



No. S-217205
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002 C. 57

IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG
JACKPOT DIGITAL INC., ITS SHAREHOLDERS AND
YO ELEVEN GAMING INC.

JACKPOT DIGITAL INC.

PETITIONER

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE **MADAM**) Wednesday, the 22nd day of
JUSTICE **FLEMING**) September, 2021

ON THE APPLICATION of the petitioner, Jackpot Digital Inc., coming on for hearing at 800 Smithe Street, Vancouver, British Columbia, on ~~Jackpot Digital Inc.~~ ^{September 22, 2021}; on hearing Shaun Driver, counsel for Jackpot Digital Inc.; and no one appearing for any of the securityholders of Jackpot Digital Inc., although duly served; and on reading the affidavits of Jake Kalpakian, made August 6, 2021 and September 17, 2021, the affidavit of Mariano Banting, made September 17, 2021, and the affidavit of Kelly McCaffrey made September 20, 2021 and the exhibits thereto;

AND UPON the terms of the Order in this proceeding pronounced August 6, 2021 (the "Interim Order") having been complied with and the requisite approval of the shareholders of Jackpot Digital Inc. of the arrangement (the "Arrangement"), as contemplated in the Plan of Arrangement (the "Plan of Arrangement") attached as Schedule "A" to this Order, having been obtained in accordance with the terms of the Interim Order;

AND UPON considering the fairness of the terms and conditions of the Arrangement as contemplated in the Plan of Arrangement, and the rights and interests of the persons affected thereby;

AND UPON Jackpot Digital Inc. making this Court aware that it is the intention of Jackpot Digital Inc. and Yo Elevent Gaming Inc. to rely upon Section 3(a)(10) of the United States *Securities Act of 1933*, as amended (the "1933 Act") as a basis for an exemption from the registration requirements of the 1933 Act with respect to the issuance of securities to Jackpot Digital Inc.'s U.S. securityholders as contemplated in the Plan of Arrangement;

THIS COURT ORDERS that:

1. The terms and the conditions of the Arrangement, set forth in the Plan of Arrangement, are procedurally and substantively fair and reasonable to all securityholders of Jackpot Digital Inc., including those to whom common shares of Yo Eleven Gaming Inc. will be issued, and the Arrangement is hereby approved by this Court.
2. The Arrangement shall be implemented in the manner and sequence set forth in the Plan of Arrangement, and as required by s. 297 of the *Business Corporations Act*, S.B.C. 2002, c.57, as amended.
3. Under ss. 291, 292 and 296 of the *Business Corporations Act*, the Arrangement will take effect as of the Effective Time defined in the Plan of Arrangement.
4. On the Arrangement taking effect, it will be binding on Jackpot Digital Inc., Jackpot Digital Inc.'s securityholders and Yo Eleven Gaming Inc.

5. Jackpot Digital Inc. is entitled, at any time, to seek leave to vary this order, to seek the advice or direction of this Court or to apply for such further orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of

party lawyer for Petitioner

Shaun Driver

By the Court.



Registrar

SCHEDULE "A"

**PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9
OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA) S.B.C. 2002, c. 57**

**ARTICLE 1
INTERPRETATION**

1.1 In this Plan of Arrangement, the following terms have the following meanings:

"**Arrangement**", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to the proposed arrangement involving Jackpot, Yo Eleven and the Jackpot Shareholders pursuant to the Arrangement Provisions on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

"**Arrangement Agreement**" means the arrangement agreement dated effective June 28, 2021 between Jackpot and Yo Eleven with respect to the Arrangement, and all amendments thereto;

"**Arrangement Provisions**" means Division 5 of Part 9 of the BCBCA;

"**BCBCA**" means the Business Corporations Act (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

"**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Vancouver, in the Province of British Columbia, for the transaction of banking business;

"**Court**" means the Supreme Court of British Columbia;

"**Dissent Rights**" has the meaning attributed to that term in §5.1 of this Plan of Arrangement;

"**Dissent Share**" has the meaning attributed to that term in §3.3 of this Plan of Arrangement;

