

SECURED PROMISSORY NOTE

made by

PLAYGON GAMES INC.

in favour of

PURE LIVE INTERACTIVE LTD.

dated as of

October 29, 2024

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SECURED PROMISSORY NOTE

FOR VALUE RECEIVED, and subject to the terms and conditions set forth herein, PLAYGON GAMES INC., a British Columbia corporation (the "**Borrower**"), hereby unconditionally promises to pay to the order of PURE LIVE INTERACTIVE LTD. or its assigns (the "**Noteholder**", and together with the Borrower, the "**Parties**"), the aggregate of such amounts disbursed pursuant to Section 2.01 and Section 2.02 (the "**Loan**"), together with all accrued interest thereon, expenses, fees and other amounts payable as provided in this Promissory Note, as the same may be amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time in accordance with its terms (the "**Note**").

ARTICLE I Definitions

Capitalized terms used herein shall have the meanings set forth in this ARTICLE I.

"**Advance**" means each disbursement made by the Noteholder to the Borrower under Sections 2.01 and 2.02 of this Note, all of which shall collectively comprise the Loan.

"**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Anti-Terrorist Financing and Anti-Money Laundering Laws**" means all Applicable Laws concerning or related to money laundering or financing terrorism, government sanctions and "know your client" laws and which are applicable to the Borrower and the Noteholder including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), the Trading with the Enemy Act (United States), Executive Order No. 13224, and the USA PATRIOT Act.

"**Applicable Law**" means, in relation to any Person, property, transaction or event, all applicable provisions of: (a) statutes, laws (including common law), rules, regulations, decrees, ordinances, codes, proclamations, treaties, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority, in each case applicable to or binding upon such Person, property, transaction or event.

"**Applicable Rate**" means the annual rate equal to 10% per annum.

"**Bitrate**" means Bitrate Productions, a Nevada corporation.

"**Borrower**" has the meaning set forth in the introductory paragraph.

"**Borrowing Notice**" has the meaning set forth in Section 2.02.

"Business Day" means any day, other than a Saturday, Sunday or other day on which commercial banks in Toronto are authorized or required by law to be closed for business.

"Canadian Loan Parties" means the Borrower and Playgon Interactive Inc., a British Columbia corporation.

"Clebo" means Clebo Games Inc., a British Columbia corporation.

"Closing Date" means the date of this Note.

"Debt" of a Person, means all (a) indebtedness for borrowed money; (b) obligations for the deferred purchase price of property or services, except trade payables and services arising in the ordinary course of business; (c) obligations evidenced by notes, bonds, debentures or other similar instruments; (d) obligations as lessee under capital leases and sale and lease-back transactions; (e) obligations in respect of any interest rate swaps, currency exchange agreements, commodity swaps, or similar arrangements entered into by such Person providing for protection against fluctuations in interest rates, currency exchange rates or commodity prices or the exchange of nominal interest obligations, either generally or under specific contingencies; (f) obligations under bankers' acceptance facilities and letters of credit; (g) purchase money security obligations; (h) guarantees, surety bonds, and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in a Person, or otherwise to assure a creditor against loss, in each case, in respect of indebtedness set out in clauses (a) through (g) of a Person other than such Person; and (i) indebtedness set out in clauses (a) through (h) of any Person other than such Person secured by any encumbrance on any asset of such Person, whether or not such indebtedness has been assumed by such Person.

"Default" means any of the events specified in ARTICLE X which constitutes an Event of Default or which, upon the giving of notice, the lapse of time, or both pursuant to ARTICLE X would, unless cured or waived, become an Event of Default.

"Default Rate" [redacted].

"Distribution" means, (a) any declaration or payment of dividends, or other return on capital in respect of any Equity Interests of the Borrower; (b) any purchase, redemption, defeasance, retirement or other acquisition of, any Equity Interests of the Borrower; (c) any other payment or distribution of money or equivalents (including principal, interest, royalties and management fees) by or to the shareholders or creditors of the Borrower.

"Encumbrance" means any security interest, mortgage, debenture, pledge, hypothec, assignment (as security), deposit arrangement, lien (statutory or other), charge, title retention, consignment, lease or other security agreement or trust, right of set-off or other arrangement having the effect of security for the payment of any debt, liability or obligation.

