



PLAYGON

PLAYGON GAMES INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD
ON DECEMBER 1, 2023**

NOVEMBER 3, 2023

November 3, 2023

Dear Shareholder:

On behalf of the board of directors and management of Playgon Games Inc. (“**Playgon**”), we are pleased to invite you to our annual and special meeting of shareholders, which will be held on December 1, 2023 at 10:00 a.m. (Vancouver time) (the “**Meeting**”) at 1199 West Hastings Street, Suite 1100, Vancouver, BC, Canada V6E 3T5.

The notice of meeting and related materials are enclosed. The accompanying management information circular dated as of the date hereof (the “**Circular**”) describes the business to be conducted at the Meeting and contains information on our governance practices and our approach to executive compensation. We hope that you take the time to review these Meeting materials and that you exercise your right to vote. Whether or not you plan to attend the Meeting, we encourage you to vote promptly, in advance of the Meeting. In the Circular, you will find important information and detailed instructions about how to participate in the Meeting and vote on the business to be conducted at the Meeting.

The Meeting is an opportunity to listen to and ask questions of the people who are responsible for the performance of Playgon.

We thank you for your continued support of Playgon and look forward to your attendance at this year’s Meeting.

Yours truly,

(s) Darcy Krogh

Darcy Krogh
President and Chief Executive Officer



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Shares**”) in the capital of Playgon Games Inc. (“**Playgon**” or the “**Corporation**”) will be held on December 1, 2023 at 10:00 a.m. (Vancouver time), at 1199 West Hastings Street, Suite 1100, Vancouver, BC, Canada V6E 3T5, for the following purposes:

- (a) to receive the audited consolidated financial statements of Playgon for the financial year ended December 31, 2022, together with the report of the auditor thereon;
- (b) to elect the directors of Playgon for the ensuing year;
- (c) to appoint Davidson and Company LLP as the auditor of Playgon for the ensuing year and to authorize the directors of Playgon to fix the remuneration of such auditor;
- (d) to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution providing the required annual approval of the Corporation’s 10% “rolling” stock option plan; and
- (e) to transact such other business as may properly be brought before the Meeting.

The board of directors of Playgon (the “**Board**”) has fixed October 31, 2023 as the record date (the “**Record Date**”) for determining the Shareholders who are entitled to receive notice of and vote at the Meeting. Only persons shown on the register of Shareholders at the close of business on that date, or their proxy holders, will be entitled to attend the Meeting and vote on the matters submitted for shareholder approval at the Meeting.

Voting

All Shareholders may attend the Meeting in-person or be represented by proxy. Shareholders who do not plan on attending the Meeting in person are requested to complete, date and sign the enclosed form of proxy or voting instruction form, as applicable, and return it in the envelope provided. A proxy form or voting instruction form will not be valid unless it is delivered to the Corporation’s registrar and transfer agent, Odyssey Trust Company, Proxy Department, by any of the following methods, so that they are received not later than 10:00 a.m. on November 29, 2023 (or at least 48 hours, excluding Saturdays, Sundays, and statutory holidays, before the time of the Meeting or any adjournment or postponement thereof):

- Mail to: 409 Granville Street, Suite 350, Vancouver, British Columbia V6C 1T2, Canada
- Fax: 1-800-517-4553

Registered Shareholders may also use the internet site at <https://login.odysseytrust.com/pxlogin> to transmit their voting instructions. Non-registered shareholders who receive the voting instruction form through their brokers or other intermediaries should complete and return the voting instruction form in accordance with the instructions provided by their brokers or intermediaries. A proxyholder need not be a shareholder of Playgon. If a Shareholder receives more than one proxy form because such Shareholder owns Shares registered in different names or addresses, each proxy form should be completed and returned.

A “beneficial” or “non-registered” Shareholder will not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his, her or its broker; however, a beneficial Shareholder may attend the Meeting

as proxyholder for the registered Shareholder and vote the Shares in that capacity. Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting.

If you are a non-registered objecting beneficial owner of Shares and have received these materials through your broker, custodian, nominee, or another intermediary, please complete and return the voting instruction form provided to you by your broker, custodian, nominee or another intermediary in accordance with the instructions provided therein.

Shareholders are encouraged to review the accompanying management information circular before voting.

If you have any questions about the information contained in this notice or the accompanying management information circular, the matters to be dealt with at the Meeting, the procedures for voting or completing the form of proxy or voting instruction form or require assistance in completing your form of proxy or voting instruction form, please contact the Corporation's registrar and transfer agent, Odyssey Trust Company, at 1 (888) 290-1175, by email at shareholders@odysseytrust.com or via website at <https://odysseytrust.com/contact/>.

Dated at Vancouver, British Columbia this 3th day of November 2023.

BY ORDER OF THE BOARD

(signed) "Darcy Krogh"

President and Chief Executive Officer

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MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) is furnished in connection with the solicitation by the management of Playgon Games Inc. (“**Playgon**”, “**we**”, “**us**” or the “**Corporation**”) of proxies to be used at the annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares in the capital of the Corporation (the “**Shares**”) to be held at 1199 West Hastings Street, Suite 1100, Vancouver, BC, Canada V6E 3T5 on December 1, 2023, at 10:00 a.m. (Vancouver time) for the purposes set forth in the notice of the annual and special meeting dated November 3, 2023 (the “**Notice of Meeting**”). References in the Circular to the Meeting include any adjournments or postponements thereof. It is expected that the solicitation of proxies will be primarily by mail; however, proxies may also be solicited by the officers, directors, and employees of the Corporation by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. All costs of solicitation by management will be borne by the Corporation. Unless otherwise specified, all information in this Circular is current as of November 2, 2023.

All references to “\$” or dollars in the Circular are to Canadian dollars.

APPOINTMENT OF PROXYHOLDER

You can attend the Meeting, or you can appoint someone else to vote for you as your proxyholder. Shareholders may appoint a proxyholder or one or more alternate proxyholders, who are not required to be Shareholders, to participate and act at the Meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. Voting by proxy means that you are giving the person named on your form of proxy the authority to vote your Shares for you in accordance with your instructions at the Meeting or any adjournment or postponement thereof.

The individuals named as proxyholders in the accompanying form of proxy are directors and/or officers of the Corporation. **A REGISTERED SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM OR HER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND SIGNING AND DATING THE PROXY, OR BY COMPLETING ANOTHER FORM OF PROXY.**

If you appoint a non-management proxyholder, please make sure they are aware of such appointment and ensure they will attend the Meeting in order for your vote to count.

To be valid, proxies must be received by the Corporation’s registrar and transfer agent, Odyssey Trust Company, 409 Granville Street, Suite 350, Vancouver, British Columbia V6C 1T2, Canada, no later than 10:00 a.m. (Vancouver time) on November 29, 2023 (or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, prior to the commencement of the reconvened Meeting if the Meeting is adjourned or postponed) (the “**Proxy Deadline**”), by any of the following methods:

- Mail to: 409 Granville Street, Suite 350, Vancouver, British Columbia V6C 1T2, Canada
- Fax: 1-800-517-4553

Registered Shareholders may also use the internet site at <https://login.odysseytrust.com/pxlogin> to transmit their voting instructions.

