



JACKPOT DIGITAL INC.

Notice of Annual General and Special Meeting of Shareholders

**to be held on
September 16, 2021**

Management Information Circular

dated August 13, 2021

These materials are important and require your immediate attention. They require shareholders of Jackpot Digital Inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal or other professional advisors. If you have any questions or require more information with regard to voting your shares, please contact Jackpot Digital Inc.



August 13, 2021

Dear Fellow Shareholder:

The Board of Directors of Jackpot Digital Inc. ("**Jackpot**") cordially invites you to attend Jackpot's Annual General and Special Meeting (the "**Meeting**") of its shareholders (the "**Jackpot Shareholders**") to be held at 11:00 a.m. (Vancouver time) on Thursday, September 16, 2021 at the offices of Boughton Law Corporation, 700 – 595 Burrard Street, Vancouver, British Columbia.

At the Meeting, you will be asked to consider and vote upon Jackpot's general matters, and to consider and vote upon a special resolution (the "**Arrangement Resolution**") approving a plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (British Columbia), S.B.C., 2002, c.57, pursuant to which, among other things:

- Jackpot will transfer its online gaming software assets to its wholly-owned subsidiary, Yo Eleven Gaming Inc. ("**Yo Eleven**"); and
- Jackpot Shareholders will receive one common share of Yo Eleven for every five common shares of Jackpot held.

all as more fully set forth in the enclosed management information circular (the "**Circular**").

The Board of Directors has determined that the terms of the Arrangement are fair to the Jackpot Shareholders and in the best interests of Jackpot for the following reasons, among other things:

- the separation of Jackpot's online gaming software assets into a separate company is expected to position such assets to be valued on a standalone basis, which Jackpot believes will potentially unlock value for the Jackpot Shareholders; and
- the transaction Arrangement provides Jackpot Shareholders the opportunity of participating in both Jackpot and Yo Eleven.

Completion of the Arrangement is subject to customary conditions, including, among others, requisite approval of the Arrangement Resolution by Jackpot Shareholders, approval by the Supreme Court of British Columbia, and the approval of the TSX Venture Exchange.

Please refer to the enclosed Circular for detailed information regarding the Arrangement and the transactions contemplated thereunder. For the Arrangement to proceed, the Arrangement Resolution must be approved by at least 66 2/3% of the votes cast by Jackpot Shareholders, present in person or by proxy and entitled to vote at the Meeting.

Please find enclosed Jackpot's Notice of Annual General and Special Meeting, the Circular and a form of proxy, which contain important information regarding the Arrangement and the Meeting. These documents

are also available on SEDAR at www.sedar.com and on Jackpot's website at www.jackpotdigital.com. We urge you to read these materials carefully in consultation with your tax, financial, legal or other professional advisors.

Your vote is important regardless of how many Jackpot shares you own. The Board of Directors recommends that Jackpot Shareholders vote in favour of the Arrangement Resolution approving the Arrangement.

On behalf of the Board of Directors, I would like to thank all Jackpot Shareholders for their ongoing support.

Sincerely,

/s/ "Jake H. Kalpakian"

Jake H. Kalpakian

President and Chief Executive Officer

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

NOTICE IS GIVEN that the annual general and special meeting (the “**Meeting**”) of the holders of common shares (the “**Jackpot Shareholders**”) of Jackpot Digital Inc. (“**Jackpot**”) will be held on **Thursday, September 16, 2021** at 700 – 595 Burrard Street, Vancouver, British Columbia, V7X 1S8 at 11:00 a.m. (Vancouver time) for the following purposes:

1. To receive and consider the audited financial statements of Jackpot for the fiscal year ended December 31, 2020, and the auditor's report thereon;
2. To set the number of directors for the ensuing year at four;
3. To elect directors of Jackpot to hold office until the next annual meeting of Jackpot Shareholders ;
4. To re-appoint Smythe LLP, Chartered Professional Accountants, as Jackpot's auditor for the current financial year ended December 31, 2021 and to authorize the directors to fix the remuneration to be paid to the auditor;
5. To consider and, if deemed appropriate, to pass, with or without variation, a special resolution of the Jackpot Shareholders (the “**Arrangement Resolution**”), the full text of which is attached as Schedule “A” to the accompanying management information circular (the “**Circular**”), to approve an arrangement (the “**Arrangement**”) under section 288 of the *Business Corporations Act* (British Columbia), which involves, among other things, the distribution to the Non-Dissenting Jackpot Shareholders of common shares of Jackpot's wholly-owned subsidiary Yo Eleven Gaming Inc. (“**Yo Eleven**”) on the basis of one common share of Yo Eleven for every five common shares of Jackpot (the “**Jackpot Shares**”) held on the effective date of the Arrangement and the transfer of Jackpot’s online gaming software assets to Yo Eleven, as more fully described in the accompanying management information circular.
6. To consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to approve Yo Eleven's 10% rolling stock option plan, as more fully described in the Circular;
7. To consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to re-approve Jackpot’s 10% rolling stock option plan, as more fully described in the Circular;
8. To transact such other business as may properly come before the Meeting and any adjournment thereof.

Information relating to the matters to be brought before the Meeting is set forth in the Circular. Accompanying this Notice is the Circular and form of proxy for the Jackpot Shareholders. The enclosed form of proxy is solicited by management of Jackpot. Copies of the Arrangement Resolution, the Plan of Arrangement and the Interim Order are attached to the Circular as Schedules “A”, “B” and “C”, respectively.

Registered Jackpot Shareholders have a right of dissent in respect of the proposed Arrangement and have a right to be paid the fair value of their Jackpot Shares. The requirements for the exercise of dissent rights are described in the accompanying Circular and are attached to the Circular as Schedule “D”. **Failure to strictly comply with the required procedure may result in the loss of any right of dissent.**

If you are a registered Jackpot Shareholder and unable to attend the Meeting in person, please read the notes in the enclosed form of proxy and complete, sign and return the proxy to Jackpot's registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, within the time set out in the notes to the proxy.

The enclosed proxy is solicited by Jackpot's management and, if you wish, you may amend it by striking out the names listed in the proxy and inserting in the space provided the name of the person you wish to represent you at the Meeting.

If you are a non-registered Jackpot Shareholder and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your Jackpot Shares on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

CAUTION CONCERNING COVID-19 PANDEMIC

At the date of this Notice and the accompanying Circular, Jackpot intends to hold the Meeting at the location stated above in this Notice. We are continuously monitoring the development of the current coronavirus disease (“**COVID-19**”) pandemic. In light of the rapidly evolving public health guidelines related to COVID-19, we ask Jackpot Shareholders to consider voting their Jackpot Shares by proxy and not attend the Meeting in person. Those Jackpot Shareholders who do wish to attend the Meeting in person should carefully consider and follow the instructions of the federal Public Health Agency of Canada available at:

<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>.

We ask that Jackpot Shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. **All Jackpot Shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Circular accompanying this Notice.**

Jackpot reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 pandemic, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, Jackpot will announce these changes by way of news release, which will be filed under Jackpot’s profile on SEDAR as well as on our website at www.jackpotdigital.com. We strongly recommend you check Jackpot’s website prior to the Meeting for the most current information. **IN THE EVENT OF ANY CHANGES TO THE MEETING FORMAT DUE TO THE COVID-19 PANDEMIC, THE COMPANY WILL NOT PREPARE OR MAIL AN AMENDED NOTICE, INFORMATION CIRCULAR OR MEETING MATERIALS.**

DATED at Vancouver, British Columbia, this 13th day of August, 2021.

BY ORDER OF THE BOARD,

"Jake H. Kalpakian"

Jake H. Kalpakian
President & Chief Executive Officer

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FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking information and statements, including statements relating to Jackpot's intentions and expectations about developments, results and events which will or may occur in the future, which constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States *Private Securities Litigation Reform Act of 1995* (collectively the "**forward-looking information and statements**"). Forward-looking information and statements are typically identified by words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "will", "plan", "estimate", "believe" and similar expressions suggesting future outcomes or statements regarding an outlook.