"Equivalent Amount" means, on any day, in relation to an amount in one currency, the amount in another currency that could be purchased by the amount in the first currency determined by reference to the applicable Exchange Rate on such day.

"Equity Interests" means any and all shares, interests, participations, or other equivalents of shares in a corporation, any and all equivalent ownership (or profit) interests in a Person, securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person, and any and all warrants, rights or options to purchase any of the foregoing, whether voting or non-voting, and whether or not such shares, warrants, options, rights or other interests are authorized or otherwise existing on any date of determination.

"Event of Default" has the meaning set forth in ARTICLE X.

"Exchange Rate" means, on the date of determination of any amount of one currency (the "first currency") to be converted into another currency (the "second currency") pursuant to this Note for any reason, or vice-versa, the spot rate of exchange for converting such first currency into such second currency or vice-versa, as the case may be, established by the Bank of Canada at approximately 4:30 p.m. (Toronto time) on the last Business Day preceding the date such determination is required.

"Governmental Authority" means: (a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances; (b) any Person acting within and under the authority of any of the foregoing or under a statute, rule or regulation thereof; and (c) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

"IFRS" means the International Financial Reporting Standards and applicable accounting requirements set by the International Accounting Standards Board or any successor thereto.

"Indemnified Taxes" means: (a) Taxes imposed on or with respect to any payment made by a Loan Party; and (b) to the extent not otherwise described in (a), any and all present or future stamp, court, recording, filing, intangible, documentary or similar Taxes or any other excise or property Taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement or registration of, or performance under, or from the receipt or perfection of a security interest under or otherwise with respect to this Note.

"Interest Payment Date" means the last day of each calendar quarter commencing on the first such date to occur after the execution of this Note.

"Investments" means any advance, loan, extension of credit (by way of guarantee or otherwise) or capital contribution to, or the purchase or acquisition of any Equity Interests, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or the making of any other investment in, any Person.

"Loan" has the meaning set forth in the introductory paragraph.

"Loan Documents" means this Note, the Security Agreements, the guarantees of the obligations under this Note and all other documents in connection with any of the foregoing by any Loan Party in favour of the Noteholder.

“Loan Parties” means the Borrower and any of its Subsidiaries that guaranteed the obligations of the Borrower hereunder in favour of the Noteholder.

"Material Adverse Effect" means any such matter, event or circumstance that individually, or in the aggregate, could be expected to have a material adverse effect on (a) the business, assets, properties, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Borrower and its Subsidiaries; (b) the validity or enforceability of the Note or any Loan Document; (c) the perfection or priority of any Encumbrance purported to be created under any Loan Document; (d) the rights or remedies of the Noteholder hereunder or under any Loan Document; or (e) the Borrower's ability or the ability of any of its Subsidiaries to perform any of its material obligations hereunder or under any Loan Document.

"Maturity Date" means the earlier of (a) six months from the Closing Date and (b) the date on which all amounts under this Note shall become due and payable under ARTICLE XI.

"Note" has the meaning set forth in the introductory paragraph.

"Noteholder" has the meaning set forth in the introductory paragraph.

"Order" as to any Person, means any order, decree, judgment, writ, injunction, settlement agreement, requirement or determination of an arbitrator or a court or other Governmental Authority, in each case, applicable to or binding on such Person or any of its properties or to which such Person or any of its properties is subject.

"Parties" has the meaning set forth in the introductory paragraph.

"Permitted Debt" means (a) Debt existing or arising under this Note and all other Debt owed to the Noteholder or any of its Affiliates, (b) intercompany Debt between Loan Parties, (c) any refinancing of any of the foregoing, (d) Debt consented to in writing by the Noteholder or (e) any other third party Debt that is unsecured and subordinated in right of payment to the Loan, and is subject to a subordination agreement in form and substance acceptable to the Noteholder acting reasonably.

"Permitted Encumbrance" means (a) Encumbrances for taxes not yet due or which are being contested in good faith by appropriate proceedings; (b) non-consensual Encumbrances arising by operation of law, arising in the ordinary course of business, and for amounts which are not overdue or that are being contested in good faith by appropriate proceedings; (c) Encumbrances created pursuant to any Security Agreement and (d) Encumbrances consented to in writing by the Noteholder.