Notwithstanding the specified Proxy Deadline for the deposit of completed, dated and signed forms of proxy, the Corporation reserves the right to accept late proxies, and the Chair of the Meeting may waive the Proxy Deadline with or without notice if he or she deems it advisable to do so. However, the Corporation and the Chair of the Meeting are under no obligation to accept or reject any particular late form of proxy or waive the Proxy Deadline.

REVOCATION OF PROXIES

A proxy may be revoked at any time by the person giving it to the extent that it has not yet been exercised. In addition to revocation in any other manner permitted by law, a Shareholder may revoke their proxy voting instructions by providing new proxy voting instructions on a proxy form with a later date. A Shareholder who has given a proxy may revoke it prior to its use by an instrument in writing executed by the Shareholder or by his attorney duly authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer or attorney of such corporation, and delivered to the Corporation's registrar and transfer agent, Odyssey Trust Company, Proxy Department, by any of the following methods, so that they are received not later than the Proxy Deadline:

- Mail to: 409 Granville Street, Suite 350, Vancouver, British Columbia V6C 1T2, Canada
- Fax: 1-800-517-4553

Registered Shareholders may also submit a proxy revocation by email to proxy@odysseytrust.com.

Beneficial or non-registered Shareholders, who hold Shares through an intermediary or nominee (for example, a bank, trust company, securities broker, clearing agency or other institution), who wish to revoke their voting instructions, should contact their intermediary or broker for assistance. The deadline and process may be different than described above.

A revocation of a form of proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

The Shares represented by a properly executed proxy in favor of persons designated as proxyholders in the enclosed form of proxy will: (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be called for; and (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specifications made on such proxy.

In the absence of a specified choice in relation to any matter to be acted upon at the Meeting, or if more than one choice is indicated for a particular matter, the Shares represented by the proxy form or voting instruction form will be voted FOR the resolution approving such matter.

The enclosed form of proxy or voting instruction form, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxyholder thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated by management as proxyholders in the enclosed form of proxy or voting instruction form to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Circular, the management of the Corporation and its directors know of no such amendment, variation or other matter that may be presented to the Meeting. However, if any other matters which are not now known to the management or the directors should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the proxyholders, in their sole discretion.

Shareholders as at the close of business on October 31, 2023, being the record date for the Meeting, are entitled to vote.

The voting process differs depending on whether the Shareholder is a registered Shareholder or a non-registered Shareholder. A Shareholder is a registered Shareholder if he, she or it holds Shares registered in his, her or its name. A Shareholder is a "non-registered" or a "beneficial" Shareholder if he, she or it holds Shares that are registered in the

name of an intermediary (such as a bank, trust company, securities dealer or broker, or director or administrator of a self-administered RRSP, RRIF, RESP, TFSA or similar plan) or a depository (such as CDS Clearing and Depository Services Inc.) of which the intermediary is a participant.

Registered Shareholders

If you are a registered Shareholder, you may vote at the Meeting personally or by duly submitting a form of proxy.

To be valid, proxies must be received by the Corporation's registrar and transfer agent, Odyssey Trust Company, at 409 Granville Street, Suite 350, Vancouver, British Columbia V6C 1T2, Canada, no later than the Proxy Deadline, in any of the following methods:

- Mail to: 409 Granville Street, Suite 350, Vancouver, British Columbia V6C 1T2, Canada
- Fax: 1-800-517-4553

Registered Shareholders may also use the internet site at <https://login.odysseytrust.com/pxlogin> to transmit their voting instructions.

Non-registered Shareholders

The following information is of significant importance to Shareholders who do not hold Shares in their own name. Non-registered Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered Shareholders (those whose names appear on the records of the Corporation as the registered holders of Shares) or as set out in the following disclosure.

Most Shareholders are "non-registered" or "beneficial" Shareholders because the Shares they own are not registered in their names but are instead registered in the name of a brokerage firm, bank or other intermediary or in the name of a clearing agency. If Shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those Shares will not be registered in such Shareholder's name on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the non-registered Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Shares for the brokers' clients. **Therefore, each non-registered Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Regulatory policy requires brokers and other intermediaries to seek voting instructions from non-registered Shareholders in advance of Shareholders' meetings. **The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by non-registered Shareholders in order to ensure that their Shares are voted at the Meeting.** Often the form of proxy supplied to a non-registered Shareholder by its broker is identical to the form of proxy provided by the Corporation to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the non-registered Shareholder. The majority of brokers now delegate the responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the non-registered Shareholders, and asks non-registered Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A non-registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Shares must be communicated to Broadridge well in advance of the Meeting) in order to have the Shares voted.**

Non-registered Shareholders fall into two categories: (i) those who object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**", or "**OBOs**"); and (ii) those who do not object to their

identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). Subject to Canadian securities laws, issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. If you are a non-registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name, address, and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Shares on your behalf. The Corporation’s OBOs can expect to be contacted by Broadridge or their broker or their broker’s agents as set out above.

Although non-registered Shareholders may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of their broker, a non-registered Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. **Non-registered Shareholders who wish to attend the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the proxy or voting instruction card provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in this Circular and the accompanying form of proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

Inquiries with Corporation’s Registrar and Transfer Agent

For general Shareholder enquiries, you can contact Corporation’s registrar and transfer agent, Odyssey Trust Company, by mail at 409 Granville Street, Suite 350, Vancouver, British Columbia V6C 1T2, Canada or by telephone, toll-free in North America, at 1 (888) 290-1175, by email at shareholders@odysseytrust.com or on <https://odysseytrust.com/contact/>.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Circular, to the knowledge of the directors and executive officers, no person who is (i) a director or executive officer of Playgon (or was a director or executive officer of Playgon at any time since the beginning of Fiscal 2022 (as defined below)), (ii) a proposed nominee for election as a director of Playgon or (iii) an associate or affiliate of any such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Securities

Our authorized share capital consists of an unlimited number of common shares without par value.

The Board has fixed October 31, 2023, as the record date (the “**Record Date**”) for the determination of the persons entitled to receive notice of and vote at the Meeting. Only Shareholders of record at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting. Only such Shareholders, who either attend the Meeting personally or duly complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein, will be entitled to vote or to have their Shares voted at the Meeting or at any and all adjournments or postponements thereof.

Each Share you own as of the close of business on the Record Date entitles you to one vote on each of the matters to be acted upon at the Meeting, or any adjournment or postponement thereof. The Shares represent 100% of the aggregate voting rights attached to securities in Playgon.

As of the close of business on the Record Date, there were 288,574,727 Shares issued and outstanding.

PRINCIPAL HOLDERS OF SHARES

The following table shows the names of the persons who, as of the Record Date, to our knowledge, beneficially own, control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of our Shares. Such persons, collectively, directly or indirectly own or control approximately 23.92% of the Shares issued and outstanding as of the Record Date, and, as a result, will have a significant influence over us and our affairs.