"**Effective Date**" means the date the Arrangement becomes effective under the BCBCA;

"**Effective Time**" means 10:00 a.m. (Vancouver time) on the Effective Date;

"**Final Order**" means the final order of the Court approving the Arrangement; as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**Information Circular**" means the management information circular to be sent to the Jackpot Shareholders in connection with the Jackpot Meeting;

"**Interim Order**" means the interim order of the Court concerning the Arrangement under the BCBCA in respect of the Parties, containing declarations and directions with respect to the Arrangement and the holding of the Jackpot Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**Jackpot**" means Jackpot Digital Inc., a company existing under the BCBCA;

"**Jackpot Meeting**" means the annual general and special meeting of Jackpot Shareholders to be held to consider the Arrangement Resolution and related matters, and any adjournments thereof;

"**Jackpot Option Plan**" means the stock option plan of Jackpot;

"**Jackpot Shareholder**" means the holders from time to time of Jackpot Shares;

"**Jackpot Shares**" means the common shares of Jackpot;

"**Online Gaming Software**" means the online gaming software assets owned 100% by Jackpot, to be transferred to Yo Eleven pursuant to the Arrangement, as more particularly described in Schedule "A" attached to this Plan of Arrangement;

"**Parties**" means, collectively, Jackpot and Yo Eleven and "**Party**" means any one of them;

"**Plan of Arrangement**" means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof and Article 6 of the Arrangement Agreement;

"**Registrar**" means the Registrar of Companies duly appointed under the BCBCA;

"**Share Distribution Record Date**" means such date as determined by Jackpot and Yo Eleven, which date establishes the Jackpot Shareholders who will be entitled to receive Yo Eleven Shares pursuant to this Plan of Arrangement;

"**Transfer Agent**" means Computershare Investor Services Inc., the registrar and transfer agent of Jackpot and Yo Eleven;

"**Yo Eleven**" means Yo Eleven Gaming Inc., a private company incorporated under the BCBCA; and

"**Yo Eleven Shares**" means the common shares without par value in the authorized share structure of Yo Eleven, as constituted on the date of the Arrangement Agreement.

- 1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 Unless the context otherwise requires, words importing the singular number will include the plural and vice versa; words importing any gender will include all genders; and words importing persons will include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.
- 1.5 In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action will be required to be taken on the next succeeding day which is a Business Day in such place.
- 1.6 References in this Plan of Arrangement to any statute or sections thereof will include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2 ARRANGEMENT AGREEMENT

- 2.1 This Plan of Arrangement is made pursuant and subject to the provisions of, and forms part of, the Arrangement Agreement.

2.2 This Plan of Arrangement will become effective in accordance with its terms and be binding on the Effective Date upon (i) Yo Eleven, (ii) Jackpot, and (iii) Jackpot Shareholders.