Forward-looking information and statements are included throughout this document and include, but are not limited to, statements with respect to: the expected completion of the Arrangement; the financial condition, results of operations, developments, expectations, projects, goals, objectives and plans of Jackpot and Yo Eleven; Jackpot's and Yo Eleven's business and other such matters.

All such forward-looking information and statements are based on certain assumptions and analyses made by Jackpot in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors Jackpot believes are appropriate in the circumstances. These statements are, however, subject to known and unknown risks and uncertainties and other factors. As a result, actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking information and statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information and statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These risks, uncertainties and other factors include, among others: the Arrangement is subject to the satisfaction or waiver of various conditions which may not be satisfied or waived; Jackpot's and Yo Eleven's future growth opportunities may be limited; an inability to manage Jackpot's and Yo Eleven's future growth could adversely affect their business; unknown liabilities of Jackpot and Yo Eleven; general economic and business conditions that affect Jackpot and Yo Eleven following the completion of the proposed Arrangement; inherent risks involved in the development of the business of Jackpot and Yo Eleven; labour disputes or other anticipated difficulties with or interruptions in operations; unanticipated costs and expenses; uncertainties relating to the availability and costs of financing needed in the future; other factors beyond Jackpot's or Yo Eleven's control; and any other risks described in Jackpot's public filings with applicable Canadian securities regulators which are available on SEDAR at www.sedar.com. Please see "*Risk Factors*" for further information.

Although Jackpot's management believes that the expectations reflected in such forward-looking information and statements are reasonable, management can give no assurance that such expectations will prove to be accurate. Accordingly, readers should not place undue reliance upon any of the forward-looking information and statements set out in this document. The forward-looking information and statements are made as of the date of this document, and neither Jackpot nor Yo Eleven assumes any obligation to update or revise them except as required pursuant to applicable securities laws.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference may be obtained on request without charge from Jackpot's head office located at, Suite 303, 570 Granville Street, Vancouver, British Columbia, V6C 3P1 and are also available electronically on SEDAR at www.sedar.com.

The following documents of Jackpot, filed by Jackpot with applicable securities commissions or similar authorities in Canada, are specifically incorporated by reference into and form an integral part of this Circular:

- the audited consolidated financial statements for the financial years ended December 31, 2020 and 2019;
- the MD&A filed in connection with the audited consolidated financial statements for the financial year ended December 31, 2020 and 2019;
- the unaudited interim financial statements for the three months ended March 31, 2021;

- the MD&A filed in connection with the unaudited interim financial statements for the three months ended March 31, 2021; and
- the material change reports dated March 5, 2021, March 29, 2021, July 7, July 27, 2021 and August 12, 2021.

Any documents of the type referred to above subsequently filed by Jackpot with applicable Canadian securities regulatory authorities in Canada, after the date of this Circular and prior to the completion or withdrawal of the Arrangement, will all be deemed to be incorporated by reference in this Circular. Any statement contained in a document incorporated or deemed to be incorporated by reference to this Circular will be deemed to be modified or superseded for the purposes of this Circular, to the extent that a statement contained in this Circular or in any other subsequently filed document which also is or is deemed to be incorporated by reference modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not constitute a part of this Circular, except as so modified or superseded.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

The historical financial statements of Jackpot contained in this Circular are reported in Canadian dollars and have been prepared in accordance with IFRS. All references to dollar amounts in this Circular are to Canadian dollars unless stated otherwise or the context otherwise requires.

GLOSSARY OF DEFINED TERMS

GENERAL TERMS

In this Circular, unless the context otherwise provides, the following terms have the respective meanings set out below.

"**Arrangement**" means an arrangement under Sections 288 to 299 of the BCBCA on the terms and conditions set forth in the Arrangement Agreement and the Plan of Arrangement and any amendment(s) or variation(s) thereto made in accordance with the terms of the Arrangement Agreement, the Plan of Arrangement or made at the direction of the Court in the Final Order.

"**Arrangement Agreement**" means the arrangement agreement dated June 28, 2021, between Jackpot and Yo Eleven, as it may be amended from time to time, a copy of which is available on SEDAR at www.sedar.com.

"**Arrangement Resolution**" means the special resolution approving the Arrangement Agreement and the Arrangement to be voted on, with or without variation, by the Jackpot Shareholders at the Meeting, in the form set out in Schedule "A" hereto.

"**BCBCA**" means the *Business Corporations Act*, S.B.C., 2002, c.57 as amended, superseded or replaced from time to time, including the regulations promulgated under the BCBCA.

"**Beneficial Jackpot Shareholders**" means a Jackpot Shareholder who is not a Registered Jackpot Shareholder and is a beneficial Jackpot Shareholder whose Jackpot Shares are held through an Intermediary.

"**Board**" means the board of directors of Jackpot.

"**Business Day**" means a day which is not a Saturday, Sunday or a day when commercial banks are not open for business in Vancouver, British Columbia.

"**Circular**" means this management information circular, including all Schedules attached hereto.

"**Control Person**" means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of the issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

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

"**Debentures**" means the outstanding secured and unsecured, non-convertible and convertible debentures issued by Jackpot.

"**Dissent Procedures**" means the procedures to be taken by a registered Dissenting Jackpot Shareholder in exercising Dissent Rights in the manner set forth in the Interim Order and sections 242 to 247 of the BCBCA, as the same may be modified by the Interim Order, the Final Order or the Plan of Arrangement,

"**Dissent Right**" means the right of a registered Jackpot Shareholder to dissent in respect of the Plan of Arrangement and receive fair value for all Jackpot Shares held, in accordance with the Dissent Procedures, as more particularly described under the heading "Rights of Dissenting Jackpot Shareholders";

"**Dissent Jackpot Shares**" means the Jackpot Shares in respect of which Dissenting Jackpot Shareholders have validly exercised a Dissent Right in accordance with the Dissent Procedures;

"**Dissenting Jackpot Shareholder**" means a Jackpot Shareholder who validly exercises a Dissent Right in accordance with the Dissent Procedures and who will be entitled to be paid fair value for his, her or its Jackpot Shares;

"**Effective Date**" means the date that is three (3) Business Days after the last of the conditions for the completion of the Arrangement have been satisfied or waived or such earlier or later date as is agreed to by Jackpot and Yo Eleven.

"**Effective Time**" means 12:01 a.m. (Vancouver time) on the Effective Date.

"**ETGs**" means electronic table games.

"**Exchange**" means the TSX Venture Exchange and any successor stock exchange.

"**Final Order**" means the final order of the Court approving the Arrangement to be applied for following the Meeting pursuant to Section 291 of the BCBCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board and implemented in Canada through the Accounting Recommendations in the Chartered Professional Accountants of Canada Handbook.

"**iGaming Business**" means the multi-faceted online casino and online sports book business to be developed by Yo Eleven after completion of the Arrangement.

"**Interim Order**" means the interim order of the Court dated August 6, 2021 concerning the Arrangement under Section 291 of the BCBCA, containing declarations and directions related to the Arrangement and the holding of the Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction, a copy of which is attached as Schedule "C" to this Circular.

"**Jackpot**" or the "**Company**" means Jackpot Digital Inc., a company incorporated under the BCBCA.

"**Jackpot Shareholders**" means the holders of Jackpot Shares from time to time.

"**Jackpot Shares**" means the common shares in the capital of Jackpot.

"**Intermediary**" means an intermediary that owns Jackpot Shares on behalf of a Beneficial Jackpot Shareholder, including banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed trusts governed by RRSPs, RRIFs, RESPs and similar plans, and their nominees.

"**MD&A**" means management's discussion and analysis, as such term is defined in NI 51-102.

"**Meeting**" means the annual general and special meeting of Jackpot Shareholders (including any adjournment(s) or postponement(s) of the Meeting) to be held on September 16, 2021 in accordance with the Interim Order.

"**Meeting Materials**" means the Notice of Meeting, the Circular and the form of proxy.

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.

"**Notice of Meeting**" means the notice of meeting which accompanies this Circular.

"**Online Gaming Software**" means all of the online gaming software and related assets held by Jackpot immediately prior to the Effective Date, which will be transferred to Yo Eleven pursuant to the Plan of Arrangement, as described under "*The Arrangement*" in this Circular.

