Attention: [Contact persons]

Address: [Address]

and

[Address]

Email: [Email addresses]

(b) to the Company at:

Attention: [Contact persons]

Address: 220 King St. West, Suite 200
Toronto, Ontario
M5H 1K4, Canada

Email: [Email address]

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

Attention: [Contact person]

Address: [Address]

Email: [Email address]

Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. at the place of receipt, then on the next following Business Day). Any Party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section 7.5.

7.6 Severability

If any provision of this Debenture is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Debenture shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any Party

hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Debenture so as to effect the original intent of the Parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

7.7 Adjustment of Interest

Notwithstanding any provision to the contrary contained in this Debenture, in no event will the aggregate "interest" (as defined in Section 347 of the *Criminal Code* (Canada)) payable under this Debenture exceed the effective annual rate of interest on the "credit advanced" (as defined in that section) under this Debenture lawfully permitted under that section and, if any payment, collection or demand pursuant to this Debenture in respect of "interest" (as defined in that section) is determined to be contrary to the provision of that section, such payment, collection or demand will be deemed to have been made by mutual mistake of the Company and the Holder and the amount of such payment or collection will be refunded to the Company; for purposes of this Debenture the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of this Debenture on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Holder will be conclusive for the purposes of such determination, in the absence of evidence to the contrary.

7.8 Replacement of Debenture

If this Debenture becomes mutilated or lost, stolen or destroyed, the Company will issue to the Holder a new Debenture upon surrender and cancellation of the mutilated Debenture, or, in the case of a lost, stolen or destroyed Debenture, upon the Holder furnishing to the Company such evidence of such loss, theft or destruction as will be satisfactory to the Company, acting reasonably, together with an indemnity in an amount and form satisfactory to the Company, acting reasonably. The Holder will pay all reasonable expenses incidental to the issuance of any such replacement Debenture.

7.9 Indemnification

The Company agrees to indemnify the Holder from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits and reasonable costs, expenses or disbursements (except by reason of the fraud, wilful misconduct or gross negligence of the Holder or any of its employees or a material breach by the Holder of any of its covenants contained herein) which may be imposed on, incurred by, or asserted against the Holder in connection with this Debenture and arising by reason of a breach of any representation and warranty of the Company contained in the Financing Documents, any action (including any action referred to herein) or inaction or omission to do any act legally required of the Company under this Debenture. In addition to the foregoing, the Company agrees to reimburse the Holder for all reasonable and documented legal or other expense incurred in connection with investigating, defending or participating in any action or other proceeding relating to any such losses or liabilities.

7.10 Remedies

The Parties hereto acknowledge and agree that an award of money damages may be inadequate for any breach of this Debenture and any such breach could cause the non-breaching Party irreparable harm. Accordingly, the Parties hereto agree that, in the event of any breach or

threatened breach of this Debenture by one of the Parties, the non-breaching Party will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Debenture but will be in addition to all other remedies available at law or equity to each of the Parties.

7.11 Expenses

Except as otherwise expressly provided, each Party to this Debenture shall pay its respective legal, accounting and other professional advisory fees, costs and expenses incurred in connection with the negotiation, preparation or execution of this Debenture and all documents and instruments executed or delivered pursuant to this Debenture.

7.12 Public Notices

All public notices to third parties and all other publicity concerning the matters contemplated by this Debenture shall be jointly planned and coordinated by the Company and the Holder and neither the Company nor the Holder shall act unilaterally in this regard without the prior written approval of the other Party, except to the extent that the Party making such notice or other publicity is required to do so by Applicable Law in circumstances where prior consultation with the other Party is not permitted or practicable, provided concurrent notice to the other Party is provided.

7.13 Assignment

Neither Party may assign any rights and benefits or obligations under this Debenture without the prior written consent of the other Party, except that the Holder may assign any of its rights and benefits or obligations under this Debenture to any of its Affiliates, provided that such assignment is exempt from the prospectus requirements under, and is otherwise in compliance with, applicable Securities Legislation.

7.14 Enurement

This Debenture and all its provisions enures to the benefit of the Holder, its successors and permitted assigns and will be binding upon the Company, its successors and permitted assigns. Presentment, notice of dishonour, protest and notice of protest hereof are hereby waived.

7.15 Amendments

This Debenture may only be amended by a written agreement of the Company, on the one hand, and the Holder, on the other hand.