"Permitted Investments" means (a) Investments in Cash Equivalents; (b) intercompany Investments between Loan Parties; (c) extensions of trade credit in the ordinary course of business and (d) Investments consented to in writing by the Noteholder.

"Person" means an individual, legal or natural person, corporation, company, firm, body corporate, partnership, joint venture, Governmental Authority, unincorporated organization, trust, association, estate, or other entity.

"**Security Agreements**" means the Canadian security agreement granted by the Canadian Loan Parties in favour of the Noteholder dated on or about the date hereof, the Maltese share pledge agreements granted by each of Playgon Malta Holding Limited and Playgon Malta Limited in favour of the Noteholder and any other security document which may be granted in connection with this Note, as the same may be amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time in accordance with its terms.

"**Subsidiary**" means, as to any particular parent corporation or organization, any other corporation or organization more than 50% of the outstanding voting Equity Interests of which is at the time directly or indirectly owned by such parent corporation or organization or by any one or more other entities that are themselves subsidiaries of such parent corporation or organization.

"**Taxes**" means any and all present or future income, stamp or other taxes, levies, imposts, duties, deductions, charges, fees or withholdings imposed, levied, withheld or assessed by any Governmental Authority, together with any interest, additions to tax or penalties imposed thereon and with respect thereto.

ARTICLE II

The Loan

Section 2.01 Loan. Subject to the terms and conditions of this Note, the Noteholder may in its sole and absolute discretion make available to the Borrower one or more Advances from time to time in an aggregate principal amount not to exceed the Equivalent Amount in US dollars of CAN\$5,000,000 (determined solely at the time such Advances are made and without limiting the Loan Parties' obligations under Section 3.01, Section 6.01 or Section 12.14). Upon the making of any such Advance, the Lender may record the details of such advance on the grid attached hereto as Exhibit A. The purpose of the Loan shall be for operating expenses, general corporate purposes and capital expenditures.

Section 2.02 Advances. As a condition precedent to the making of any Advance, the Borrower shall, at least 5 Business Days before the requested disbursement date or such shorter period as the Noteholder may agree to, deliver to the Noteholder a written notice (the "**Borrowing Notice**") setting out (a) that no Default or Event of Default has occurred and is continuing; (b) the amount of the Advance; and (c) the date on which the Advance is to be disbursed. Each Borrowing Notice shall be deemed to repeat the Borrower's representation and warranties in Article VII as of the date of such Borrowing Notice. Upon receipt of the Borrowing Notice, the Noteholder may, in its sole and absolute discretion, make available or refuse to make available to the Borrower on the disbursement date the amount set out in the Borrowing Notice in immediately available funds. The Noteholder further agrees that, to the extent a decision has been made by the Noteholder to no longer provide Advances to the Borrower, it shall, within two (2) Business Days of receiving the Borrowing Notice, communicate such decision in writing to the Borrower to allow the Borrower time to secure additional sources of financing as may otherwise be permitted pursuant to this Agreement, provided that failure by the Noteholder to provide such notice to the Borrower shall impose no liability on the Noteholder and shall not excuse the Borrower or any other Loan Party of its respective obligations under the Loan Documents.

Section 2.03 Conditions Precedent. This Note shall become effective upon the satisfaction of the conditions precedent set forth below (each of which are for the benefit of the Noteholder and may be waived at the sole discretion of the Noteholder); and (a) where delivery of documents is referred to below, the documents shall be delivered to the Noteholder in form and substance satisfactory to the Noteholder and its counsel, duly executed by all parties and in full force and effect, and (b) all matters disclosed by the documents shall be satisfactory to the Noteholder:

- (a) the execution and delivery to the Noteholder of the Loan Documents;
- (b) the Noteholder shall have received certificate of a senior officer of each Canadian Loan Party dated as of the closing date, and such other Loan Parties on post-closing timelines as agreed between the parties in the closing agenda provided to the Borrower and their counsel in connection with this transaction (the “**Closing Agenda**”), attaching formation documents, by-laws, any shareholders’ agreement, a resolution authorizing the Loan Documents and a certificate of incumbency;
- (c) the Noteholder shall have received a certificate of status (or equivalent) of each Canadian Loan Party and such other Loan Parties on post-closing timelines as agreed between the parties in the Closing Agenda;
- (d) the Noteholder shall have received evidence of registration of the Security Agreements in all jurisdictions required to preserve and protect the lien on a first priority basis (other than the registration of the Security Agreements that have been agreed to be provided on a post-closing basis in the Closing Agenda);
- (e) the Noteholder shall have received the opinion of Canadian counsel to each Canadian Loan Party on the closing date and such other post-closing opinions on the other Loan Parties as may be agreed between the parties in the Closing Agenda, in the jurisdiction of incorporation of such entity and each other relevant jurisdiction as determined by the Noteholder;
- (f) the Noteholder shall be satisfied that all representations and warranties of the Loan Parties in the Loan Documents are true and correct in all respects as of the Closing Date; and
- (g) the Noteholder shall be satisfied that no Default or Event of Default has occurred, and that there is no event, condition or circumstance in existence which, with the giving of notice or the passage of time, or both, would constitute a Default or an Event of Default.

ARTICLE III

Repayment and Prepayment

Section 3.01 Final Payment Date. The aggregate unpaid principal amount of the Loan, all accrued and unpaid interest and all other amounts payable under this Note shall be due and payable on the Maturity Date. The Borrower shall repay the full amount of the Loan when due

and payable notwithstanding the fact that its aggregate principal amount may exceed the Equivalent Amount in US dollars of CAN\$5,000,000 due to currency fluctuations.

Section 3.02 Optional Prepayment. The Borrower may prepay the Loan in whole or in part at any time or from time to time by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. No prepaid amount may be reborrowed.

ARTICLE IV Security Agreements

Section 4.01 Security Agreements. The Borrower's performance of its obligations hereunder is guaranteed by a guarantee granted by all of the Borrower's Subsidiaries in favour of the Noteholder and the Loan Parties' obligations hereunder and thereunder are secured by a first priority (subject to Permitted Encumbrances) security interest in the collateral specified in the Security Agreements.

ARTICLE V Interest

Section 5.01 Interest Rate. Except as otherwise provided herein, the outstanding principal amount of all Advances made hereunder shall bear interest at the Applicable Rate from the date such Advance was made until the Loan is paid in full, whether at maturity, upon acceleration, by prepayment or otherwise.

Section 5.02 Interest Payment Dates. Interest shall be calculated daily and shall be payable quarterly in arrears to the Noteholder on each Interest Payment Date.

Section 5.03 Default Interest. If any amount payable hereunder is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such overdue amount shall bear interest at the Default Rate from the date of such non-payment until such amount is paid in full.

Section 5.04 Computation of Interest.

- (a) All computations of interest shall be made on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed and using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed reinvestment of interest. Interest shall accrue on each Advance on the day on which such Advance is made, and shall not accrue on any Advance for the day on which it is paid.
- (b) For the purposes of the *Interest Act* (Canada) and disclosure under such Act, wherever interest to be paid under this Note is to be calculated on the basis of any period of time that is less than a calendar year (an "interest period"), such rate of interest shall be expressed as a yearly rate by multiplying such rate of interest for the interest period by the actual number of days in the calendar year in which the

rate is to be ascertained and dividing it by the number of days in the interest period.

Section 5.05 Interest Rate Limitation. If, at any time and for any reason whatsoever, the interest rate payable on any Advance or the Loan or any other payment made by the Borrower to the Noteholder which is construed by a court of competent jurisdiction to be interest (as such term is construed under the Criminal Code (Canada)), shall exceed the maximum rate of interest permitted to be charged by the Noteholder to the Borrower under Applicable Law, or would result in receipt by the Noteholder of interest at a criminal rate (as such term is construed under the Criminal Code (Canada)) such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under Applicable Law (the “**Adjusted Rate**”), and, if the Noteholder has received a payment or partial payment which would, but for this Section 5.05, be so prohibited, then any amount or amounts so received by the Noteholder in excess of the Adjusted Rate that is so prohibited shall and shall be deemed to have comprised a credit to be applied to subsequent payments on account of other amounts due to the Noteholder at the Adjusted Rate, and if such excessive interest exceeds the principal balance, such excess shall be refunded to the Borrower.