Name of Shareholder	Number of Shares Owned	Percentage of Outstanding Shares
Guido Ganschow	36,366,047 ⁽¹⁾	12.6%
Kathleen Ann Crook	32,695,368 ⁽²⁾	11.32%

Notes:

- (1) Includes 18,346,243 Shares held by Virtuosol Software Inc., a private corporation owned by Mr. Ganschow.
(2) Kathleen Ann Crook also holds 1,666,667 warrants to purchase Shares issued by the Company with an exercise price of \$0.50 per Share, and such warrants are expected to expire on November 17, 2023.

MATTERS TO BE ACTED UPON AT THE MEETING

Purpose of the Meeting

Playgon will address the following items at the Meeting:

- (a) to receive the audited consolidated financial statements of Playgon for the financial year ended December 31, 2022, together with the report of the auditor thereon;
- (b) to elect the directors of Playgon for the ensuing year;
- (c) to appoint Davidson and Company LLP (“**Davidson**”) as the auditor of Playgon for the ensuing year and to authorize the directors of Playgon to fix the remuneration of such auditor;
- (d) to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution providing the required annual approval of the Corporation’s 10% “rolling” stock option plan; and
- (e) to transact such other business as may properly be brought before the Meeting.

As of the date of this Circular, the management of Playgon is not aware of any changes to these items and does not expect any other items to be brought forward at the Meeting. If there are changes or new items, you or your proxyholder can vote your Shares on these items as you, he or she sees fit.

Receiving the Financial Statements

The audited consolidated financial statements of Playgon for the financial year ended December 31, 2022 (“**Fiscal 2022**”), together with the report of the auditor thereon, will be presented at the Meeting. These financial statements, together with management’s discussion and analysis thereon, are also available under Playgon’s profile on SEDAR+ www.sedarplus.ca and on the internet at www.playgon.com.

Election of Directors

General

The board of directors of the Corporation (the “**Board**”) presently consists of five (5) directors. It is intended to determine the number of directors at five (5) and to elect five (5) directors for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the articles of the Corporation or within the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of the proposed nominees for election as directors, the country in which each is ordinarily resident, all offices of the Corporation now held by each of them, if any, their principal occupations, or employments during the past five years, the period of time each has been a director of the Corporation, and the number of Shares beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof:



Darcy Krogh
British Columbia,
Canada

Director Since:
March 2016

Non-Independent

Board/Committee Membership

Board Member
Governance and Compliance Committee

Principal Occupation

President, Chief Executive Officer and Director of Playgon

Mr. Krogh has been involved in iGaming in various capacities for over two decades. In 1999, he co-founded Chartwell Technology, a publicly traded technology company specializing in the development of games, gaming systems, and entertainment content for the Online Gaming industry. He served as a Director and Vice President of Business Development until July 2011 and facilitated the merger between Chartwell Technology and Amaya Gaming Group. Post-merger, he continued his role in Business Development with Amaya Gaming Group until July 2015 where he assisted Amaya Gaming Group with the divestiture of its B2B asset portfolio to NYX Gaming. Mr. Krogh aided that transition to NYX Gaming until April 2016 when he exited to start up Playgon (formally Global Daily Fantasy Sports) as President and CEO.

Current Public Board Memberships (other than Playgon)

-

Shares Held:

8,427,739 ⁽¹⁾



Guido Ganschow
British Columbia,
Canada

Director Since:
June 2020

Non-Independent

Board/Committee Membership

Board Member

Principal Occupation

President, Playgon Interactive Inc.⁽⁵⁾ and Director of Playgon

Mr. Ganschow has over fifteen years of experience in creating real-time Live-Dealer technology and platforms and was the Co-Founder and Creative Director for a Macau-based Casino Consortium. Between 2008 and 2014, Guido successfully created and established Live Dealer platform businesses in Asia and Europe, and executed commercial partnerships, sales, and integration of the Live-Dealer solution with major global gaming brands including Ho Gaming Group, Chartwell Technology and Amaya Gaming Group. He is the founder and President of our subsidiary Playgon Interactive Inc. a Canadian iGaming venture he started in 2014 with a focus on innovating Live-Dealer gaming and technology and is the creative force behind its real-time social and real money iGaming Live Dealer products.

Current Public Board Memberships (other than Playgon)

-

Shares Held:

36,366,047 ⁽²⁾



James Penturn
London, United Kingdom

Director Since:
March 2017

Non-Independent

Board/Committee Membership

Board Member
Audit Committee
Compensation Committee

Principal Occupation

Executive Chairman and Director of Playgon

Mr. Penturn has decades of experience providing strategic advice and leadership to management teams of knowledge-based businesses to successfully market and sell their services, structure, and syndicate investments, and raise equity and debt instruments. Mr. Penturn is the managing director of Penturn & Company Ltd in the United Kingdom, a strategic advisory consulting firm. He is also a member of the strategic advisory committee of Generation Three Family Partners, an international multifamily office that he co-founded. He has been a director of several Canadian publicly listed companies where he sat on executive, audit, governance, and compensation committees. As well as having a BA (with Honours) from the University of Toronto, Mr. Penturn has over 41 years of experience in merchant banking, real property, and strategic advisory services as both a principal and agent.

Current Public Board Memberships (other than Playgon)

-

Shares Held:

2,550,525 ⁽³⁾



Michele (Mike)
Marrandino
British Columbia,
Canada

Director Since:
March 2014

Independent

Board/Committee Membership

Board Member
Audit Committee (Chair)
Compensation Committee (Chair)
Governance and Compliance Committee (Chair)

Principal Occupation

Consultant

Mr. Marrandino is an experienced C-level business consultant with a demonstrated history of over 31 years working in the management consulting industry with both private and public companies. Mr. Marrandino is skilled in business planning, corporate development, mergers & acquisitions, and start-ups. He has experience in advising, assisting, and investing in both entrepreneurial start-ups and junior public companies within a variety of industries including technology, social media, Internet, oil and gas, tourism & hospitality and not-for-profit. Mr. Marrandino's consulting work includes team building, best practice research, business plan evaluation, feasibility and market research, equity and debt fundraising, strategic communications planning, and stakeholder relations. Strong entrepreneurship professional with a Mechanical & Industrial Engineer Technologist focuses from the British Columbia Institute of Technology.

Current Public Board Memberships (other than Playgon)

Marble Financial Inc. (CSE: MRBL)
Must Capital Inc. (NEX: MUST.H)
Argo Opportunity Corp. (TSXV: AROC.P)

Shares Held:

3,071,054 ⁽⁴⁾



Robert J. Soper
Florida, United States

Director Since:
February 2022

Independent

Board/Committee Membership

Board Member
Audit Committee
Compensation Committee
Governance and Compliance Committee

Principal Occupation

Consultant

Mr. Soper brings two decades of experience overseeing the development of numerous projects from the ground up. He has led successful operations of casino resort properties in very competitive regional and destination markets. Among various leadership roles, he has served as International President of Mohegan Gaming & Entertainment, as well as the CEO of the Mohegan enterprise. Mr. Soper led efforts to grow Mohegan from a single-property company to a multi-property international organization, which tenure also included overseeing the launch of online gaming for the company.

Mr. Soper graduated magna cum laude with a Bachelor of Business Administration in Economics from the University of Georgia. He also holds a Juris Doctor from the University of Georgia Law.