7.16 Further Assurances

Each Party shall do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Debenture, and each Party shall provide such further documents or instruments as reasonably required by any other Party as necessary or desirable to effect the purpose of this Debenture and carry out its provisions.

7.17 Governing Law and Jurisdiction for Disputes

This Debenture shall be governed by and construed in accordance with the Applicable Laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated, in all respects, as an Ontario contract. Each of the Parties irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario over any action or proceeding arising out of or relating to this Debenture.

7.18 Counterparts and Delivery

This Debenture and all documents contemplated by or delivered under or in connection with this Debenture may be executed and delivered in any number of counterparts (whether by facsimile, email, or other electronic means), with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

[Signature page follows]

IN WITNESS WHEREOF the Parties have executed this Debenture.

NORTHSTAR GAMING HOLDINGS INC.

Per: _____
Name:
Title:

PLAYTECH PLC

Per: _____
Name:
Title:

**EXHIBIT A
NOTICE OF CONVERSION**

TO: NORTHSTAR GAMING HOLDINGS INC. (the "Company")

The undersigned holder (the "**Holder**") of the attached Senior Unsecured Convertible Debenture (the "**Debenture**") hereby irrevocably elects to convert \$_____ of the outstanding principal amount thereof (or accrued and unpaid interest and any other monetary amounts outstanding thereunder) into _____ Common Shares of the Company pursuant to the terms of the Debenture at the Conversion Price and on the other terms specified in the Debenture. The capitalized terms used but not otherwise defined herein have the meanings given in the Debenture.

The Holder irrevocably directs that the Common Shares be issued in the name of the Holder and be delivered to the Holder at the address set out below:

Street

City Province/State

Postal/ZIP Code

Attention

Phone Number Fax Number

E-mail

DATED the ____ day of _____, 20__.

[Name of Holder]

Per: _____
Name:
Title:

**SCHEDULE B
FORM OF WARRANT**

[See Attached]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE CLOSING].

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [DATE THAT IS FOUR MONTHS AND A DAY AFTER THE CLOSING].

WARRANT CERTIFICATE

WARRANT TO PURCHASE COMMON SHARES

OF

NORTHSTAR GAMING HOLDINGS INC.

(incorporated under the laws of British Columbia)

Number 092023 – [A/B] – 01

Number of Warrants represented
by this Certificate: 14,285,714

THIS CERTIFIES THAT, for value received, Playtech plc (the “**Holder**”), being the registered holder of that number of warrants (individually a “**Warrant**” and collectively, the “**Warrants**”) set forth above is entitled, at any time prior to 5:00 p.m. (Toronto time) on the Expiry Date (as defined below) to subscribe for and purchase the number of common shares (the “**Shares**”) of **NORTHSTAR GAMING HOLDINGS INC.** (the “**Company**”) set forth above on the basis of one (1) Share at a price of \$[**0.36/0.40**] (the “**Exercise Price**”) for each Warrant exercised, subject to adjustment as set out herein, by surrendering to the Company at its principal office, 220 King St. West, Suite 200, Toronto, Ontario, M5H 1K4, this Warrant certificate (the “**Warrant Certificate**”), with a completed and executed subscription form attached hereto as Schedule “A” (the “**Subscription Form**”), and payment in full for the Shares being purchased. The Company will then issue that number of Shares specified in the subscription form as fully paid and non-assessable Shares of the Company.

The Company shall treat the Holder as the absolute owner of this Warrant for all purposes and the Company shall not be affected by any notice or knowledge to the contrary. The Holder shall be entitled to the rights evidenced by this Warrant Certificate free from all equities and rights of set-off or counterclaim between the Company and the original or any intermediate holder and all persons may act accordingly and the receipt by the Holder of the Shares issuable upon exercise hereof shall be a good discharge to the Company and the Company shall not be bound to inquire into the title of any such Holder.