ARTICLE VI Place of Payment and Taxes

Section 6.01 Manner of Payments. All payments of interest and principal shall be made in lawful currency of the United States of America on the date on which such payment is due by bank draft, certified cheque or by wire transfer of immediately available funds to the Noteholder's account at a bank specified by the Noteholder in writing to the Borrower from time to time.

Section 6.02 Application of Payments. All payments made hereunder shall be applied first to the payment of any fees or charges outstanding hereunder, second to accrued interest, and third to the payment of the principal amount outstanding under the Note.

Section 6.03 Business Day Convention. Whenever any payment to be made hereunder shall be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension will be taken into account in calculating the amount of interest payable under this Note.

Section 6.04 Evidence of Debt. The Noteholder is authorized to record on the grid attached hereto as Exhibit A each Advance made to the Borrower and each payment or prepayment thereof. The records maintained by the Noteholder shall, to the extent permitted by Applicable Law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; *provided, however*, that the failure of the Noteholder to record such payments or prepayments, or any inaccuracy therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loan in accordance with the terms of this Note.

Section 6.05 Rescission of Payments. If at any time any payment made by the Borrower under this Note is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy

or reorganization of the Borrower or otherwise, the Borrower's obligation to make such payment shall be reinstated as though such payment had not been made.

Section 6.06 Taxes. Any and all payments by or on account of any obligation of a Loan Party under any Loan Document shall be made free and clear of and without reduction or withholding for any taxes; provided that if a Loan Party is required by Applicable Law to deduct or withhold any Taxes from such payment, then:

- (a) If such tax is an Indemnified Tax, the amount payable by such Loan Party shall be increased so that after making all required deductions or withholdings, the Noteholder receives an amount equal to the amount it would have received had no such deduction or withholdings been made; and
- (b) Such Loan Party shall make such deductions, timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law, and provide the Noteholder with official receipts or other evidence satisfactory to the Noteholder for each payment.

ARTICLE VII Representations and Warranties

The Borrower hereby represents and warrants to the Noteholder on the date hereof as follows with respect to each Loan Party:

Section 7.01 Incorporation and Existence. It is (a) duly incorporated and validly existing under the laws of its jurisdiction of incorporation, and (b) is duly qualified or registered as an extra-provincial corporation to carry on business in each jurisdiction in which it owns property or assets or carries on business except where failure to do so would not have a Material Adverse Effect.

Section 7.02 Power and Capacity. It has the corporate power and capacity, and the legal right, to execute and deliver the Loan Documents and to perform its obligations hereunder and thereunder.

Section 7.03 Authorization; Execution and Delivery. The execution and delivery of each Loan Document by each Loan Party and the performance of its obligations hereunder and thereunder have been duly authorized by all necessary corporate action in accordance with all Applicable Laws. Each Loan Party has duly executed and delivered each Loan Document.

Section 7.04 No Approvals. No consent or authorization of, filing with, notice to or other act by, or in respect of, any Governmental Authority or any other Person is required in order for any Loan Party to execute, deliver, or perform any of its obligations under any Loan Document, other than customary filings under the PPSA and any equivalent statute under Applicable Law, as well as the approval of the TSX Venture Exchange and any other board and/or shareholder approvals as may be required.

Section 7.05 No Violations. The execution and delivery of the Loan Documents and the consummation by the Loan Parties of the transactions contemplated hereby and thereby do not and will not (a) violate any provision of any Loan Party's articles, by-laws, or any unanimous shareholders agreement; (b) violate any Applicable Law or Order applicable to any Loan Party or by which any of its properties or assets may be bound; or (c) constitute a default under any material agreement or contract by which any Loan Party may be bound.

Section 7.06 Enforceability. Each of the Loan Documents is a valid, legal and binding obligation of the Loan Parties party thereto, enforceable against such Loan Party in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

Section 7.07 No Litigation. No action, suit, litigation, investigation or proceeding of, or before, any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened in writing by or against any Loan Party or any of its property or assets other than to the extent disclosed to the Noteholder prior to the Closing Date.

Section 7.08 Taxes. Each Loan Party has filed on a timely basis all Tax returns, elections and reports that are required to be filed by it under Applicable Law and has paid, collected, withheld and remitted all Taxes and remittances shown thereon to be due and payable, collectible or remittable by it under Applicable Law, and all other Taxes, fees or other charges imposed on it or any of its property by any Governmental Authority except where failure to do so would not reasonably be expected to have a Material Adverse Effect. No tax liens have been filed, and, to the knowledge of the Borrower, no claim is being asserted, with respect to any such Tax, fee or other charge.