"**Option Plan**" means the currently existing stock option plan of Jackpot.

"**Options**" means existing options to purchase Jackpot Shares granted by Jackpot pursuant to the Option Plan.

"**Person**" means and includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unlimited liability corporation, trustee, executor, administrator, legal representative, government (including any governmental authority) or any other entity, whether or not having legal status.

"**Plan of Arrangement**" means the plan of arrangement in substantially the form set out in Schedule "A" to the Arrangement Agreement which is attached as Schedule "B" to this Circular, as amended, modified or supplemented from time to time in accordance with the terms thereof.

"**Record Date**" means the close of business (Vancouver time) on July 21, 2021, being the record date to receive notice of and to vote at the Meeting.

"**Registered Jackpot Shareholder**" means a registered holder of Jackpot Shares as recorded on the Record Date in the shareholder register of Jackpot maintained by Jackpot's registrar and transfer agent.

"**Registrar**" means the Registrar of Companies for the Province of British Columbia.

"**RESP**" means a registered education savings plan.

"**RRIF**" means a registered retirement income fund.

"**RRSP**" means a registered retirement savings plan.

"**Schedules**" means the Schedules to this Circular which are incorporated in and form part of this Circular.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval as located at www.sedar.com.

"**Share Distribution Record Date**" means the record date for determining the Jackpot Shareholders who will receive Yo Eleven Shares on the Effective Date.

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1, as amended, including the regulations promulgated thereunder.

"**U.S. Exchange Act**" means the United States *Securities and Exchange Act of 1934*, as amended.

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

"**Warrants**" means outstanding warrants to purchase Jackpot Shares.

"**Yo Eleven**" or "**YO11**" means Yo Eleven Gaming Inc., a wholly-owned subsidiary of Jackpot incorporated under the BCBCA.

"**Yo Eleven Option Plan**" means the proposed stock option plan of Yo Eleven, similar in form and content to the Option Plan, which is subject to the approval of the Jackpot Shareholders.

"**Yo Eleven Shares**" means the common shares in the capital of Yo Eleven.

All references to "\$" or "dollars" in this Circular are to lawful currency of Canada unless otherwise expressly stated.

SUMMARY

The following is a summary of certain information contained elsewhere in this Circular, including the Schedules hereto and any documents incorporated by reference herein, and should be read together with the more detailed information contained or referred to elsewhere in the Circular, the Schedules hereto and any documents incorporated by reference herein.

The Meeting

The Meeting will be held on Thursday, September 16, 2021 at 11:00 a.m. (Vancouver time). The business to be transacted at the Meeting will be to consider and vote matters including the election of directors, the appointment of Jackpot's auditor, the approval of the Arrangement, the approval of the Yo Eleven Option Plan, the ratification of the Option Plan, and such other business as may properly come before the Meeting or any adjournment or postponement of the Meeting.

Jackpot Shareholders of record as of the close of business (Vancouver time) on July 21, 2021 will be entitled to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

The Arrangement

The purpose of the Arrangement is to restructure Jackpot by transferring the Online Gaming Software owned by Jackpot to its wholly-owned subsidiary, Yo Eleven, in consideration of the issuance of Yo Eleven Shares and to distribute the Yo Eleven Shares to the Jackpot Shareholders (other than Dissenting Jackpot Shareholders) at a deemed price of \$0.02 per Yo Eleven Share. As a result of the Arrangement, on the Effective Date, two companies will exist, Jackpot and Yo Eleven, and Yo Eleven will become a reporting issuer in British Columbia and Alberta. Yo Eleven will own all of Jackpot's interest in the Online Gaming Software. Jackpot will distribute the Yo Eleven Shares to the Jackpot Shareholders (other than Dissenting Jackpot Shareholders) as of the Share Distribution Record Date on the basis of one Yo Eleven Share for every five Jackpot Shares held. Following completion of the Arrangement, each Jackpot Shareholder will continue to be a shareholder of Jackpot.

The Arrangement will be carried out by statutory arrangement under Division 5 of Part 9 of the BCBCA involving the Company and Yo Eleven. The principal features of the Arrangement are summarized below, and the following is qualified in its entirety by reference to the full text of the Arrangement Agreement including the Plan of Arrangement attached as Schedule "A" to the Arrangement Agreement, which may be reviewed on SEDAR at www.sedar.com under the Company's profile. The Plan of Arrangement is also attached as Schedule "B" to this Circular.

Please see "*The Arrangement*" in this Circular and the Plan of Arrangement attached to this Circular as Schedule "B" for more information.

Benefits of the Arrangement

The Board believes that holding and developing the iGaming Business in a separate public company offers benefits to Jackpot and the Jackpot Shareholders, including the following:

1. The Arrangement will allow Jackpot's management to focus on the business of producing, leasing and selling electronic gaming tables.
2. The Arrangement will allow Yo Eleven's management to focus their efforts on developing the iGaming Business.
3. Jackpot can avoid dilution of the Jackpot Shares held by Jackpot Shareholders that would result from financing the iGaming Business in Jackpot.

4. The Arrangement will allow the Jackpot Shareholders to participate in the future development of the iGaming Business through a separate public company.
5. The Arrangement is expected to maximize shareholder value by allowing the market to value the respective businesses and assets of Jackpot and Yo Eleven separately.
6. Because Jackpot and Yo Eleven will be focused on separate businesses, they will be more readily understood by public investors, allowing each company to be better positioned to raise capital and align management and employee incentives with the interests of shareholders.
7. The Arrangement is intended to maximize value, allowing the iGaming Business to be advanced on a standalone basis, while giving the Jackpot Shareholders the opportunity of participating in both companies.

Please see "*The Arrangement – Benefits of the Arrangement*" for further information.

Recommendation of the Board of Directors

The Board has unanimously concluded that the terms of the Arrangement are fair and reasonable to, and in the best interests of, Jackpot and the Jackpot Shareholders. The Board has therefore approved the Arrangement and authorized the submission of the Arrangement to the Jackpot Shareholders and the Court for approval. **The Board recommends that Jackpot Shareholders vote FOR the approval of the Arrangement. See “The Arrangement – Recommendation of Directors”.**

Please see "*The Arrangement – Recommendation of the Board of Directors*" for more information.

Fairness of the Arrangement

The Arrangement was determined by the Board to be fair to the Jackpot Shareholders based upon the following factors, among others:

1. the procedures by which the Arrangement will be approved, including the requirement for 66 and 2/3rds Jackpot Shareholder approval and approval by the Court after a hearing at which fairness will be considered;
2. the possibility of pursuing a listing of the Yo Eleven Shares, on a stock exchange and the continued listing of the Jackpot Shares on the Exchange;
3. the opportunity for Jackpot Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to dissent from the approval of the Arrangement in accordance with the Interim Order, and to be paid fair value for their Jackpot Shares; and
4. each Jackpot Shareholder of record as of the Share Distribution Record Date, other than a Dissenting Jackpot Shareholder, will participate in the Arrangement on a pro-rata basis and, upon completion of the Arrangement, will continue to hold essentially the same pro-rata interest that such Jackpot Shareholder held in Jackpot prior to completion of the Arrangement and essentially a pro-rata interest in Yo Eleven through its direct holdings of Yo Eleven Shares rather than indirectly through Jackpot’s holding of Yo Eleven Shares.

Procedure for Arrangement to Become Effective

The Arrangement will be carried out pursuant to the BCBCA. Aside from the terms of the Interim Order which was obtained from the Court on August 6, 2021 and attached to this Circular as Schedule "C", the following procedural steps must be taken in order for the Arrangement to become effective:

1. the Arrangement must be approved by the Jackpot Shareholders;
2. if approved by the Jackpot Shareholders, and assuming all conditions to completion of the Arrangement, as set forth in the Arrangement Agreement, are satisfied or waived by the appropriate party, a hearing before the Court must be held to approve the Arrangement;

3. the Final Order must be issued by the Court and filed with the Registrar; and
4. the Arrangement must be approved by the Exchange.

Please see "*The Arrangement – Procedure for the Arrangement to Become Effective*" for further information.