1. **Definitions:** In this Warrant Certificate, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings namely:
 - (a) “**Adjustment Period**” means the period commencing on the date hereof and ending at the Expiry Time;

- (b) **“Business Day”** means any day other than a Saturday, Sunday, legal holiday or day on which banking institutions are closed in Toronto, Ontario;
- (c) **“Convertible Securities”** means securities convertible into or exchangeable for Shares;
- (d) **“Company”** means NorthStar Gaming Holdings Inc.;
- (e) **“Current Market Price”** at any date means the price per share equal to the volume weighted average price at which the Shares have traded for the 20 Trading Days prior to the relevant date on the stock exchange on which the Shares are listed with the highest trading volume or, if the Shares are not listed on any stock exchange, then on the over-the-counter market or, if the Shares are not listed or quoted on any stock exchange or over-the-counter market, such price as may be determined by the directors of the Company, acting reasonably;
- (f) **“Dividends Paid in the Ordinary Course”** means dividends paid in any financial year of the Company, whether in (i) cash; (ii) shares of the Company; (iii) warrants or similar rights to purchase any shares of the Company or property or other assets of the Company provided that the value of such dividends does not in such financial year exceed the greater of:
 - (i) 150% of the aggregate amount of dividends paid by the Company on the Shares in the 12-month period ending immediately prior to the first day of such financial year; and
 - (ii) 100% of the consolidated net earnings from continuing operations of the Company, before any extraordinary items, for the 12-month period ending immediately prior to the first day of such financial year (such consolidated net earnings from continuing operations to be computed in accordance with generally accepted accounting principles in Canada);
- (g) **“Exercise Price”** means \$[0.36/0.40] per Share, subject to adjustment in accordance with Section 11 hereof;
- (h) **“Expiry Date”** means [●], 2028;
- (i) **“Expiry Time”** means 5:00 p.m. (Toronto time), on the Expiry Date;
- (j) **“Holder”** means the holder set forth on the first page hereof;
- (k) **“person”** means an individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative, or any group or combination thereof or any other entity whatsoever;
- (l) **“Shares”** means the common shares of the Company as such shares are constituted on the date hereof, as the same may be reorganized, reclassified or otherwise changed pursuant to any of the events set out in Section 11 hereof;
- (m) **“Subscription Form”** means the subscription form attached hereto as Schedule “A”;

- (n) “**Trading Day**” with respect to a stock exchange, market or over-the-counter market means a day on which such stock exchange or over-the-counter market is open for business;
 - (o) “**TSXV**” means the TSX Venture Exchange;
 - (p) “**Warrant**” means a warrant exercisable to purchase one (1) Share at the Exercise Price until the Expiry Time, issuable upon due exercise of the Warrant;
 - (q) “**Warrant Certificate**” means this certificate representing the Warrants, together with any duly issued replacement or substitution therefor;
 - (r) “**U.S. Person**” means U.S. person as that term is defined in Regulation S under the U.S. Securities Act; and
 - (s) “**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended.
2. **Expiry Time:** At the Expiry Time, all rights under the Warrants evidenced hereby, in respect of which the right of subscription and purchase herein has not already been exercised, shall expire and be of no further force and effect.
3. **Exercise Procedure:**
- (a) The Holder may exercise the right to subscribe and purchase the number of Shares herein provided by delivering to the Company prior to the Expiry Time this Warrant Certificate, with the Subscription Form attached hereto duly completed and executed by the Holder or its legal representative or attorney, duly appointed by an instrument in writing in form and manner satisfactory to the Company, together with a certified cheque or bank draft payable to or to the order of the Company or wire to the Company in an amount equal to the aggregate Exercise Price in respect of the Warrants so exercised. Any Warrant Certificate so surrendered shall be deemed to be surrendered only upon delivery thereof to the Company at its principal office set forth herein (or to such other address as the Company may notify the Holder).
 - (b) Upon such delivery as aforesaid, the Company shall cause to be issued to the Holder hereof the Shares subscribed for not exceeding those which such Holder is entitled to purchase pursuant to this Warrant Certificate and the Holder hereof shall become a shareholder of the Company in respect of the Shares subscribed for with effect from the date of such delivery and shall be entitled to delivery of a certificate evidencing the Shares and the Company shall cause such certificates to be mailed to the Holder hereof at the address or addresses specified in such subscription as soon as practicable, and in any event within five (5) Business Days of such delivery.
 - (c) This Warrant and the Shares issuable upon exercise of this Warrant have not been and will not be registered under the U.S. Securities Act or under state securities laws of any state in the United States. Accordingly, this Warrant may not be transferred or exercised in the United States or by or on behalf of a U.S. Person unless an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws and the holder of this Warrant has furnished an opinion of counsel of recognized standing in form and substance satisfactory to the Company to such effect,

and if this Warrant is so exercised, the certificates representing the Shares shall bear the appropriate legends as determined by legal counsel for the Company.