Section 7.09 Guarantee and Security. The statement in Section 4.01 is true and accurate.

Section 7.10 Immaterial Subsidiary. Neither Cleebo nor Bitrate holds any material assets, generates any material revenues or is a material Subsidiary, in each case relative to the business of the Loan Parties taken as a whole.

ARTICLE VIII

Positive Covenants

Until all amounts outstanding in this Note have been paid in full, the Borrower shall and cause each other Loan Party to:

Section 8.01 Maintenance of Existence. (a) Preserve, renew and maintain in full force and effect its corporate or organizational existence; and (b) take all reasonable action to maintain all rights, privileges, permits, licences and franchises necessary or desirable in the normal conduct of its business.

Section 8.02 Compliance. Comply with (a) all of the terms and provisions of its articles, by-laws and any unanimous shareholder agreement; (b) its obligations under its material contracts and agreements; and (c) all Applicable Laws and Orders applicable to it.

Section 8.03 Payment Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, including without limitation all Taxes, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings, and reserves in conformity with IFRS with respect thereto have been provided on its books.

Section 8.04 Compliance with Anti-Terrorist Financing and Anti-Money Laundering Laws. Comply with all applicable Anti-Terrorist Financing and Anti-Money Laundering Laws.

Section 8.05 Notice of Events of Default. As soon as possible and in any event within 2 Business Days after it becomes aware that a Default or an Event of Default has occurred, notify the Noteholder in writing of the nature and extent of such Default or Event of Default and the action, if any, it has taken or proposes to take with respect to such Default or Event of Default.

Section 8.06 Reporting Requirements. The Borrower shall provide the Noteholder on a monthly basis an anticipated cash flow statement.

Section 8.07 Further Assurances. Upon the request of the Noteholder, promptly execute, acknowledge, deliver or cause to be done, executed, acknowledged or delivered such further instruments, fees, acts, deeds, filings, notices, consents, certificates, documents, opinions and assurances as may be requested by the Noteholder from time to time during the term hereof, and including after the Closing Date, as may be necessary or advisable to carry out the intent and purposes of this transaction or any Loan Document, including but not limited to the requirements disclosed in the Closing Agenda. The Borrower shall pay all fees and expenses incurred by the foregoing requirements.

ARTICLE IX Negative Covenants

Until all amounts outstanding under this Note have been paid in full, the Borrower shall not and shall ensure that no other Loan Party:

Section 9.01 Indebtedness. Incur, create or assume any Debt, other than Permitted Debt.

Section 9.02 Encumbrances. Incur, create, assume or suffer to exist any Encumbrance on any of its property or assets, whether now owned or hereinafter acquired except for Permitted Encumbrances.

Section 9.03 [Reserved.]

Section 9.04 [Reserved.]

Section 9.05 Limitation on Dispositions. Sell, lease, assign, transfer or otherwise dispose of any of its material assets or property outside of the ordinary course of business, whether now owned or hereafter acquired.

Section 9.06 Limitation on Distributions. Make any Distributions to shareholders or creditors without the prior written consent of the Noteholder.

Section 9.07 Limitation on Investments. Make any Investments, except for Permitted Investments, so long as no Default or Event of Default has occurred or is continuing, or would result therefrom.

Section 9.08 Limitation on Fundamental Changes. Merge or consolidate with another Person or enter into any transaction or series of transactions (whether by way of reconstruction, reorganization, consolidation, winding up, merger, transfer, sale, lease or otherwise) whereby all or any substantial part of its assets becomes the property of any other Person or, in the case of any such arrangement or merger, of the continuing corporation resulting therefrom, nor whereby it acquires all or substantially all of the assets or business of any other Person.

Section 9.09 Immaterial Subsidiary. Permit Cleebo or Bitrate to hold any material assets, generate any material revenues or be a material Subsidiary, in each case relative to the business of the Loan Parties taken as a whole.