Current Public Board Memberships (other than Playgon)

-

Shares Held:

717,812

Notes:

- (1) Includes 376,147 Shares held by 656045 Alberta Limited, 55,000 Shares held by Qwest Holdings Inc. and 1,636,689 Shares held by Qwest Capital Inc., private corporations related to Mr. Krogh.
- (2) Includes 18,346,243 Shares held by Virtuosol Software Inc., a private corporation owned by Mr. Ganschow.
- (3) Includes 1,500,000 Shares held by John Pentum & Son Limited, a private corporation related to Mr. Pentum.
- (4) Includes 500,000 Shares held by 1005298 BC Ltd., 200,000 Shares held by Marrandino Holdings Inc., 856,429 Shares held by Pacific West Mercantile Corp and 75,875 Shares held by Pacific West Ventures Inc., private corporations related to Mr. Marrandino.
- (5) Playgon Interactive Inc. is a wholly-owned subsidiary of Playgon.

Director Ownership

As of the Record Date, our five proposed directors collectively, directly, or indirectly, own or control approximately 17.72% of the issued and outstanding Shares.

Cease Trade Orders and Bankruptcies

No nominee director is as of the date hereof or has been within 10 years before the date hereof a director, chief executive officer or chief financial officer of any company (including the Corporation) that is or has been the subject of a cease trade order or other similar order (including a management cease trade order) or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days and that was issued either (i) while the nominee director was acting in that capacity, or (ii) after the nominee director ceased to be a director, chief executive officer or chief financial officer of such company but that resulted from an event that occurred while the nominee director was acting in such capacity.

No nominee director is as of the date hereof or has been within 10 years before the date hereof a director or executive officer of any company (including the Corporation) that, while the nominee director was acting in that capacity or within a year of him or her ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No nominee director has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory

authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a nominee for a position of a director.

By filling in the accompanying form of proxy or voting instruction form, Shareholders may vote for all proposed nominees or choose to withhold their vote from some or all of the proposed nominees proposed for election.

The Board recommends that Shareholders vote **FOR** the election of each of the five proposed nominees whose names are set out in the “Election of Directors” section of this Circular.

Unless otherwise directed, the persons named in the enclosed form of proxy or voting instruction form will vote FOR the election, as directors of the Corporation, of each of the five proposed nominees whose names are set out in the “Election of Directors” section of this Circular.

Appointment of Auditor

The current auditor of Playgon is D&H Group LLP (“**D&H**”), which has been the auditor of Playgon since March 6, 2007. The Board has decided to change auditor from D&H to Davidson as the size and scope of Playgon’s audit has increased.

At the Meeting, Shareholders will be asked to approve the appointment of Davidson as the auditor of Playgon and its subsidiaries for the ensuing year and to authorize the Board to fix the remuneration of the auditor. To be effective, the appointment of Davidson and the authorization for the Board to fix the auditor’s remuneration must be approved by at least a majority of the votes cast by the Shareholders.

The Board, on the advice of the Audit Committee (as defined below), recommends that Shareholders vote **FOR** Davidson to be appointed as independent auditor of the Corporation at remuneration and term of engagement to be fixed by the Board.

Unless otherwise directed, the persons named in the enclosed proxy or voting instruction form will vote FOR Davidson to act as the auditor of Playgon and its subsidiaries for the ensuing year and to authorize the Board to fix its remuneration.

Ratification of Option Plan

In July 2004, the Corporation established a 10% “rolling” stock option plan (the “**Option Plan**”) whereby the maximum number of Shares that may be reserved for issuance pursuant to such plan will not exceed 10% of the issued Shares of the Corporation at the time of the stock option grant. In 2014, the Option Plan was amended and reinstated to bring it current with the policies of the TSX Venture Exchange (the “**TSXV**”). The purpose of the Option Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and other service providers, in order to reward directors, officers, employees and other service providers for their contribution toward the long-term goals of the Corporation and to enable and encourage such individuals to acquire Shares of the Corporation as long-term investments. For a summary of the Option Plan, please see “Statement of Executive Compensation –Option Plan”. A copy of the Option Plan is available upon request from the Corporation at the Corporation’s office at Suite 1500, 675 West Hastings Street, Vancouver, British Columbia.

Pursuant to TSXV policies, a TSXV-listed issuer is required to obtain the approval of its shareholders for a “rolling” stock option plan at each annual meeting of shareholders. Accordingly, at the Meeting, Shareholders will be asked to vote on an ordinary resolution to approve the Option Plan for the ensuing year (the “**Option Plan Resolution**”), which, to be effective, pursuant to TSXV policies, must be passed by not less than a majority of the votes cast by disinterested Shareholders at the Meeting. For this purpose, disinterested shareholders will include all shareholders other than insiders of the Company to whom options may be granted under the Option Plan and each of their respective associates and affiliates.

The text of the Option Plan Resolution is as follows:

“BE IT HEREBY RESOLVED that:

1. the stock option plan of the Corporation, as described in the Management Information Circular of the Corporation dated November 3, 2023, be and the same is hereby ratified, confirmed and approved as the stock option plan of the Corporation;
2. any director or officer be and is hereby authorized to amend the stock option plan of the Corporation should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

The Board recommends that Shareholders vote **FOR** the Option Plan Resolution.

Unless otherwise directed, the persons named in the proxy or voting instruction form will vote FOR the Option Plan Resolution.

Other Matters

Management and the Board are not aware of any matters to be brought before the Meeting other than those set forth in the Notice of Meeting.

EXECUTIVE COMPENSATION

For the purposes of this Statement of Executive Compensation, a “Named Executive Officer” or “NEO” of the Corporation means each of the following individuals:

- (a) the Corporation’s chief executive officer (the “CEO”), including an individual performing functions similar to a CEO;
- (b) the Corporation’s chief financial officer (the “CFO”), including an individual performing functions similar to a CFO;
- (c) the most highly compensated executive officers of the Corporation, and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51–102F6V *Statement of Executive Compensation — Venture Issuers*, for that financial year; and
- (d) each individual who would be a Named Executive Officer under (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

During the Corporation’s fiscal year that ended December 31, 2022, the following individuals were the Named Executive Officers of the Corporation:

- James Penturn, Executive Chairman;
- Darcy Krogh, President & CEO;
- Steve Baker, COO;
- Harry Nijjar, CFO; and
- Guido Ganschow, President, Playgon Interactive Inc.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