4. **Partial Exercise:** The Holder may subscribe for and purchase a number of Shares less than the maximum number the Holder is entitled to subscribe for and purchase pursuant to this Warrant Certificate. In the event of any such subscription prior to the Expiry Time, the Holder shall, in addition to the Shares subscribed for and purchased, be entitled to receive, without charge, a new Warrant Certificate, in the same form as this Warrant Certificate with appropriate changes, in respect of the balance of the Shares which the Holder was entitled to subscribe for pursuant to this Warrant Certificate and which were then not purchased (with or without legends as appropriate).
5. **No Fractional Shares:** Notwithstanding any adjustments provided for in Section 11 hereof or otherwise, the Company shall not be required upon the exercise of any Warrants to issue fractional Shares in satisfaction of its obligations hereunder and, in any such case, the number of Shares issuable upon the exercise of any Warrants shall be rounded down to the nearest whole number, without payment or compensation in lieu thereof.
6. **Exchange of Warrant Certificates:** This Warrant Certificate may be exchanged for Warrant Certificates representing in the aggregate the same number of Warrants and entitling the Holder thereof to subscribe for and purchase an equal aggregate number of Shares at the same Exercise Price and on the same terms as this Warrant Certificate (with or without legends as may be appropriate).
7. **Transfer of Warrants:** Subject to applicable laws and the policies of any applicable exchange on which the Shares are listed, the Holder may not transfer the Warrants represented by this Warrant Certificate without the consent of the Company, except to a subsidiary or to an entity of which the Holder is a subsidiary, for which no consent will be required. No transfer of these Warrants shall be made if in the opinion of counsel to the Company such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Company shall issue and mail as soon as practicable, and in any event within five (5) Business Days of such delivery, a new Warrant Certificate (with or without legends as may be appropriate) registered in the name of the transferee or as the transferee may direct (as well as a new Warrant Certificate in the name of the Holder if not all Warrants represented hereby are transferred) and shall take all other necessary actions to effect the transfer as directed.
8. **Not a Shareholder:** Nothing in this Warrant Certificate or in the holding of a Warrant evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Company.
9. **No Obligation to Purchase:** Nothing herein contained or done pursuant hereto shall obligate the Holder to subscribe for or the Company to issue any Shares except those Shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein.
10. **Covenants:** The Company covenants and agrees that so long as any Warrants evidenced hereby remain outstanding, it shall:
 - (a) allot and reserve, and there shall remain unissued out of its authorized capital a sufficient number of Shares to satisfy the right of purchase provided for herein, and upon due exercise of the Warrants in accordance with the terms of the Warrant Certificate, the

Company will cause the Shares subscribed for and purchased in the manner herein provided to be issued and delivered as directed and such Shares shall be issued as fully paid and non-assessable Shares and the holders thereof shall not be liable to the Company or to its creditors in respect thereof;

- (b) if the issuance of the Shares upon the exercise of the Warrants requires any filing or registration with or approval of any Canadian securities regulatory authority or other governmental authority or compliance with any other requirement under any Canadian law before such Shares may be validly issued (other than the filing of a prospectus or similar disclosure document), take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be; and
- (c) do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as may be reasonably required for the better accomplishing and effecting of the intentions and provisions of this Warrant Certificate.

11. **Adjustments:**

- (a) **Adjustment:** The rights of the Holder, including the Exercise Price and number of Shares issuable upon the exercise of such Warrants, will be adjusted from time to time in the events and in the manner provided in, and in accordance with the provisions of this Section 11. The purpose and intent of the adjustments provided for in this Section 11 is to ensure that the rights and obligations of the Holder are neither diminished nor enhanced as a result of any of the events set forth in this Section 11. Accordingly, the provisions of this Section 11 shall be interpreted and applied in accordance with such purpose and intent.
- (b) The Exercise Price will be subject to adjustment from time to time as follows:
 - (i) **Share Reorganization:** If and whenever at any time during the Adjustment Period, the Company shall (A) subdivide, redivide or change the outstanding Shares into a greater number of Shares, (B) consolidate, combine or reduce the outstanding Shares into a lesser number of Shares, or (C) fix a record date for the issue of, or distribution to, or issue Shares or Convertible Securities to all or substantially all of the holders of Shares by way of a stock dividend or other distribution on the Shares, payable in Shares or Convertible Securities, other than a Dividend Paid in the Ordinary Course, then, in each such event, the Exercise Price shall, on the record date for such event or, if no record date is fixed, the effective date of such event, be adjusted so that it will equal the rate determined by multiplying the Exercise Price in effect immediately prior to such date by a fraction, of which (X) the numerator shall be the total number of Shares outstanding on such date before giving effect to such event, and (Y) the denominator shall be the total number of Shares outstanding on such date after giving effect to such event (including, in the case where Convertible Securities are distributed, the number of Shares that would have been outstanding had such securities been fully exchanged for or converted into Shares on such record date or effective date). Such adjustment shall be made successively whenever any such event shall occur. Any such issue of Shares by way of a stock dividend shall be deemed to have been made on the record date for such stock dividend for the purpose of calculating the number of outstanding Shares under paragraphs 11(b)(i) and (ii)