ARTICLE X Events of Default

The occurrence and continuance of any of the following shall constitute an Event of Default hereunder:

Section 10.01 Failure to Pay. The Borrower fails to pay (a) any principal amount of the Loan when due, or (b) interest or any other amount when due and such failure continues for 14 Business Days after written notice to the Borrower.

Section 10.02 Breach of Representations and Warranties. Any representation or warranty made or deemed made by the Loan Parties to the Noteholder in any Loan Document is incorrect in any material respect on the date as of which such representation or warranty was made or deemed made.

Section 10.03 Breach of Covenants. A Loan Party fails to observe or perform (a) any covenant, condition or agreement contained in ARTICLE IX, or (b) any other covenant, obligation, condition or agreement contained in any Loan Document other than those specified in clause (a) and Section 10.01 and such failure continues for 10 days after the earlier of (i) written notice to the Borrower by the Noteholder and (ii) the Borrower becoming aware of such failure.

Section 10.04 Cross-Defaults. The Borrower fails to pay when due any of its Debt (other than Debt arising under this Note) or any interest or premium thereon when due (whether by scheduled maturity, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt.

Section 10.05 Bankruptcy and Insolvency.

- (a) Any Loan Party commences any application, proceeding or other action (i) under any existing or future Applicable Law relating to bankruptcy, insolvency, reorganization, or other relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, proposal, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts or (ii) seeking appointment of a receiver, interim receiver, receiver and manager, trustee, custodian, conservator or other similar official for it or for all or any part of its assets, or any Loan Party makes a general assignment for the benefit of its creditors;
- (b) there is commenced against any Loan Party any application, proceeding or other action of a nature referred to in Section 10.05(a) which (i) results in the entry of an order for relief or any such adjudication or appointment or (ii) remains undismitted, undischarged or unbonded for a period of 30 days;
- (c) there is commenced against any Loan Party any application, proceeding or other action seeking issuance of a writ of seizure and sale, execution, garnishment, or similar process against all or any part of its assets which results in the entry of an order for any such relief which has not been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or
- (d) any Loan Party takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in Section 10.05(a), Section 10.05(b) or Section 10.05(c).

Section 10.06 Judgements and Executions. One or more judgements in excess of [redacted] in the aggregate, or writs of seizure and sale in excess of [redacted] in the aggregate, shall be entered, issued or registered against a Loan Party and all of such judgements or writs of enforcement shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof.

Section 10.07 Takeover. A takeover bid by the Noteholder or any of its Affiliates, subject to TSXV approval, that will not result in control by the Noteholder or such Affiliates of the Loan Parties.

Section 10.08 Material Adverse Effect. A Material Adverse Effect has occurred.

**ARTICLE XI
Remedies**

Section 11.01 Remedies. Upon the occurrence of an Event of Default and at any time thereafter during the continuance of such Event of Default, the Noteholder may, at its option, by written notice to the Borrower (a) declare the entire principal amount of this Note, together with all accrued interest thereon and all other amounts payable hereunder, immediately due and payable;

and/or (b) exercise any or all of its rights, powers or remedies under any Loan Document or Applicable Law; *provided, however* that, if an Event of Default described in Section 10.05 shall occur, the principal of and accrued interest on the Loan shall become immediately due and payable without any notice, declaration or other act on the part of the Noteholder.

**ARTICLE XII
Miscellaneous**

Section 12.01 Notices.

- (a) All notices, requests or other communications required or permitted to be delivered hereunder shall be delivered in writing, in each case to the address specified below or to such other address as such Party may from time to time specify in writing in compliance with this provision:

If to the Borrower:	[redacted]
Telephone:	[redacted]
Email:	[redacted]
Attention:	[redacted]
If to the Noteholder:	[redacted]
Telephone:	[redacted]
Facsimile:	[redacted]
Email:	[redacted]
Attention:	[redacted]

- (b) Notices if (i) mailed by certified or registered mail or sent by hand or overnight courier service shall be deemed to have been given when received; (ii) sent by facsimile during the recipient's normal business hours shall be deemed to have been given when sent (and if sent after normal business hours shall be deemed to have been given at the opening of the recipient's business on the next business day); and (iii) sent by e-mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment).

Section 12.02 Expenses. The Borrower agrees to reimburse the Noteholder on demand for all reasonable and documented out-of-pocket costs, expenses and fees (including reasonable expenses and fees of its counsel) incurred by the Noteholder in connection with the transactions contemplated hereby including (a) the negotiation, document and execution of the Loan Documents; and (b) the enforcement of the Noteholder's right hereunder and thereunder.