ARTICLE 3 ARRANGEMENT

- 3.1 On the Effective Date, pursuant to the Plan of Arrangement, except for Dissenting Shares, the following principal steps will occur and be deemed to occur in the following chronological order as part of the Arrangement, without further act or formality, but subject to the provisions of Article 6:
- (a) Jackpot will reorganize its business by transferring the Online Gaming Software to Yo Eleven in consideration of Yo Eleven Shares at a deemed price of \$0.02 per Yo Eleven Share to be distributed to the Jackpot Shareholders;
 - (b) Jackpot will reduce the paid-up capital of the Jackpot Shares by an amount equal to the fair market value of the Yo Eleven Shares to be distributed to the Jackpot Shareholders as set out in §3.1(c) below;
 - (c) the Yo Eleven Shares will be distributed to the Jackpot Shareholders (other than Dissenting Shareholders) in satisfaction of the reduction in paid-up capital in §3.1(b) above, on the basis that for every five (5) Jackpot Shares that are issued and outstanding on the Share Distribution Record Date, the holder of such Jackpot Shares receive one (1) Yo Eleven Share, and the Yo Eleven Shares transferred to such holders of the Jackpot Shares will be registered in the name of such holders of the Jackpot Shares;
 - (d) the capital account in respect of the Jackpot Shares will be adjusted to reflect the reduction in §3.1(b) above;
 - (e) the Yo Eleven Shares held by Jackpot prior to the step described in §3.1(a) above will be cancelled and Jackpot will be removed from the central securities register of Yo Eleven; and
 - (f) the Yo Eleven Shares distributed to the Jackpot Shareholders pursuant to §3.1(c) above will be registered in the names of the Jackpot Shareholders and appropriate entries will be made in the central securities register of Yo Eleven.
- 3.2 Each Dissent Share in respect of which a Dissenting Shareholder has duly exercised his, her or its Dissent Right and for which such Dissenting Shareholder is ultimately entitled to be paid fair value will be deemed to have been repurchased by Jackpot for cancellation in consideration for a debt-claim against Jackpot to be paid the fair value of such Dissent Share in accordance with Article 5 of this Plan of Arrangement, net of any applicable withholding tax, and such Dissent Share will thereupon be cancelled;
- 3.3 The transactions and events set out in §3.1 will occur and will be deemed to occur at the Effective Time on the Effective Date in the chronological order in which they are set out in §3.1.
- 3.4 All Yo Eleven Shares issued pursuant to this Plan of Arrangement will be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of BCBCA.
- 3.5 The Arrangement will become final and conclusively binding on the Jackpot Shareholders, Jackpot and Yo Eleven on the Effective Date.

- 3.6 Notwithstanding that the transactions and events set out in §3.1 will occur and will be deemed to occur in the chronological order therein set out without any act or formality, each of Jackpot and Yo Eleven will be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in §3.1, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, and any necessary additions to or deletions from share registers.

ARTICLE 4 PROCEDURES FOR EXCHANGE OF CERTIFICATES

- 4.1 Jackpot will deposit with the Transfer Agent a direction to distribute the Yo Eleven Shares to the Jackpot Shareholders and the Transfer Agent will forward, in accordance with §3.1 hereof and the direction, to each registered Jackpot Shareholder of record on the Share Distribution Record Date who has not validly dissented to the Arrangement, certificates representing the Yo Eleven Shares to which they are entitled under the Arrangement.

ARTICLE 5 DISSENT RIGHTS

- 5.1 Any registered Jackpot Shareholder of record may exercise his, her or its Dissent Right under section 238(1)(d) of the BCBCA in connection with the Arrangement with respect to the registered Jackpot Shareholder's Jackpot Shares pursuant to and in the manner set forth in the Interim Order, sections 242 to 247 of the BCBCA and this Article 5, as the same may be modified by the Interim Order or the Final Order, provided that a written notice pursuant to section 242 of the BCBCA setting forth the objection of such registered Jackpot Shareholders to the Arrangement and exercise of Dissent Rights must be received by Jackpot not later than 4:00 p.m. (Vancouver time) on the Business Day that is two Business Days before the Meeting or any date to which the Meeting may be postponed or adjourned. If a Jackpot Shareholder exercises his, her or its Dissent Right, Jackpot will on the Effective Date set aside and not distribute that portion of the Yo Eleven Shares that is attributable to the Jackpot Shares for which the Dissent Right has been exercised. Registered Jackpot Shareholders who duly exercise Dissent Rights and who:
- (a) are ultimately entitled to be paid fair value for their Dissent Shares will be deemed not to have participated in the Arrangement and such Dissent Shares will be deemed to have been repurchased by Jackpot for cancellation at the Effective Time in consideration for a debt-claim against Jackpot to be paid the fair value of such Dissent Shares, which fair value will be determined as of the close of business on the Business Day before the day on which the Jackpot Resolution is passed, and will not be entitled to any other payment or consideration, and the name of each such Dissenting Shareholder will be removed from the register of Jackpot Shareholders; or
 - (b) are ultimately not entitled, for any reason, to be paid fair value for their Jackpot Shares will be deemed to have participated in the Plan of Arrangement on the same basis as any non-dissenting Jackpot Shareholder as at and from the Effective Time and will be treated in the same manner as such Shareholder, on the basis set out in this Plan of Arrangement.
- 5.2 The aggregate of all amounts paid to Dissenting Shareholders by Jackpot in respect of Dissent Shares in accordance with §5.1(a) will be deducted from the stated capital account maintained by Jackpot for the Jackpot Shares.