hereof. The number of Shares outstanding shall include the deemed conversion into or exchange for Shares of any Convertible Securities distributed by way of stock dividend or other such distribution.

- (ii) Rights Offering: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Shares entitling the holders thereof, within a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Shares or Convertible Securities at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, then the Exercise Price shall be adjusted immediately after such record date so that it will equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which (A) the numerator shall be (1) the total number of Shares outstanding on such record date, plus (2) the number of Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Shares so offered for subscription or purchase (or the aggregate conversion or exchange price of the Convertible Securities) by such Current Market Price, and (B) the denominator shall be (1) the total number of Shares outstanding on such record date, plus (2) the total number of additional Shares so offered for subscription or purchase (or into or for which the Convertible Securities so offered are convertible or exchangeable). Any Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 11(b)(ii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon the number of Shares (or Convertible Securities) actually issued upon the exercise of such rights, options or warrants, as the case may be.

- (iii) Distribution: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the making of a distribution to all or substantially all of the holders of Shares of (A) shares of any class, whether of the Company or any other corporation, (B) rights, options or warrants to acquire Shares or Convertible Securities or property or other assets of the Company (other than a rights offering as described in Section 11(b)(ii), (C) evidences of indebtedness, or (D) cash, securities or other property or assets then, in each such case and if such distribution does not constitute a Dividend Paid in the Ordinary Course, or fall under clauses (i) or (ii) above, the Exercise Price will be adjusted immediately after such record date so that it will equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction of which (X) the numerator shall be (1) the total number of Shares outstanding on such record date multiplied by the Current Market Price on the earlier of such record date and the date on which the Company announces its intention to make such distribution, less (2) the aggregate fair market value (as determined by the directors, acting reasonably, at the time such distribution is authorized) of such shares or rights, options or warrants or evidences of indebtedness or cash,

securities or other property or assets so distributed, and (Y) the denominator shall be the total number of Shares outstanding on such record date multiplied by such Current Market Price. Any Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 11(b)(iii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants are not so distributed, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon such rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets having not been actually distributed.

- (c) Reclassifications: If and whenever at any time during the Adjustment Period, there is (i) any reclassification of or amendment to the outstanding Shares, any change of the Shares into other shares or any other reorganization of the Company (other than as described in subsection 11(b) hereof), (ii) any consolidation, amalgamation, arrangement, merger or other form of business combination of the Company with or into any other corporation resulting in any reclassification of the outstanding Shares, any change of the Shares into other shares or any other reorganization of the Company, or (iii) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity, then, in each such event, the Holder of this Warrant which is thereafter exercised shall be entitled to receive, and shall accept, in lieu of the number of Shares to which such Holder was theretofore entitled upon such exercise, the kind and number or amount of shares or other securities or property which such Holder would have been entitled to receive as a result of such event if, on the effective date thereof, such Holder had been the registered holder of the number of Shares to which such Holder was theretofore entitled upon such exercise. If necessary as a result of any such event, appropriate adjustments will be made in the application of the provisions set forth in this subsection with respect to the rights and interests thereafter of the Holder of this Warrant Certificate to the end that the provisions set forth in this subsection will thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant. Any such adjustments will be made by and set forth in an instrument supplemental hereto approved by the directors, acting reasonably, and shall for all purposes be conclusively deemed to be an appropriate adjustment.
- (d) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsection 11(b) or (c) or subsection 12(f) of this Warrant Certificate, then the number of Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