Section 12.03 Governing Law and Submissions. This Note, and all matters arising out of or relating to this Note, shall be governed by, and construed in accordance with, the laws of the

Province of British Columbia and the federal laws of Canada applicable therein and the parties irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

Section 12.04 Counterparts; Electronic Delivery. This Note, any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Note by facsimile or in electronic (such as "PDF" or "tif") format shall be effective as delivery of a manually executed counterpart of this Note.

Section 12.05 Entire Agreement. This Note and the other Loan Documents constitute the sole and entire agreement of the parties hereto with respect to the subject matter contained herein and therein and supersedes all prior and contemporaneous understandings, agreements, representations and warranties both written and oral, with respect to such subject matter.

Section 12.06 Successors and Assigns. This Note may be assigned or transferred by the Noteholder to any Person. The Borrower may not assign or transfer this Note or any of its rights hereunder without the prior written consent of the Noteholder which consent may be refused in the absolute discretion of the Noteholder without providing any reason whatsoever. This Note shall enure to the benefit of, and be binding upon, the Parties and their permitted assigns.

Section 12.07 Waiver of Notice. The Borrower hereby waives demand for payment, presentment for payment, protest, notice of payment, notice of dishonour, notice of nonpayment, notice of acceleration of maturity and diligence in taking any action to collect sums owing hereunder.

Section 12.08 Interpretation. For purposes of this Note (a) the words "include", "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein", "hereof", "hereby", "hereto" and "hereunder" refer to this Note as a whole. The definitions given for any defined terms in this Note shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein: (x) to Schedules, Exhibits and Sections mean the Schedules, Exhibits and Sections of this Note; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Note shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

Section 12.09 Amendments and Waivers. None of the terms or provisions of this Note may be amended, modified, supplemented, terminated or waived, except by an instrument in writing signed by both of the parties hereto. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 12.10 Headings. The headings of the various sections and subsections herein are for reference only and shall not define, modify, expand or limit any of the terms or provisions hereof.

Section 12.11 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising on the part of the Noteholder, of any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 12.12 Severability. Any provision hereof which is invalid, illegal or unenforceable in whole or in part in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without invalidating the remaining provisions hereof or affecting the validity, legality or enforceability of such provision in any other jurisdiction.

Section 12.13 Termination. Upon request by the Borrower, the Noteholder will provide a payout letter providing for termination of this Note and the other Loan Documents, and the discharge of all security interests held by the Noteholder and granted under the Security Agreements, upon payment in full of all principal, interest, fees, expenses, and any other obligations owing pursuant to this Note and the other Loan Documents. Such letter shall provide a fixed amount for repayment.

Section 12.14 Judgment Currency. If for the purposes of obtaining judgment against any Loan Party in any court in any jurisdiction with respect to this Note it becomes necessary for the Noteholder to convert into the currency of such jurisdiction (in this section called the “**Judgment Currency**”) any amount due to the Noteholder by any Loan Party hereunder in any currency other than the Judgment Currency, the conversion shall be made at the Exchange Rate prevailing on the Business Day before the day on which judgment is given. In the event that there is a change in the Exchange Rate prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the applicable Loan Party will, on the date of payment, pay such additional amounts (if any) or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which when converted at the Exchange Rate prevailing on the date of payment is the amount then due under this Note in such other currency. Any additional amount due by the applicable Loan Party under this Section will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Note.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto executed this Note as of the date first written above.

PLAYGON GAMES INC., as Borrower

By *(s) Darcy Krogh*

Name: Darcy Krogh

Title: CEO

By *(s) Mike Marrandino*

Name: Mike Marrandino

Title: Director

PURE LIVE INTERACTIVE LTD., as
Noteholder

By *(s) James Penturn*

Name: James Penturn

Title: Director

EXHIBIT A

Advances and Payments on the Loan

Date of Advance	Amount of Advance in US\$	Amount of Principal Paid in US\$	Unpaid Principal Amount of Note in US\$	Name of Person Making the Notation
Closing Date	US\$350,000	N/A	US\$350,000	James Penturn