Conditions to the Arrangement

The obligations of Jackpot and Yo Eleven to complete the Arrangement under the Arrangement Agreement are subject to the satisfaction or waiver of certain conditions, including, among others:

1. the Arrangement Resolution having been passed by the Jackpot Shareholders at the Meeting in the manner set out in the Interim Order and this Circular;
2. the Final Order having been received;
3. all other consents, orders, and approvals necessary or desirable for the completion of the Arrangement having been obtained or received;
4. there not being in force any order or decree restraining or enjoining the consummation of the Arrangement;
5. the Arrangement Agreement not having been terminated; and
6. Dissent Rights not having been exercised by Jackpot Shareholders holding more than 2% of the issued and outstanding Jackpot Shares.

Effect of the Arrangement on Convertible Securities

Options

The Options outstanding as of the Share Distribution Record Date will remain exercisable on the same terms and conditions as set forth in the Option Plan and option agreements and such terms and conditions will not change as a result of the Arrangement.

Warrants

The Warrants outstanding as of the Share Distribution Record Date will remain exercisable on the same terms and conditions as set forth in the certificates or other documents evidencing the Warrants and such terms and conditions will not change as a result of the Arrangement.

Convertible Debentures

The Debentures outstanding as of the Share Distribution Record Date which are convertible into Jackpot Shares will remain convertible on the same terms and conditions as set forth in the certificates or other documents evidencing the convertible Debentures and such terms and conditions will not change as a result of the Arrangement.

Please see "*The Arrangement – Effect of the Arrangement on Convertible Securities*".

Shareholder Approval

Pursuant to the BCBCA and the Articles of Jackpot, the Arrangement Resolution must be approved, with or without variation, by at least two-thirds of all votes cast with respect to the Arrangement Resolution by Jackpot Shareholders, present in person or by proxy at the Meeting.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Jackpot Shareholders, subject to the terms of the Arrangement, to decide not to proceed with the

Arrangement and to revoke such Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA.

Please see "*The Arrangement – Shareholder Approval*" for further information.

Court Approval

The Arrangement requires the approval of the Court. Prior to the mailing of the Circular, Jackpot obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters relating to the Arrangement. A copy of the Interim Order is attached hereto as Schedule "C". The Interim Order does not constitute approval of the Arrangement or the contents of this Circular by the Court.

Provided that the Arrangement Resolution is approved and certain other conditions are met, Jackpot will make an application to the Court for the Final Order. The Final Order is not effective until filed with the Registrar, and the Final Order will only be filed when all other conditions to closing of the Arrangement have been met. At the hearing for the Final Order any Jackpot Shareholder or director, creditor, auditor or other interested party of Jackpot has the right to appear, be heard and present evidence if such Person is of the view that his or her interests may be prejudiced by the Arrangement.

Please see "*The Arrangement – Court Approval*" for further information.

Approval of TSX Venture Exchange

The Arrangement is subject to receipt of the approval of the Exchange. The Jackpot Shares are currently listed and traded on the Exchange and will continue to be listed following completion of the Arrangement. The Yo Eleven Shares issued to Jackpot Shareholders pursuant to the Arrangement will not be listed on the Exchange or any other stock exchange at completion. Management of Yo Eleven expects to seek a listing of the Yo Eleven Shares on a stock exchange in the future, subject to raising capital and meeting applicable listing requirements.

Please see "*The Arrangement – Approval of the Exchange*" for further information.

Right to Dissent

Registered Jackpot Shareholders have the right to dissent with respect to the proposed Arrangement and to be paid the fair value of their Jackpot Shares upon strict compliance with the provisions of the Interim Order and applicable law. See "*Rights of Dissenting Jackpot Shareholders*". It is a condition of the Plan of Arrangement that Dissent Rights will not have been exercised for more than 2% of the outstanding Jackpot Shares.

Canadian Securities Law Considerations

The issuances of the Yo Eleven Shares pursuant to the Arrangement will be exempt from the registration and prospectus requirements of Canadian securities legislation. The Yo Eleven Shares may be resold in Canada, without significant restriction, provided the trade is not by a Control Person, no unusual effort is made to prepare the market or create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale. Any Jackpot Shares currently outstanding, which as of the Effective Time, contain hold period or resale restrictions upon such Jackpot Shares will continue to have such hold period and resale restrictions on the same terms.

Please see "*Certain Securities Law Matters – Canadian Securities Law Considerations*" for further information.

U.S. Securities Law Considerations

The Yo Eleven Shares to be issued to Jackpot Shareholders under the Arrangement will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be issued pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and exemptions under applicable state securities law. The Yo Eleven Shares held by holders who are not "affiliates" of Yo Eleven after completion of the Arrangement or affiliates of Jackpot or Yo Eleven within 90 days prior to completion of the Arrangement are not subject to restriction on resale under the U.S. Securities Act.

Please see "*Certain Securities Law Matters – U.S. Securities Law Considerations*" for further information.

Canadian Federal Income Tax Considerations

Canadian federal income tax considerations for Jackpot Shareholders who participate in the Arrangement or who dissent from the Arrangement are set out in the summary entitled "*Canadian Federal Income Tax Considerations*".

Jackpot Shareholders resident in Canada or elsewhere should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

U.S. Federal Income Tax Advisory

This Circular does not contain any discussion as to the application of the United States federal income tax, or the tax law of any state or other jurisdiction in the United States, in relation to the distribution of the Yo Eleven Shares as contemplated by the Arrangement. Accordingly, holders of Jackpot Shares resident in the United States should consult their own tax advisors for advice with respect to the application of U.S. tax law to the distribution of Yo Eleven Shares.

Stock Exchange Listing

The Jackpot Shares will continue to be listed on the Exchange following completion of the Arrangement.

The Yo Eleven Shares will not be listed on the Exchange as a result of the completion of the Arrangement. Management of Yo Eleven expects to seek a listing of the Yo Eleven Shares on a stock exchange in the future, subject to raising capital and meeting applicable listing requirements.

Information Concerning Jackpot and Yo Eleven

Please see "*Information Concerning Jackpot Post-Arrangement*" for a summary description of Jackpot, assuming completion of the Arrangement. In addition, please see "*Information Concerning Yo Eleven Post-Arrangement*" for a description of the properties, corporate structure and business, including pro forma unaudited financial information for Yo Eleven, assuming completion of the Arrangement.

Selected Unaudited Pro Forma Financial Information

The following information should be read in conjunction with the (a) unaudited pro forma financial statements of Yo Eleven following completion of the Arrangement, which are attached as Schedule "E" to this Circular; and (b) the unaudited interim financial statements of Jackpot for the three months ended March 31, 2021 and the MD&A filed in connection with the unaudited interim financial statements for the three months ended March 31, 2021, which are available on SEDAR at www.sedar.com and incorporated by reference herein.

Assuming that the Effective Date of the Arrangement was March 31, 2021, the following table sets out certain unaudited pro forma financial information for Yo Eleven and certain other adjustments.

Assets	Yo Eleven as of March 31, 2021 \$	Pro Forma Adjustments \$	Yo Eleven Upon Arrangement \$
Current Assets:			
Cash	10	(10)	-
Intangible assets	-	-	-
Total assets	10	(10)	-
Current liabilities:			
Accounts payable	-	-	-

Assets	Yo Eleven as of March 31, 2021 \$	<i>Pro Forma</i> Adjustments \$	Yo Eleven Upon Arrangement \$
Shareholders' equity:			
Share capital	10	(10)	-
Deficit	-	-	-
Total shareholders' equity	10	(10)	-
Total liabilities and shareholders' equity	10	(10)	-

The Board has determined that the share capital of Yo Eleven will be structured such that existing Jackpot Shareholders will receive one Yo Eleven Share for every five Jackpot Shares. It is anticipated that there are 84,517,674 Jackpot Shares issued and outstanding in Jackpot as at the closing of the Arrangement, hence if there are no Dissenting Jackpot Shareholders there will be approximately 16,903,535 Yo Eleven Shares issued to the Jackpot Shareholders at the time of closing of the Arrangement.

After giving effect to the proposed Arrangement, Yo Eleven intends to raise capital by equity or debt financing to fund the development of the online gaming business and provide working capital.