12. **Rules Regarding Calculation of Adjustment of Exercise Price:**

- (a) The adjustments provided for in Section 11 are cumulative and will, in the case of adjustments to the Exercise Price, be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 12.
- (b) No adjustment in the Exercise Price is required to be made unless such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment in the Exercise Price is required unless such adjustment would result in a change of at least one one-hundredth of a Share; provided, however, that any adjustments which, except for the provisions of this subsection, would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustments.
- (c) No adjustment in the Exercise Price will be made in respect of any event described in Section 11, other than the events referred to in clauses 11(b)(i)(A) and (B) and 11(c), if the Holder is entitled to participate in such event on the same terms, *mutatis mutandis*, as if the Holder had exercised this Warrant prior to or on the effective date or record date of such event.
- (d) No adjustment in the Exercise Price will be made under Section 11 in respect of the issue from time to time of Shares issuable as Dividends Paid in the Ordinary Course to holders of Shares who exercise an option or election to receive substantially equivalent dividends in Shares in lieu of receiving a cash dividend.
- (e) If at any time a question or dispute arises with respect to adjustments provided for in Section 11, such question or dispute will be conclusively determined by the auditor of the Company or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Company and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Company and the Holder. The Company will provide such auditor or chartered accountant with access to all necessary records of the Company.
- (f) In case the Company, after the date of issuance of this Warrant, takes any action affecting the Shares, other than an action described in Section 11, which in the opinion of the board of directors of the Company would materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action of the directors of the Company in their sole discretion, acting reasonably and in good faith, but subject in all cases to any necessary regulatory approval. Failure of the taking of action by the directors of the Company so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Shares will be conclusive evidence that the board of directors of the Company has determined that it is equitable to make no adjustment in the circumstances.
- (g) If the Company sets a record date to determine the holders of the Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to implement its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price will be required by reason of the setting of such record date.

- (h) In the absence of a resolution of the directors of the Company fixing a record date for any event which would require any adjustment to this Warrant, the Company will be deemed to have fixed as the record date therefor the date on which the event is effected.
- (i) As a condition precedent to the taking of any action which would require any adjustment to the Shares issuable under this Warrant, including the Exercise Price, the Company shall take any corporate action which may be necessary in order that the Company or any successor to the Company or successor to the undertaking or assets of the Company have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.
- (j) The Company will from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 11, forthwith give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Exercise Price.
- (k) The Company covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in Section 11 whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Company shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.
- (l) In any case that an adjustment pursuant to Section 11 shall become effective immediately after a record date for or an effective date of an event referred to herein, the Company may defer, until the occurrence and consummation of such event, issuing to the Holder of this Warrant, if exercised after such record date or effective date and before the occurrence and consummation of such event, the additional Shares or other securities or property issuable upon such exercise by reason of the adjustment required by such event, provided, however, that the Company will deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Shares or other securities or property upon the occurrence and consummation of such event and the right to receive any dividend or other distribution in respect of such additional Shares or other securities or property declared in favour of the holders of record of Shares or of such other securities or property on or after the date of exercise of the Warrants or such later date as the Holder would, but for the provisions of this subsection, have become the holder of record of such additional Shares or of such other securities or property.

13. **Consolidation and Amalgamation:**

- (a) The Company shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a "**successor corporation**") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, unless prior to or contemporaneously with the consummation of such transaction the Company and the successor corporation shall have executed such

instruments and done such things as the Company, acting reasonably, considers necessary or advisable to establish that upon the consummation of such transaction:

- (i) the successor corporation will have assumed all the covenants and obligations of the Company under this Warrant Certificate, and
 - (ii) the Warrant and the terms set forth in this Warrant Certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant Certificate.
 - (b) Whenever the conditions of subsection 13(a) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Company under this Warrant in the name of the Company or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Company may be done and performed with like force and effect by the like directors or officers of the successor corporation.
14. **Representation and Warranty:** The Company hereby represents and warrants with and to the Holder that the Company is duly authorized and has all corporate and lawful power and authority to create and issue the Warrants evidenced hereby and the Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant Certificate represents a valid, legal and binding obligation of the Company enforceable against the Company in accordance with its terms.
15. **If Share Transfer Books Closed:** The Company shall not be required to deliver certificates for Shares while the share transfer books of the Company are properly closed, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender or transfer of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Shares called for thereby during any such period, delivery of certificates for Shares may be postponed for a period not exceeding three (3) Business Days after the date of the re-opening of said share transfer books provided that any such postponement of delivery of certificates shall be without prejudice to the right of the Holder, if the Holder has surrendered the same and made payment during such period, to receive such certificates for the Shares called for after the share transfer books shall have been re-opened and shall be without prejudice to the rights of the Holder pursuant to this Warrant Certificate and Shares that would have otherwise been issued had it not been for the postponement.
16. **Lost Certificate:** If the Warrant Certificate evidencing the Warrants issued hereby becomes stolen, lost, mutilated or destroyed, the Company shall issue and countersign a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost mutilated or destroyed; provided that the Holder shall furnish, if required by the Company, an indemnity of loss in form satisfactory to the Company, acting reasonably.
17. **Governing Law:** This Warrant shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws, rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario.
18. **Severability:** If any one or more of the provisions or parts thereof contained in this Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction,