Table of Compensation Excluding Compensation Securities

The following table provides a summary of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation or a subsidiary of the Corporation to each Named Executive Officer and director of the Corporation during the fiscal years ended December 31, 2022 and 2021:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Total Compensation (\$)
DARCY KROGH ⁽¹⁾ <i>President, CEO and Director</i>	2022	220,000	Nil	220,000
	2021	220,000	Nil	220,000
HARRY NIJJAR ⁽²⁾ <i>Chief Financial Officer</i>	2022	135,000	Nil	135,000
	2021	101,175	Nil	101,175
STEVE BAKER <i>Chief Operating Officer</i>	2022	160,000	Nil	Nil
	2021	160,000	Nil	160,000
GUIDO GANSCHOW <i>President, Playgon Interactive Inc. and Director</i>	2022	200,000	Nil	200,000
	2021	200,000	Nil	200,000
JAMES PENTURN ⁽³⁾ <i>Executive Chairman and Director</i>	2022	351,867	Nil	351,867
	2021	375,782	Nil	375,782
MICHELE (MIKE) MARRANDINO ⁽⁴⁾ <i>Director</i>	2022	30,000	Nil	30,000
	2021	30,000	Nil	30,000
WILLIAM SCOTT ⁽⁵⁾ <i>Director</i>	2022	30,000	Nil	30,000
	2021	30,000	Nil	30,000
JASON MERETSKY ⁽⁶⁾ <i>Director</i>	2022	-	-	-
	2021	30,000	Nil	30,000
ROBERT J. SOPER ⁽⁷⁾ <i>Director</i>	2022	25,000	Nil	25,000

Notes:

- (1) Of this amount, Mr. Krogh received \$220,000 in his capacity as President and CEO of the Corporation and no compensation in his capacity as a director, which amounts were paid or are owing to Qwest Capital Inc. (“Qwest”), a management company owned by Mr. Krogh. See “Employment, Consulting and Management Agreements”.
- (2) These amounts were paid or are owing to Malaspina Consultants Inc. (“Malaspina”), a consulting company with which Mr. Nijjar is a managing director.
- (3) These amounts were paid or are owing to Penturn & Company Ltd. (“Penturn & Company”), a consulting company controlled by Mr. Penturn. See “Employment, Consulting and Management Agreements”.
- (4) These amounts were paid or are owing to Pacific West Mercantile Corp. (“Pacific West”), a company controlled by Mike Marrandino.
- (5) Mr. Scott resigned a director on May 26, 2023.
- (6) Mr. Meretsky resigned a director on February 24, 2022. These amounts were paid or are owing to Magnolia Diversified Inc. (“Magnolia”) a company controlled by Jason Meretsky.
- (7) Mr. Soper joined as a director on February 24, 2022.

Stock Options and Other Compensation Securities

Below is a table of compensation securities granted by the Corporation or any of its subsidiaries to the NEOs and directors of the Corporation for the financial year ending December 31, 2022.

Name and Position	Type of compensation security	Number of compensation securities	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
DARCY KROGH <i>President and CEO and Director</i>	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
HARRY NIJJAR ⁽¹⁾ <i>Chief Financial Officer</i>	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
STEVE BAKER <i>Chief Operating Officer</i>	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
GUIDO GANSCHOW <i>President, Playgon Interactive Inc. and Director</i>	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
JAMES PENTURN <i>Chairman and Director</i>	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
MICHELE (MIKE) MARRANDINO <i>Director</i>	Stock Options	400,000	February 27, 2022	0.21	0.21	0.07	February 27, 2027
WILLIAM SCOTT ⁽³⁾ <i>Director</i>	Stock Options	300,000	February 27, 2022	0.21	0.21	0.07	February 27, 2027
JASON MERETSKY ⁽²⁾ <i>Director</i>	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
ROBERT J. SOPER <i>Director</i>	Stock Options	600,000	February 24, 2022	0.21	0.21	0.07	February 24, 2027

Note:

- (1) These options were granted to Malaspina as part of a consulting agreement between Malaspina and the Corporation.
- (2) Mr. Meretsky resigned a director on February 24, 2022. Mr. Meretsky's stock options expired 90 days following such resignation.
- (3) Mr. Scott resigned as a director on May 26, 2023. Mr. Scott's stock options expired 90 days following such resignation.

As at December 31, 2022, the outstanding stock options held, directly or indirectly, by each director and Named Executive Officer are set out below. Each outstanding stock option of the Corporation entitles the holder thereof to acquire, upon exercise, one common share.

- (1) Mr. Krogh held 1,900,000 stock options of the Corporation, of which are 1,900,000 vested and exercisable, entitling him to acquire, upon exercise 1,900,000 Shares.
- (2) Malaspina held 100,000 stock options of the Corporation, all of which are vested, entitling him to acquire, upon exercise 100,000 Shares.
- (3) Mr. Baker held 2,000,000 stock options of the Corporation, of which are 1,333,333 are currently unvested, entitling him to acquire, upon exercise 2,000,000 Shares.
- (4) Mr. Ganschow held 3,000,000 stock options of the Corporation, of which 3,000,000 are vested and exercisable, entitling him to acquire, upon exercise 3,000,000 Shares.
- (5) Mr. Penturn held 1,900,000 stock options of the Corporation, of which 1,900,000 are vested and exercisable, entitling him to acquire, upon exercise 1,900,000 Shares.
- (6) Mr. Marrandino held 1,050,000 stock options of the Corporation, of which 783,333 are vested and exercisable, entitling him to acquire, upon exercise 1,050,000 Shares.
- (7) Mr. Scott held 500,000 stock options of the Corporation, of which 300,000 are vested and exercisable, entitling him to acquire, upon exercise 500,000 Shares.
- (8) Mr. Soper held 600,000 stock options of the Corporation, of which 400,000 are currently unvested, entitling him to acquire, upon exercise 600,000 Shares.

No compensation securities were exercised by the directors or Named Executive Officer during the fiscal year that ended December 31, 2022.

OPTION PLAN

The following information is intended to be a brief description of the Option Plan and is qualified in its entirety by the full text of the Option Plan. Capitalized terms used but not defined in this brief description are defined in the Option Plan.

- (1) To be eligible for the issuance of a stock option under the Option Plan an optionee must either be a director, employee (including an officer) or consultant of the Corporation or any subsidiary of the Corporation or a company owned by an employee, director or consultant at the time the option is granted. Options may be granted only to an individual or to a company that is owned by individuals eligible for an option grant.
- (2) The options granted pursuant to the Option Plan will be exercisable at a price which is not lower than the market value of the Corporation's Shares at the time the option is granted less any applicable discounts permitted by the applicable regulatory authorities. "Market Value" will be the closing trading price of the Corporation's Shares on the TSXV or such other principal stock exchange upon which the Shares are listed on the trading day immediately preceding the date of the grant of the option.
- (3) Options granted under the Option Plan will be granted for a term not to exceed ten years from the date of their grant. All options will terminate on the earlier of the expiry of their term and the date of termination of an Option Holder's employment, engagement or position with the Corporation if terminated for just cause or on such other bases as set out in the Option Plan (such as, a director ceasing to qualify under corporate legislation or being removed by a special resolution of the shareholders, or being terminated as a result of an order of a regulatory authority), and in cases of termination for other reasons, the options terminate 90 days following termination of employment or cessation of the Option Holder's position with the Corporation.