Timing

It is anticipated that the Arrangement will become effective shortly after the approvals of the Jackpot Shareholders, the Court and the Exchange have been obtained and all other conditions to the Arrangement have been satisfied or waived. It is anticipated that the Arrangement will become effective on or about October 4, 2021.

Risk Factors

In considering whether to vote for the approval of the Arrangement, Jackpot Shareholders should be aware that there are various risks, including those described in this Circular. Jackpot Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement. **For a description of material risk factors affecting Jackpot and Yo Eleven upon completion of the Arrangement, please see "Risk Factors".**

Accompanying Documents

This Circular is accompanied by several Schedules which are incorporated by reference into, form an integral part of, and should be read in conjunction with this Circular. It is recommended that Jackpot Shareholders read this Circular and the attached Schedules in their entirety.

MANAGEMENT INFORMATION CIRCULAR
(containing information as at July 21, 2021 unless indicated otherwise)

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished to Jackpot Shareholders in connection with the solicitation of proxies by the Board and management of Jackpot Digital Inc. (“Jackpot”) for use at the Meeting to be held on Thursday, September 16, 2021 at 7:00 – 5:00 P.M. (Vancouver time) for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. The enclosed form of proxy is solicited by management of Jackpot. The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers and employees of Jackpot. The cost of solicitation will be borne by Jackpot.

Caution Concerning Covid-19 Pandemic

At the date of this Circular it is the intention of Jackpot to hold the Meeting at the location stated above in the Notice of Meeting. We are continuously monitoring the development of the current coronavirus disease (“**COVID-19**”) Pandemic. In light of the rapidly evolving public health guidelines related to COVID-19, we ask Jackpot Shareholders to consider voting their Jackpot Shares by proxy and not attend the meeting in person. Those Jackpot Shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada available at: <https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>. We ask that Jackpot Shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All Jackpot Shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Circular.

Jackpot reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 Pandemic, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, Jackpot will announce any and all of these changes by way of news release, which will be filed under Jackpot’s profile on SEDAR as well as on our Company website at www.jackpotdigital.com. We strongly recommend you check Jackpot’s website prior to the Meeting for the most current information. **IN THE EVENT OF ANY CHANGES TO THE MEETING FORMAT DUE TO THE COVID-19 PANDEMIC, THE COMPANY WILL NOT PREPARE OR MAIL AN AMENDED NOTICE, INFORMATION CIRCULAR OR MEETING MATERIALS.**

Appointment and Revocation of Proxies

The persons named in the accompanying form of proxy are directors and/or officers of Jackpot. **A JACKPOT SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A JACKPOT SHAREHOLDER) TO ATTEND AND ACT FOR HIM ON HIS/HER BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED PROXY. TO EXERCISE THIS RIGHT, A JACKPOT SHAREHOLDER MUST STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AND INSERT THE NAME OF HIS/HER NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER FORM OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE COMPANY’S REGISTRAR AND TRANSFER AGENT, COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO, M5J 2Y1, OR BY TOLL FREE FAX AT 1-866-249-7775 NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF.**

The proxy must be signed and dated by the Jackpot Shareholder or by his or her attorney in writing, or, if the Jackpot Shareholder is a Corporation, it must either be under its common seal or signed by a duly authorized officer.

A Jackpot Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Jackpot Shareholder or by his or her attorney authorized in writing, or, if the Jackpot Shareholder is a Corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited at Jackpot's Registrar and Transfer Agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed form of proxy will vote the Jackpot Shares in respect of which they are appointed. Where directions are given by the Jackpot Shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH JACKPOT SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS CIRCULAR. The form of proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, the Management of Jackpot is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than one-half of the votes cast will be required unless the motion requires a Special Resolution, in which case a majority of not less than two thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Jackpot Shareholder approval, Jackpot Shares held by Jackpot Shareholders who have an interest in the motion and their "associates", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

Advice to Beneficial Jackpot Shareholders

The information set forth in this section is of significant importance to many Jackpot Shareholders as a substantial number of Jackpot Shareholders do not hold Jackpot Shares in their own name. If you are a Beneficial Jackpot Shareholder who does not hold your Jackpot Shares in your own name, you should note that only proxies deposited by Jackpot Shareholders whose names appear on the records of Jackpot as the registered holders of Jackpot Shares can be recognized and acted upon at the Meeting. If Jackpot Shares are listed in an account statement provided to a Jackpot Shareholder by a broker, then, in almost all cases, those Jackpot Shares will not be registered in the Jackpot Shareholder's name on the records of Jackpot. Such Jackpot Shares will more likely be registered under the name of the Jackpot Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Jackpot Shares are registered under the name CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). The Jackpot Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Jackpot Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Jackpot Shareholders should ensure that instructions respecting the voting of their Jackpot Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Jackpot Shareholders in advance of Jackpot Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Jackpot Shareholders in order to ensure that their Jackpot Shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Jackpot Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the Jackpot Shares on how to vote such Jackpot Shares on behalf of the Beneficial Jackpot Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Jackpot Shareholders and asks those Beneficial Jackpot Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the Jackpot Shares to be represented at the Meeting. **A Beneficial Jackpot**

Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote Jackpot Shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such Jackpot Shares are voted.

Although Beneficial Jackpot Shareholders may not be recognized directly at the Meeting for the purpose of voting Jackpot Shares registered in the name of their broker, agent or nominee, a Beneficial Jackpot Shareholder may attend the Meeting as a proxyholder for a Jackpot Shareholder and vote Jackpot Shares in that capacity. Beneficial Jackpot Shareholders who wish to attend the Meeting and indirectly vote their Jackpot Shares as proxyholder for the registered Jackpot Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Jackpot Shares as a proxyholder.

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

NOTICE AND ACCESS

Effective February 11, 2013, the Canadian Securities Administrators adopted regulatory amendments to securities laws governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to advise their shareholders of the availability of all proxy-related materials on an easily accessible website, rather than mailing physical copies of materials.

Jackpot elected to use the “notice and access” provisions under NI 54-101 for the Meeting and has decided to deliver the Meeting Materials to Jackpot Shareholders by posting the Meeting Materials on its website (www.jackpotdigital.com) as of August 16, 2021 or earlier and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at www.sedar.com as of August 16, 2021 or earlier.

VOTING SHARES AND PRINCIPAL JACKPOT SHAREHOLDERS

Jackpot’s authorized capital consists of an unlimited number of common shares without par value. As of the Record Date, Jackpot has 84,517,674 Jackpot Shares issued and outstanding, each Jackpot Share carrying the right to one vote.

Any Jackpot Shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a proxy in the manner and subject to the provisions described above, will be entitled to vote or to have such Jackpot Shareholder’s Jackpot Shares voted at the Meeting or adjournment thereof.

To the best of the knowledge of Jackpot's directors and senior officers, the following Person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the issued and outstanding Jackpot Shares:

Name of Jackpot Shareholder	Number of Jackpot Shares	Percentage of Issued and Outstanding Jackpot Shares
AlphaNorth Partners Fund Inc. and AlphaNorth Asset Management Inc. 130 King Street West, Suite 2210 Toronto, ON M5X 1E4	13,004,290	15.39%

THE ARRANGEMENT

General

The purpose of the Arrangement is to facilitate the separation of the Company's primary business of manufacturing, leasing and selling of electronic table games for casinos and cruise ships from the development of the iGaming Business. Pursuant to the Arrangement, Jackpot will transfer Jackpot’s Online Gaming Software to Yo Eleven, currently its wholly-owned subsidiary, in consideration of the issuance of Yo Eleven Shares. Upon the Arrangement becoming effective, Non-Dissenting Jackpot Shareholders of record on the Share Distribution Record Date will become shareholders in both Jackpot and Yo Eleven and will receive one Yo Eleven Share for every five Jackpot Shares held by such Jackpot Shareholder on the Share Distribution Record Date at a deemed price of \$0.02 per Yo Eleven Share. No fractional Yo Eleven Shares will be distributed to the Jackpot Shareholders and as a result all fractional share amounts will be rounded down to the nearest whole number. Any Yo Eleven Shares not distributed as a result of this rounding down

will be dealt with as determined by the Board in its absolute discretion. Following the Arrangement, Jackpot will continue to focus on the manufacturing, leasing and selling of electronic table games for casinos and cruise ships and Yo Eleven will focus on the development of the iGaming Business.