- 5.3 The amount of any deemed dividend resulting from application of subsection 84(3) of the Tax Act to the repurchase of Dissent Shares held by Dissenting Shareholders will be designated by Jackpot as an Eligible Dividend.
- 5.4 All payments made to a Dissenting Shareholder pursuant to this Article will be subject to, and paid net of, all applicable withholding taxes.
- 5.5 For greater certainty, in addition to any other restrictions in section 242 to 247 of the BCBCA, no Jackpot Shareholder who has voted in favour of this Plan of Arrangement will be entitled to dissent with respect to the Plan of Arrangement.

ARTICLE 6 AMENDMENTS

- 6.1 Jackpot and Yo Eleven may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be:
 - (a) set out in writing;
 - (b) filed with the Court and, if made following the Jackpot Meeting, approved by the Court; and
 - (c) communicated to holders of Jackpot Shares and Yo Eleven Shares, as the case may be, if and as required by the Court.
- 6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Jackpot at any time prior to the Jackpot Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Jackpot Meeting (other than as may be required under the Interim Order), will become part of this Plan of Arrangement for all purposes.
- 6.3 Jackpot, with the consent of Yo Eleven, may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Jackpot Meeting and prior to the Effective Date with the approval of the Court.
- 6.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date but will only be effective if it is consented to by Jackpot and Yo Eleven, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of Jackpot and Yo Eleven, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of Jackpot and Yo Eleven or any former holder of Jackpot Shares and Yo Eleven Shares, as the case may be.

ARTICLE 7 REFERENCE DATE

- 7.1 This Agreement is dated for reference the 28th day of June, 2021.

SCHEDULE "A" TO THE PLAN OF ARRANGEMENT

DESCRIPTION OF THE ONLINE GAMING SOFTWARE

The Online Gaming Software consists of a series of web-based gaming software applications and related assets, including a library of poker games (Texas Hold'em, Omaha and Guts), Asian games (Mahjong, Mahjong 1-on-1, Big2, Chinese poker, Fight the Landlord, and Si Ki Pi) and a series of traditional casino games (Blackjack, Roulette, Baccarat, Slots), that has been developed by Jackpot related to the online casino.

SCHEDULE "B" TO THE PLAN OF ARRANGEMENT

SPECIAL RESOLUTION TO APPROVE THE PLAN OF ARRANGEMENT

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (as may be modified or amended, the "**Arrangement**") under section 291 of the Business Corporations Act (British Columbia) involving Jackpot Digital Inc. ("**Jackpot**"), its securityholders and Yo Eleven Gaming Inc. ("**Yo Eleven**"), all as more particularly described and set forth in the management information circular (the "**Circular**") of Jackpot dated August 13, 2021, is authorized, approved and adopted;
2. The plan of arrangement, as it may be or has been amended (the "**Plan of Arrangement**"), involving Jackpot and implementing the Arrangement, the full text of which is set out in Schedule "A" to the Arrangement Agreement dated June 28, 2021 among Jackpot and Yo Eleven (the "**Arrangement Agreement**") which is attached as Schedule "B" to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended), is approved and adopted;
3. The Arrangement Agreement and all the transactions contemplated therein, the actions of the directors of Jackpot in approving the Arrangement and the actions of the officers of Jackpot in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved;
4. Notwithstanding that this special resolution has been passed (and the Arrangement adopted) by the shareholders of Jackpot or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Jackpot are authorized and empowered, without further notice to, or approval of, the securityholders of Jackpot:
 - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; and
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement;
5. Any one or more directors or officers of Jackpot is authorized, for and on behalf and in the name of Jackpot, to execute and deliver, whether under corporate seal of Jackpot or otherwise, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
 - (a) all actions required to be taken by or on behalf of Jackpot, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Jackpot, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing by or on behalf of Jackpot.