- (4) The Corporation's Board may, at their discretion, impose vesting provisions on options granted under the Option Plan. Notwithstanding any vesting schedule to which options are subject, options shall cease to vest immediately if the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Corporation or a Subsidiary is terminated for any reason whatsoever. In such case, the Option Holder may only exercise such number of options that are vested as at the date of termination of such Option Holder's employment, engagement or appointment as a director or officer. Consistent with prior practices of the Board, upon an Option Holder ceasing to be a director of the Corporation to make room for a new incoming director, all of the Option Holder's unvested options will automatically vest as of the Option Holder's resignation date. However, if the Option Holder ceases to be on the Board as a result of compliance reasons that prohibit the Corporation from securing a gaming licence in any jurisdiction a licence is applied for, all of the Option Holder's unvested options will not vest.
- (5) Options will also be non-assignable and non-transferable; provided that they will be exercisable by an Option Holder's legal heirs or personal representatives, subject to the expiry date of such option, for (i) up to 12 months following the death or termination of an Option Holder due to disability and (ii) up to 12 months following the death of an Option Holder terminated for disability within the previous 12 months.
- (6) The number of Shares of the Corporation reserved for issuance to any one person on a yearly basis cannot exceed 5% of the number of issued and outstanding Shares of the Corporation at the time of the grant of options, unless the Corporation has obtained disinterested shareholder approval as required by the TSXV. The aggregate number of options granted to employees or consultants engaged in investor relations activities must not exceed 2% of the outstanding issue in any 12-month period and such options must vest in stages over 12 months with no more than 25% of the options vesting in any three-month period.
- (7) In the event that the expiration date of options granted under the Option Plan falls in a period during which the Corporation has imposed a restriction on its directors, officers, employees and consultants from trading in securities of the Corporation, the expiry date of such options will be extended for a period of time ending on the tenth business day after the expiry of the black-out to provide such Option Holders with an extension to the right to exercise such options, so long as the expiry date does not exceed ten years from the date of grant of such options.
- (8) If a material alteration in the capital structure of the Corporation occurs as a result of a consolidation, subdivision, conversion, exchange, reclassification or otherwise, the Board shall make adjustments to the Option Plan and to the options then outstanding under it as the Board determines to be appropriate and equitable under the circumstances, unless the Board determines that it is not practicable or feasible to do so, in which event the options granted under the Option Plan will terminate as set forth above.
- (9) The Board may amend the terms of the Option Plan or the terms and conditions of any option thereafter to be granted, subject to approval of any stock exchange on which the Corporation is listed, provided that where such amendment relates to an existing option and it would materially decrease the rights or benefits accruing to an Option Holder or materially increase the obligations of an Option Holder, then, unless otherwise excepted out by a provision of the Option Plan, the Board must also obtain the written consent of the Option Holder in question to such amendment. If, at the time the exercise price of an option is reduced, the Option Holder is an insider of the Corporation, the insider must not exercise the option at the reduced exercise price until the reduction in exercise price has been approved by the disinterested Shareholders of the Corporation.

The Option Plan was last ratified, confirmed and approved by the Shareholders at the Corporation's annual general meeting held on December 2, 2022. Pursuant to TSXV Policy 4.4 – Security Based Compensation, the Corporation must obtain shareholder approval for the Option Plan at the Meeting.

Employment, Consulting and Management Agreements

The Krogh Agreement

Effective April 1, 2016, the Corporation, Qwest. and Darcy Krogh entered into an agreement (the "**Krogh Agreement**") pursuant to which the Corporation engaged Qwest to provide the services of its principal, Darcy Krogh, to act as the President and CEO of the Corporation. The Corporation agreed to pay Qwest a consulting fee of \$10,000

per month plus applicable taxes and to reimburse Qwest for reasonable expenses incurred in connection with the provision of services under the Krogh Agreement. During Fiscal 2021, the Krogh Agreement was amended, increasing the consulting fee payable to Qwest to \$18,833 per month. During Fiscal 2022, the Corporation paid or accrued \$220,000 (financial year ended December 31, 2021 (“**Fiscal 2021**”)—\$220,000) to Qwest.. See “Table of Compensation Excluding Compensation Securities”.

The Penturn Agreement

On March 1, 2017, the Corporation entered into an agreement with Penturn & Company pursuant to which Penturn & Company will provide services to the Chairman of the Board. Mr. Penturn’s position changed during Fiscal 2020 and he currently serves as Executive Chairman of the Board. The Corporation is currently paying Penturn & Company a fee of £18,333 per month. During Fiscal 2022, the Corporation paid or accrued \$351,867 (Fiscal 2021— paid or accrued \$375,782) to Penturn & Company. See “Table of Compensation Excluding Compensation Securities”.

The Ganschow Agreement

On June 18, 2020, Playgon Interactive Inc. entered into an agreement with Guido Ganschow pursuant to which Mr. Ganschow agreed to act as the President of Playgon Interactive Inc.

If Mr. Ganschow’s employment is terminated for cause at any time, he will only be entitled to the amount of his base salary and vacation pay earned up to the effective date of termination.

If Mr. Ganschow’s employment is terminated without cause, he is entitled to written notice of three (3) months plus one (1) month for each full year of service, to a maximum of six (6) months’ written notice, which may, at the sole option of Playgon Interactive Inc., be provided in a lump sum payment of base salary in lieu of notice. Payment of any amount greater than employment standards minimums are conditional to Mr. Ganschow executing a release in a form satisfactory to Playgon Interactive Inc. Mr. Ganschow is also entitled to base salary earned but not yet paid, less all applicable statutory deductions and reimbursement of travel and other expenses incurred prior to the date of termination and health benefits continuation, to the extent permitted by carriers, for the period of notice.

During Fiscal 2022, the Corporation paid or accrued \$200,000 (Fiscal 2021 - paid or accrued \$200,000) to Mr. Ganschow. See “Table of Compensation Excluding Compensation Securities”.

The Malaspina Agreement

On August 1, 2020, the Corporation entered into an agreement with Malaspina pursuant to which Harry Nijjar, a managing director with Malaspina, agreed to act as the CFO of the Corporation. During Fiscal 2022, the Corporation paid or accrued \$135,000 to Malaspina. See “Table of Compensation Excluding Compensation Securities”.

The Baker Agreement

On September 10, 2020, the Corporation entered into an agreement with Steve Baker pursuant to which Mr. Baker agreed to act as the Chief Operating Officer of the Corporation.

If Mr. Baker’s employment is terminated for cause at any time, he will only be entitled to the amount of his base salary and vacation pay earned up to the effective date of termination.

If Mr. Baker’s employment is terminated without cause, he is entitled to written notice of six (6) months from the Corporation, which may, at the sole option of the Corporation, be provided in a lump sum payment of base salary in lieu of notice. Such payment will also include accrued and unpaid bonuses, which are conditional to Mr. Baker executing a release in a form satisfactory to the Corporation. Mr. Baker is also entitled to base salary earned but not yet paid, less all applicable statutory deductions and reimbursement of travel and other expenses incurred prior to the date of termination.

If Mr. Baker’s employment is terminated within six (6) months following a change of control, he will be entitled to written notice of one year, which may, at the sole option of the Corporation, be provided in a lump sum payment of

base salary in lieu of notice. Such payment will also include accrued and unpaid bonuses, which are conditional to Mr. Baker executing a release in a form satisfactory to the Corporation.

During Fiscal 2022, the Corporation paid \$160,000 (Fiscal 2021 - \$160,000) to Mr. Baker. See “Table of Compensation Excluding Compensation Securities”.