Benefits of the Arrangement

The Board believes that holding and developing the Online Gaming Software and the iGaming Business in a separate public company offers benefits to Jackpot and the Jackpot Shareholders, including the following:

1. The Arrangement will allow Jackpot's management to focus on the business of manufacturing, leasing and selling electronic gaming tables.
2. The Arrangement will allow Yo Eleven's management to focus their efforts on developing the iGaming Business.
3. Jackpot can avoid dilution of the Jackpot Shares held by Jackpot Shareholders that would result from financing the iGaming Business in Jackpot.
4. The Arrangement will allow the Jackpot Shareholders to participate in the future development of the iGaming Business through a separate public company.
5. The Arrangement is expected to maximize shareholder value by allowing the market to value the respective businesses and assets of Jackpot and Yo Eleven separately.
6. Because Jackpot and Yo Eleven will be focused on separate businesses, they will be more readily understood by public investors, allowing each company to be better positioned to raise capital and align management and employee incentives with the interests of shareholders.
7. The Arrangement is intended to maximize value, allowing the iGaming Business to be advanced on a standalone basis, while giving the Jackpot Shareholders the opportunity of participating in both companies.

Fairness of the Arrangement

The Arrangement was determined by the Board to be fair to the Jackpot Shareholders based upon the following factors, among others:

1. the procedures by which the Arrangement will be approved, including the requirement for two-thirds Jackpot Shareholder approval and approval by the Court after a hearing at which fairness will be considered;
2. the possibility of pursuing a listing of the Yo Eleven Shares on a stock exchange and the continued listing of the Jackpot Shares on the Exchange;
3. the opportunity for Jackpot Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to dissent from the approval of the Arrangement in accordance with the Interim Order and the Plan of Arrangement, and to be paid fair value for their Jackpot Shares; and
4. each Jackpot Shareholder of record as of the Share Distribution Record Date, other than a Dissenting Jackpot Shareholder, will participate in the Arrangement on a pro-rata basis and, upon completion of the Arrangement, will continue to hold essentially the same pro-rata interest that such Jackpot Shareholder held in Jackpot prior to completion of the Arrangement and essentially a pro-rata interest in Yo Eleven through its direct holdings of Yo Eleven Shares rather than indirectly through Jackpot's holding of Yo Eleven Shares.

Recommendation of the Board of Directors

The Board has considered the proposed Arrangement with Yo Eleven on the terms and conditions as provided in the Arrangement Agreement. **The Board determined unanimously that the Arrangement is in the best interests of Jackpot and is fair from a financial point of view to the Jackpot Shareholders. The Board recommends that Jackpot Shareholders vote in favour of the Arrangement.**

In arriving at its conclusion, the Board considered the following, among other things:

1. the Arrangement will create a structure which (i) isolates and emphasizes the iGaming Business, and (ii) selectively reduces the dilution of the Jackpot Shareholders' interest in the remaining assets of Jackpot;
2. the terms of the Arrangement will result in Jackpot Shareholders continuing to own an interest in all of the assets currently held by Jackpot, through each Jackpot Shareholder's respective ownership of Yo Eleven Shares;
3. current industry, economic and market conditions and trends;
4. each Jackpot Shareholder of record as of the Share Distribution Record Date, other than a Dissenting Jackpot Shareholder, will participate in the Arrangement on a *pro-rata* basis and, upon completion of the Arrangement, will continue to hold substantially the same *pro-rata* interest that such Jackpot Shareholder held in the Company prior to completion of the Arrangement and a substantial *pro-rata* interest in Yo Eleven through its direct holdings of Yo Eleven Shares; and
5. the procedures by which the Arrangement is to be approved, including the requirement for approval by special resolution of the Jackpot Shareholders at the Meeting and by the Court after a hearing at which fairness will be considered.

Steps of the Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Arrangement Agreement, which may be reviewed on SEDAR at www.sedar.com under the Company's profile, and the Plan of Arrangement, which is attached as Schedule "A" to the Arrangement Agreement and also as Schedule "B" to this Circular. Each of these documents should be read carefully in their entirety.

Pursuant to the Plan of Arrangement, except for Dissent Jackpot Shares, and in a transaction outside the ordinary course of its business, the following principal steps will occur and be deemed to occur in the following chronological order as part of the Arrangement:

1. 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;
2. 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 step 3 below;
3. the Yo Eleven Shares will be distributed to the Jackpot Shareholders (other than Dissenting Jackpot Shareholders) in satisfaction of the reduction in paid-up capital in step 2 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 Jackpot Shareholders will be registered in the name of such Jackpot Shareholders;
4. the capital account in respect of the Jackpot Shares will be adjusted to reflect the reduction in step 2 above;
5. the Yo Eleven Shares held by Jackpot prior to the step described in step 1 above will be cancelled and Jackpot will be removed from the central securities register of Yo Eleven; and
6. the Yo Eleven Shares distributed to the Jackpot Shareholders pursuant to step 3 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.

Each Dissent Jackpot Share in respect of which a Jackpot Shareholder has validly exercised the Dissent Right in accordance with the Dissent Procedures 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 Jackpot Share in accordance with the Plan of Arrangement, net of any applicable withholding tax, and such Dissent Jackpot Share will be cancelled. See "*Rights of Dissenting Jackpot Shareholders*".

Effect of the Arrangement on Convertible Securities

Options

The Options outstanding as of the Share Distribution Record Date will remain exercisable on the same terms and conditions as set forth in the Option Plan and option agreements and such terms and conditions will not change as a result of the Arrangement.

Warrants

The Warrants outstanding as of the Share Distribution Record Date will remain exercisable on the same terms and conditions as set forth in the certificates or other documents evidencing the Warrants and such terms and conditions will not change as a result of the Arrangement.

Convertible Debentures

The Debentures outstanding as of the Share Distribution Record Date which are convertible into Jackpot Shares will remain convertible on the same terms and conditions as set forth in the certificates or other documents evidencing the convertible Debentures and such terms and conditions will not change as a result of the Arrangement.

Authority of the Board

By passing the Arrangement Resolution, the Jackpot Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause Jackpot to complete the Arrangement without any requirement to seek or obtain any further approval of the Jackpot Shareholders.

The Arrangement Resolution also provides that the Arrangement Agreement or the Plan of Arrangement may be amended by the Board before or after the Meeting without further notice to Jackpot Shareholders.

Conditions of the Arrangement

The Arrangement Agreement provides that completion of the Arrangement will be subject to the fulfillment or waiver of certain conditions, including the following mutual conditions:

1. the Arrangement Resolution having been passed by the Jackpot Shareholders at the Meeting in the manner set out in the Interim Order and this Circular;
2. the Final Order having been received;
3. all other consents, orders, and approvals necessary or desirable for the completion of the Arrangement having been obtained or received, including approvals of the Exchange and the Court;
4. there not being in force any order or decree restraining or enjoining the consummation of the Arrangement;
5. the Arrangement Agreement not having been terminated; and
6. Dissent Rights not having been exercised by Jackpot Shareholders holding more than 2% of the issued and outstanding Jackpot Shares.

If any of the conditions set out in the Arrangement Agreement is not fulfilled or waived, the Arrangement Agreement may be terminated, or in certain cases Jackpot or Yo Eleven, as the case may be, may waive the condition in whole or in part. There is no assurance that these conditions will be fulfilled or waived on a timely basis. As soon as practicable after the fulfillment of the conditions contained in the Arrangement Agreement, the Board intends to cause a certified copy of the Final Order to be filed with the Registrar under the BCBCA, together with such other material as may be required by the Registrar, in order that the Arrangement will become effective.

If the Arrangement is not completed, Jackpot will continue to hold the Online Gaming Software in the same manner it presently does and Yo Eleven will continue as a private company.