the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom.

19. **Amendments:** Subject to the approval of the TSXV, the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Company and the Holder.
20. **Headings:** The headings of the articles, sections, subsections and clauses of this Warrant Certificate have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Warrant Certificate.
21. **Numbering of Articles, etc.:** Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause, subclause or schedule refers to the article, section, subsection, clause, subclause or schedule bearing that number or letter in this Warrant Certificate.
22. **Gender:** Whenever used in this Warrant Certificate, words importing the singular number only shall include the plural, and vice versa, and words importing one gender shall include all other genders.
23. **Currency:** All references herein to monetary amounts are references to the lawful money of Canada.
24. **Day not a Business Day:** In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.
25. **Binding Effect:** This Warrant Certificate and all of its provisions shall enure to the benefit of the Holder, its successors, assigns and legal personal representatives and shall be binding upon the Company and its successors.
26. **Notice:** Unless herein otherwise expressly provided, a notice to be given hereunder will be deemed to be validly given if the notice is sent by electronically or prepaid same day courier addressed as follows:
 - (a) If to the Holder at the latest address of the Holder as recorded on the books of the Company; and
 - (b) If to the Company at:

220 King St. West, Suite 200

Toronto, Ontario, M5H 1K4

Attention: Corey Goodman, Executive Vice-President

Email: corey.goodman@northstargaming.ca
27. **Time of Essence:** Time shall be of the essence hereof.

* * * * *

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of this ____ day of [●] 2023.

NORTHSTAR GAMING HOLDINGS INC.

Per:

Authorized Signing Officer

SCHEDULE "A"

SUBSCRIPTION FORM

TO: NorthStar Gaming Holdings Inc.
220 King St. West, Suite 200
Toronto, Ontario
M5H 1K4

The undersigned holder of the within Warrant hereby irrevocably subscribes for _____ Shares of NORTHSTAR GAMING HOLDINGS INC. (the "**Company**") pursuant to the within Warrant and tenders herewith a certified cheque or bank draft for \$_____ (\$[**0.36/0.40**] per Share) in full payment therefor.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

A The undersigned holder (i) at the time of exercise of the Warrant is not in the United States; (ii) at the time of exercise is not a "U.S. person" (as defined in Regulation S under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**")) and is not exercising the Warrant for the account or benefit of a person in the United States or a U.S. person; and (iii) did not execute or deliver this form in the United States.

B The undersigned holder has delivered to the Company a written opinion of counsel of recognized standing in form and substance satisfactory to the Company to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state laws is available for the issue of the Shares issuable upon exercise of the Warrant.

The undersigned hereby directs that the Shares be issued as follows:

| NAME(S) IN FULL | ADDRESS(ES) | NUMBER OF SHARES |
|-----------------|-------------|------------------|
| | | |
| | | |

DATED this ____ day of _____, 20____.

NAME: _____

Signature of Authorized
Representative: _____

Print Name: _____

_____ Please check if the certificates representing the Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which the certificates representing the Shares will be mailed to the address in the registration instructions set out above.

Notes:

Certificates representing Shares will not be registered or delivered to an address in the United States unless Box B above is checked. If Box B is checked, any opinion tendered must be in form and substance satisfactory to the Company. Holders planning to deliver an opinion of counsel in connection with the exercise of the Warrant should contact the Company in advance to determine whether any opinions to be tendered will be acceptable to the Company.

If any Warrants represented by this Warrant Certificate are not being exercised, a new Warrant Certificate representing the unexercised Warrants will be issued and delivered with the certificate representing the Shares.