The Pacific West Agreement

On January 1, 2020, the Corporation entered into an agreement with Pacific West pursuant to which Mike Marrandino, the President and sole director of Pacific West, agreed to act as a director of the Corporation. During Fiscal 2022, the Corporation accrued \$30,000 plus GST (Fiscal 2021—\$30,000) to Pacific West. See “Table of Compensation Excluding Compensation Securities”.

The Magnolia Agreement

On March 12, 2019, the Corporation entered into an arrangement with Magnolia pursuant to which Jason Meretsky, its President and sole director, agreed to act as a director of the Corporation. During Fiscal 2020, the Corporation accrued \$30,000 plus HST (Fiscal 2020—\$22,000) to Magnolia. Mr. Meretsky resigned a director on February 24, 2022 and as such, the Magnolia agreement was terminated. See “Table of Compensation Excluding Compensation Securities”.

Other than as disclosed above, there are no arrangements for compensation with respect to the termination of Named Executive Officers, including in the event of a change of control other than pursuant to the terms of the Option Plan. Pursuant to the terms of the Option Plan, any stock options that are the subject of vesting provisions will, in the event of a Triggering Event (as defined in the Option Plan), which includes a change of control, immediately become exercisable if so elected by the Board.

Oversight and Description of Director and Named Executive Officer Compensation

Named Executive Officer Compensation

Compensation, Philosophy and Objectives

The CEO and the Board, as necessary, meet with the Corporation’s compensation committee (the “**Compensation Committee**”) to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Corporation’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value, (b) align management’s interests with the long-term interests of Shareholders, and (c) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Corporation is under.

The Board, as a whole, ensures that the total compensation paid to all Named Executive Officers is fair and reasonable. The Board, as a whole, recommends levels of executive compensation that are competitive, motivating, and commensurate with the time spent by executive officers in meeting their obligations. While the Board does not have direct experience related to executive compensation, the Board relies on directors’ respective experiences as officers and directors in setting executive compensation.

Analysis of Elements

Base salary is used to provide the NEOs with a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Corporation.

The Corporation considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Corporation to reward each NEO’s efforts to increase value for Shareholders without requiring the Corporation to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Corporation’s stock

option grants, including vesting provisions and exercise prices, are governed by the terms of the Option Plan. A description of the significant terms of the Option Plan is found under the heading “Option Plans and other Incentive Plans”.

The Corporation does not determine executive compensation based on the share price performance. Overall, the salaries or consulting fees payable to the NEOs, in particular to the CEO, have had a minor upward trend in order to provide competitive levels of compensation necessary to attract and maintain executive talent.

Option-based Awards

The Corporation has no long-term incentive plans other than the Option Plan. The Corporation’s directors, employees, officers and certain consultants are entitled to participate in the Option Plan. The Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Option Plan aligns the interests of the NEOs and the Board with Shareholders by linking a component of executive compensation to the longer-term performance of the Shares.

Options are granted by the Board. In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Option Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the TSXV from the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Option Plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year.

For Fiscal 2022, the significant elements of compensation paid and awarded to each Named Executive Officer were management fees paid by the Corporation indirectly to Messrs. Krogh., Baker, Ganschow and Nijjar. See “Table of Compensation Excluding Compensation Securities” and “Employment, Consulting and Management Agreements”.

See “Option Plan” for a discussion on incentive stock options that may be awarded to Named Executive Officers.

Director Compensation

The Board, in consultation with the Compensation Committee, determines director compensation from time to time. Directors who are not also officers of the Corporation are currently paid \$2,500 per month for serving on the Board. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors, and the Corporation may, from time to time, grant to its directors incentive stock options to purchase Shares. See “Option Plan” for a discussion on incentive stock options that may be awarded to the directors of the Corporation. Other than the stock options granted to Robert J. Soper on February 24, 2022 and the stock options granted to William Scott and Michele (Mike) Marrandino on February 27, 2022, no stock options were granted to any directors during Fiscal 2022. There are no arrangements for compensation with respect to the termination of directors in the event of a change or control of the Corporation, other than pursuant to the terms of the Option Plan; pursuant to the Option Plan,

any stock options that are the subject of vesting provisions will, in the event of a Triggering Event (as defined in the Option Plan), which includes a change of control, immediately become exercisable if so elected by the Board.

Recent Significant Changes to the Corporation’s Compensation Policies

There have been no significant changes to the Corporation’s compensation policies during Fiscal 2022 that could or will have an effect on Named Executive Officer or director compensation.

Pension Benefits

The Corporation does not provide retirement benefits for directors or Named Executive Officers.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out the information with respect to our equity compensation plans as of the date of this Circular. See “Option Plan” for a description of the material features of the Option Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	The weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuances under equity compensation plans
Equity compensation plans approved by security holders ⁽¹⁾	13,450,000	0.28	15,407,472
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	13,450,000	0.28	15,407,472

Notes:

(1) Based on 10% of the number of Shares issued and outstanding as at December 31, 2022.

CORPORATE GOVERNANCE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines adopted in National Policy 58-201 - *Corporate Governance Guidelines* (“**NP 58-201**”). These guidelines are not prescriptive. Corporate governance (i) relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders and (ii) takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interests of its Shareholders and contribute to effective and efficient decision-making. The Board is of the view that the Corporation’s general approach to corporate governance, summarized below, is appropriate and substantially consistent with the objectives reflected in NP 58-201.

Board of Directors

The Board currently consists of five directors: Darcy Krogh, James Penturn, Michele Marrandino, Robert J. Soper and Guido Ganschow. Messrs. Scott, Marrandino and Robert J. Soper are independent directors as defined in NI 58-101 and NI 52-110 (as defined below). Mr. Krogh, as the President and CEO of the Corporation, Mr. Ganschow, as the President and Chief Operating Officer of a subsidiary of the Corporation, are executive officers and therefore not independent. Mr. Penturn is also deemed to be non-independent under NI 52-110.

The Board facilitates the exercise of independent supervision over management through various Board meetings held throughout the year. At present, the Board does not have any formal committees other than its Audit Committee, Governance and Compliance Committee and Compensation Committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs. As a result, these Board members are able to provide significant and valuable independent supervision over management.

Directorships

The following directors of the Corporation are also currently directors of the following other reporting issuers:

- Michele (Mike) Marrandino – Marble Financial Inc. (CSE: MRBL); Must Capital Inc. (NEX: MUST.H); and, Argo Opportunity Corp. (TSXV: AROC.P).

Orientation and Continuing Education

The CEO and/or the CFO are responsible for providing an orientation for new directors. Director orientation and ongoing training will include presentations by senior management to familiarize directors with the Corporation's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors.

Ethical Business Conduct

The primary step taken by the Corporation to encourage and promote a culture of ethical business conduct is to conduct appropriate due diligence on proposed directors and ensure that proposed directors are of the highest ethical standards. The Board does not currently have a written code of ethical business conduct for its directors, officers and employees. Each director, officer and employee is expected to comply with relevant corporate and securities laws and, where applicable, the terms of their employment agreements. In the event of a conflict of interest at a meeting of the Board, the conflicted director will disclose the nature and extent of his interest and abstain from voting on or against the approval of such participation.