Covenants of Jackpot in the Arrangement Agreement

In addition to the terms and conditions of the Arrangement Agreement set out elsewhere in this Circular, the Arrangement Agreement contains covenants of Jackpot and Yo Eleven described below and other additional terms. The description of the Arrangement Agreement, both below and elsewhere in this Circular, is summary only, not comprehensive and is qualified in its entirety by reference to the terms of the Arrangement Agreement which may be found on SEDAR at <http://www.sedar.com> under Jackpot's profile.

From the date of the Arrangement Agreement until the Effective Date, Jackpot and Yo Eleven will use all reasonable efforts to satisfy (or cause the satisfaction of) the conditions to its respective obligations under the Arrangement Agreement and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws to complete the Arrangement, including using reasonable efforts:

1. to obtain all necessary waivers, consents and approvals required to be obtained by it from the Exchange, the Jackpot Shareholders and the Court;
2. to take such measures as may be appropriate to fulfill its obligations under the Arrangement Agreement and to carry out the transactions contemplated by the Arrangement Agreement; and
3. to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by Jackpot in connection with the Arrangement.

Shareholder Approval

Pursuant to the terms of the Interim Order, the Arrangement Resolution must, subject to further order of the Court, be approved by at least two-thirds of the votes cast by the Jackpot Shareholders, voting as a single class, present in person or by proxy at the Meeting. The Arrangement Resolution authorizes the Board, without further notice to or approval of the Jackpot Shareholders, subject to the terms of the Arrangement, to amend the Arrangement Agreement or to decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA.

If Jackpot Shareholders fail to approve the Arrangement Resolution at the Meeting, the Arrangement will be terminated.

Court Approval

On August 6, 2021, Jackpot obtained the Interim Order, which is attached to this Circular as Schedule "C", authorizing the calling and holding of the Meeting and prescribing the conduct of the Meeting. The Interim Order does not constitute approval of the Plan of Arrangement or the contents of this Circular by the Court.

The issuance of Yo Eleven Shares pursuant to the Arrangement will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be effected in reliance upon the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) thereof and exemptions provided under the securities laws of each state of the United States in which Jackpot Shareholders reside. Section 3(a)(10) of the U.S. Securities Act exempts from registration the issuance of a security that is issued in exchange for bona fide outstanding securities, claims or property interests where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear and receive timely notice thereof, by a court or by a governmental authority authorized by law to grant such approval. The Court has been advised that if the terms and conditions of the Arrangement are approved by the Court, the Yo Eleven Shares issued pursuant to the Arrangement will not require registration under the U.S. Securities Act. Accordingly, the Final Order of the Court will, if granted, constitute the basis for an exemption from the registration requirements of the U.S. Securities Act with respect to the issuance of the Yo Eleven Shares to Jackpot Shareholders in connection with the Arrangement.

Subject to the terms of the Arrangement Agreement and provided that the Arrangement Resolution is approved and certain other conditions are met, Jackpot will make an application to the Court for the Final Order. The Final Order is not effective until filed with the Registrar, and the Final Order will only be filed when all other conditions to closing of the Arrangement have been met. At the

hearing for the Final Order subject to filing and serving an appearance and satisfying any other applicable requirements, any Jackpot Shareholder or director, creditor, auditor or other interested party of Jackpot has the right to appear in person or by counsel, be heard and present evidence if such Person is of the view that his or her interests may be prejudiced by the Arrangement,

At the hearing for the Final Order, the Court will also consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every Person affected. The Court has broad discretion under the BCBCA when making orders with respect to arrangements. The Court may approve the Arrangement either as proposed, or make the Arrangement subject to such terms and conditions as the Court considers appropriate, or may dismiss the application. Depending upon the nature of any required amendments, Jackpot may determine not to proceed with the Arrangement if any amendment ordered by the Court is not satisfactory to Jackpot.

Approval of the TSX Venture Exchange

The Arrangement is subject to receipt of the approval of the Exchange. The Jackpot Shares are currently listed and traded on the Exchange and will continue to be listed following completion of the Arrangement. The Yo Eleven Shares issued to Jackpot Shareholders pursuant to the Arrangement will not be listed on the Exchange or any other stock exchange, however, management of Yo Eleven expects to seek a listing of the Yo Eleven Shares on a stock exchange in the future, subject to raising capital and meeting applicable listing requirements.

Proposed Timetable for Arrangement

The anticipated timetable for the completion of the Arrangement and the key dates proposed are as follows:

	Date
Meeting Date	September 16, 2021
Hearing for Final Court Approval	On or about September 22, 2021
Share Distribution Record Date	On or about October 4, 2021
Effective Date of the Arrangement	On or about October 8, 2021
Delivery of Yo Eleven Share Certificates or DRS Statements to Jackpot Shareholders	As soon as practicable after the Effective Date

Notice of the actual Share Distribution Record Date and Effective Date will be given to the Jackpot Shareholders through one or more press releases. The boards of directors of the Company and Yo Eleven will determine the Effective Date depending upon satisfaction or waiver of the conditions to the completion of the Arrangement.

Yo Eleven Share Certificates

As soon as practicable after the Effective Date, share certificates representing the appropriate number of Yo Eleven Shares will be sent to all Non-Dissenting Jackpot Shareholders of record on the Share Distribution Record Date.

Expenses of Arrangement

Pursuant to the Arrangement Agreement, the costs relating to the Arrangement, including without limitation, financial, advisory, accounting and legal fees, will be borne by Jackpot.

CERTAIN SECURITIES LAW MATTERS

Canadian Securities Law Considerations

The distribution of the Yo Eleven Shares pursuant to the Arrangement will be made pursuant to exemptions from the prospectus requirements contained in applicable Canadian securities laws. With certain exceptions, the Yo Eleven Shares may generally be resold in each of the provinces of Canada provided the trade is not a “control distribution” as defined in National Instrument 45-102 – *Resale of Securities* of the Canadian Securities Administrators, no unusual effort is made to prepare the market or create a demand for those securities, no extraordinary commission or consideration is paid to a person or company in respect of the trade and, if the selling

security holder is an insider or officer of Yo Eleven, the insider or officer has no reasonable grounds to believe that Yo Eleven is in default of securities legislation.

The foregoing discussion is only a general overview of the requirements of Canadian securities laws related to the resale of the Yo Eleven Shares received upon completion of the Arrangement. All Jackpot Shareholders are urged to consult with their own legal counsel to ensure that any resale of their Yo Eleven Shares complies with applicable securities laws.

U.S. Securities Law Considerations

The Yo Eleven Shares to be issued to the Jackpot Shareholders under the Arrangement have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state of the United States, and will be issued to Jackpot Shareholders in reliance on the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act and exemptions provided under the securities laws of each state of the United States in which Jackpot Shareholders reside. Section 3(a)(10) of the U.S. Securities Act exempts from registration the issuance of a security that is issued in exchange for bona fide outstanding securities, claims or property interests where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear and receive timely notice thereof, by a court or by a governmental authority authorized by law to grant such approval. Accordingly, the Final Order will, if granted, constitute the basis for an exemption from the registration requirements of the U.S. Securities Act with respect to the issuance of the Yo Eleven Shares to Jackpot Shareholders in connection with the Arrangement.

The solicitation of proxies for the Meeting is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. U.S. Jackpot Shareholders should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. Specifically, information concerning the operations of Jackpot and Yo Eleven contained in this Circular has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States disclosure standards. The Yo Eleven Shares will not be listed for trading on any United States stock exchange. The unaudited pro forma and audited and unaudited historical financial statements of Jackpot and Yo Eleven included, or incorporated by reference, in this Circular have been prepared in accordance with IFRS and are subject to Canadian auditing and auditor independence standards, which differ from United States GAAP and United States auditing and auditor independence standards in certain material respects, and thus may not be comparable to financial statements of United States companies.

The enforcement by investors of civil liabilities under the United States securities laws may be affected adversely by the fact that Jackpot and Yo Eleven are organized under the laws of Canada, that their officers and directors are, or will be, primarily residents of countries other than the United States, that the experts named in this Circular are residents of countries other than the United States, and that all or substantial portions of the assets of Jackpot, Yo Eleven and such other persons are, or will be, located outside the United States.