Nomination of Directors

Once a Board vacancy occurs or is contemplated, any director may make recommendations to the Board as to qualified individuals for nomination to the Board. In identifying new candidates, the directors will take into account the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Corporation at that time. Proposals are put forth by the Board and management and are considered and discussed. If a candidate looks promising, the Board and management will conduct due diligence on the candidate, and if the results are satisfactory, the candidate is invited to join the Board.

Governance and Compliance

The Corporation has a governance and compliance committee (the “**Governance and Compliance Committee**”) comprised of three directors, namely (i) Michele (Mike) Marrandino (Chair) (independent), (ii) Darcy Krogh (non-independent) and Robert J. Soper (independent), two of which are independent directors of the Corporation. The Governance and Compliance Committee is responsible for (i) reviewing, overseeing and evaluating the governance policies and standards of the Company, (ii) ongoing monitoring of governance matters, (iii) considering questions of management succession, (iv) assessing at such times as it deems appropriate, the effectiveness of the Board, each of its committees and individual directors, (v) organizing an orientation and education program for new directors, (vi) considering and approving proposals by the directors to engage outside advisers on behalf of the Board, and (vii) overseeing the recruitment and selection of candidates as directors of the Corporation.

Compensation

The Corporation has a Compensation Committee comprised of three directors, namely (i) Michele (Mike) Marrandino (Chair) and Robert J. Soper, both of which are independent directors of the Corporation, and (ii) James Penturn, who

is non-independent. From time to time, the independent directors of the Board, in consultation with the Compensation Committee, will review the compensation payable to the Chairman, CEO, CFO and President. Compensation for Board members is determined by the Board, in consultation with the Compensation Committee, in accordance with industry norms and with reference to each individual director's level of involvement with the Corporation. See "*Statement of Executive Compensation– Oversight and Description of Director and Named Executive Officer Compensation*".

Other Board Committees

The Corporation does not have any standing committees, other than the Audit Committee, the Governance and Compliance Committee and the Compensation Committee.

Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the Board, its committees and individual directors. These matters are dealt with on a case-by-case basis at the Board level.

AUDIT COMMITTEE

Pursuant to the provisions of section 224 of the *Business Corporations Act* (British Columbia), the Corporation is required to have an audit committee, which, at the present time, is comprised of James Penturn, (financially literate), Michele (Mike) Marrandino (financially literate and independent) and Robert J. Soper (financially literate and independent) (the "**Audit Committee**"). Michele (Mike) Marrandino is the chair of the Audit Committee.

The Corporation must also, pursuant to the provisions of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), provide the following information regarding the Audit Committee to its Shareholders in this Circular.

Audit Committee Charter

The Corporation has a written charter (the "**Audit Committee Charter**") which sets out the duties and responsibilities of the Audit Committee. The text of the Corporation's Audit Committee Charter is attached as Schedule "A" to this Circular.

Relevant Education and Experience

All of the members of the Audit Committee are able to understand and interpret information related to financial statement analysis. Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Corporation to prepare its financial statements and will seek clarification from the Corporation's auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies. See "Election of Directors" for the relevant experience of the current members of the Audit Committee.

Audit Committee Oversight

At no time since January 1, 2022 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

The Corporation is relying on the exemption in Section 6.1 of NI 52-110 which exempts venture issuers, as defined in NI 52-110, from the composition requirements of the audit committee as well as certain reporting obligations under NI 52-110 for its most recently completed financial year ended December 31, 2022.

At no time since January 1, 2022, the commencement of the Corporation's most recently completed financial year, has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), the exemptions in Subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer),

Subsection 6.1.1(5) (Events Outside Control of Member), Subsection 6.1.1(6) (Death, Incapacity or Resignation) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the attached Schedule “B” under the heading “External Audit” in the Audit Committee Charter.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation’s external auditors in each of the last two financial years for audit fees are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
2022	\$57,695	Nil	Nil	Nil
2021	\$55,000	Nil	Nil	Nil

Notes:

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or the review of the Corporation’s financial statements are not included under the heading of “Audit Fees”.
- (3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning, as well as the preparation of corporate income tax returns.
- (4) The aggregate fees billed for products and services other than as set out under the headings “Audit Fees”, “Audit Related Fees” and “Tax Fees”.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our directors, executive officers, employees, former directors, former executive officers or former employees or of any of our subsidiaries, and none of their respective associates, is or has within 30 days before the date of this Circular or at any time since the beginning of Fiscal 2022 been indebted (including in connection with the purchase of securities) to us or to any of our subsidiaries or to another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by us or any of our subsidiaries.

MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, management functions of the Corporation are substantially performed by directors or senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this Circular, to the knowledge of the Corporation, (i) no director or executive officer of the Corporation, (ii) no person who beneficially owns, or controls or directs, directly or indirectly, our voting securities or who exercised control or direction over our voting securities or a combination of both carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation, (iii) no director or executive officer of such person indicated in clause (ii), (iv) no director or executive officer of any subsidiary of the Corporation, (v) no proposed director of the Corporation, and (vi) no associate or affiliate of any of the foregoing persons indicated in clauses (i) through (v), has or had any material interest, direct or indirect, in any transaction since the beginning of Fiscal 2022 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of our subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to Playgon, including financial information provided in Playgon’s consolidated financial statements for Fiscal 2021 and Fiscal 2022, and management’s discussion and analysis, is available on the Corporation’s website at www.playgon.com and SEDAR+ at www.sedarplus.ca. Shareholders may obtain at no charge copies of Playgon’s financial statements and management’s discussion and analysis by making a written request to Harry Nijjar, CFO of Playgon, at:

Playgon Games Inc.
675 West Hastings Street, Suite 1500
Vancouver, BC, Canada V6B 1N2

The Corporation may require payment of a reasonable charge if the request is made by a person who is not a Shareholder.

Financial information is provided in Playgon’s comparative financial statements and management’s discussion and analysis for its most recently completed financial year.

APPROVAL AND CERTIFICATION

The contents and sending of this Circular have been approved by the Board.

November 3, 2023

BY ORDER OF THE BOARD

(signed) “Darcy Krogh”

President and Chief Executive Officer

APPENDIX A
AUDIT COMMITTEE CHARTER

1 Mandate

The audit committee will assist the board of directors (the “Board”) in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the Corporation’s business, operations and risks.

2 Mandate

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Corporation.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3 Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation’s Chief Financial Officer and external auditors in separate executive sessions.

4 Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the Shareholders for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors’ proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 *Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall: evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 *Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (f) review and approve the interim financial statements prior to their release to the public; and
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (h) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory

filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five percent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom the authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
- (d) the pre-approval policies and procedures are detailed as to the particular service;
 - (i) the audit committee is informed of each non-audit service; and
 - (ii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 *Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 *Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5 **Resources and Authority of the Audit Committee**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

6 **Guidance – Roles & Responsibilities**

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

6.1 *Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 *Financial Reporting General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Corporation's adoption of them.

Annual Financial Statements

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (h) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Corporation's financial and operating controls are functioning effectively;
 - (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 *Compliance with Laws and Regulations*

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 *Other Responsibilities*

- (a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.