The Yo Eleven Shares will be freely tradable under U.S. federal securities laws, except by persons who are "affiliates" of Jackpot or Yo Eleven within 90 days prior to completion of the Arrangement or "affiliates" of Yo Eleven following completion of the Arrangement. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

Subject to certain limitations, such affiliates may immediately resell Yo Eleven Shares outside the United States without registration under the U.S. Securities Act pursuant to Regulation S under the U.S. Securities Act. Yo Eleven Shares held by such affiliates may also be resold in compliance with the resale provisions of Rule 145(d)(1), (2), or (3) under the U.S. Securities Act or as otherwise permitted under the U.S. Securities Act. Rule 145(d)(1) generally provides that such affiliates may not sell the Yo Eleven Shares received pursuant to the Arrangement unless pursuant to an effective registration statement or in accordance with the volume, current public information and manner of sale limitations of Rule 144 under the U.S. Securities Act.

THE YO ELEVEN SHARES ISSUABLE BY YO ELEVEN IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE PASSED UPON THE

FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

The foregoing discussion is only a general overview of certain requirements of United States securities laws applicable to the Yo Eleven Shares to be received by Jackpot Shareholders under the Arrangement. **All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.**

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Jackpot Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. No representation with respect to the Canadian federal income tax consequences to any particular Jackpot Shareholder is made in this Circular. Accordingly, Jackpot Shareholders should consult their own tax advisors with respect to their particular circumstances including, where relevant, the application and effect of the income and other taxes of any country, province, territory, state or local tax authority.

The following summarizes the principal Canadian federal income tax considerations relating to the Arrangement applicable to a Jackpot Shareholder (in this summary, a “**Holder**”) who, at all material times for purposes of the Tax Act:

1. holds all Jackpot Shares, and will hold all Yo Eleven Shares solely as capital property;
2. deals at arm’s length with Jackpot and Yo Eleven;
3. is not “affiliated” with Jackpot or Yo Eleven;
4. is not a “financial institution” for the purposes of the mark-to-market rules in the Tax Act;
5. has not elected to report its "Canadian tax results" in a currency other than Canadian dollars;
6. has not entered or will not enter into a "derivative forward agreement" in respect of its Jackpot Shares;
7. is not a person or partnership an interest in which is a "tax shelter investment"; and
8. has not acquired Jackpot Shares on the exercise of an employee stock option.

Jackpot Shares and Yo Eleven Shares generally will be considered to be capital property of the Holder unless the Holder holds the shares in the course of carrying on a business or acquired them in a transaction considered to be an adventure in the nature of trade.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the “**Regulations**”) and management’s understanding of the current administrative practices and policies of the Canada Revenue Agency (the “**CRA**”). It also takes into account specific proposals to amend the Tax Act and Regulations (the “**Proposed Amendments**”) announced by the Minister of Finance (Canada) prior to the date of this Circular. It is assumed that all Proposed Amendments will be enacted in their present form, and that there will be no other relevant change to any relevant law or administrative practice, although no assurances can be given in these respects. This summary does not take into account any provincial, territorial, or foreign income tax considerations which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of the Arrangement.

This summary also assumes that at the Effective Date under the Arrangement and all other material times thereafter, the paid-up capital of the Jackpot Shares as computed for the purposes of the Tax Act will not be less than the fair market value of the Online Gaming Software to be transferred to Yo Eleven pursuant to the Arrangement, and is qualified accordingly. Jackpot expects that the fair market value at the Effective Date of the Yo Eleven Shares distributed to Jackpot Shareholders under the Arrangement will not exceed the paid-up capital as computed for the purposes of the Tax Act of the Jackpot Shares.

This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, and should not be construed to be, legal or tax advice to any Holder. Accordingly, Holders should each consult their own tax and legal advisers for advice as to the income tax consequences of the Arrangement applicable to them in their particular circumstances.

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the application of the Tax Act is, or is deemed to be, resident in Canada (a “**Resident Holder**”). Certain Resident Holders whose Jackpot Shares or Yo Eleven Shares might not otherwise qualify as capital property may be entitled to have such shares, and every other “Canadian security” (as defined in the Tax Act) owned by them in the taxation year and any subsequent taxation year, deemed to be capital property by making an irrevocable election in accordance with subsection 39(4) of the Tax Act. Resident Holders considering making such an election should consult their own tax advisors for advice as to whether the election is available or advisable in their own particular circumstances.

Distribution of Yo Eleven Shares

A Resident Holder who receives Yo Eleven Shares pursuant to the Arrangement will be deemed to have received a taxable dividend equal to the amount, if any, by which the fair market value of the Yo Eleven Shares distributed to the Resident Holder exceeds the paid-up capital as computed for purposes of the Tax Act of the Resident Holder's Shares at that time. Jackpot expects that the fair market value of the Yo Eleven Shares distributed to Jackpot Shareholders under the Arrangement will not exceed the paid-up capital as computed for purposes of the Tax Act of the Jackpot Shares. Accordingly, Jackpot does not expect that any Resident Holder will be deemed to receive a taxable dividend as a result of the Arrangement. However, if the fair market value of the Yo Eleven Shares is substantially greater than Jackpot's internal valuations, Resident Holders may be deemed to receive a taxable dividend as a result of Yo Eleven Shares being distributed pursuant to the Arrangement. Resident Holders should consult their own tax advisors concerning the taxation of any such taxable dividend having regard to their own circumstances.

A Resident Holder who receives Yo Eleven Shares pursuant to the Arrangement will realize a capital gain equal to the amount, if any, by which the fair market value of those Yo Eleven Shares at the time of the distribution, less the amount of any taxable dividend deemed to be received by the Resident Holder as described in the preceding paragraph, exceeds the adjusted cost base (“**ACB**”) of the Resident Holder's Jackpot Shares determined immediately before such distribution.

Any deemed dividend received by a Resident Holder and any capital gain or capital loss realized by the Resident Holder, as described above, will generally be treated in the same manner as described under “Taxation of Dividends on Yo Eleven Shares” and “Taxation of Capital Gains and Losses” below.

Each Resident Holder will acquire the Yo Eleven Shares received pursuant to the Arrangement at a cost equal to their fair market value at that time.

Disposition of Yo Eleven Shares

A Resident Holder who disposes of a Yo Eleven Share will realize a capital gain (capital loss) equal to the amount by which the proceeds of disposition of the Yo Eleven Share, less reasonable costs of disposition, exceed (are exceeded by) the ACB of the Yo Eleven Share to the Resident Holder determined immediately before the disposition. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below.

Taxation of Capital Gains and Losses

A Resident Holder who realizes a capital gain (capital loss) in a taxation year must include one half of the capital gain (“**taxable capital gain**”) in income for the year, and may deduct one half of the capital loss (“**allowable capital loss**”) against taxable capital gains realized in the year, and to the extent not so deductible, against taxable capital gains arising in any of the three preceding taxation years or any subsequent taxation year.

The amount of any capital loss arising from a disposition or deemed disposition of a Jackpot Share and a Yo Eleven Share by a Resident Holder that is a corporation may, to the extent and under circumstances specified in the Tax Act, be reduced by the amount of certain dividends received or deemed to be received by the corporation on the share. Similar rules may apply if the corporation is

a member of a partnership or beneficiary of a trust that owns shares, or where a partnership or trust of which the corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns shares.

A Resident Holder that is a “Canadian-controlled private corporation” for the purposes of the Tax Act may be required to pay an additional refundable tax of 10 $\frac{2}{3}$ % on its "aggregate investment income", which includes taxable capital gains, for the year.

Taxation of Dividends on Yo Eleven Shares

A Resident Holder who is an individual will be required to include in income any dividends received or deemed to be received on the Resident Holder’s Yo Eleven Shares and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by Yo Eleven as “eligible dividends”, as defined in the Tax Act. There may be limitations on the ability of Yo Eleven to designate dividends as eligible dividends.

A Resident Holder that is a corporation will be required to include in income any dividend that it receives or is deemed to be received on the Resident Holder’s Yo Eleven Shares and generally will be entitled to deduct an equivalent amount in computing its taxable income. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A “private corporation” or a “subject corporation” (as defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on any dividend that it receives or is deemed to receive on Yo Eleven Shares to the extent that the dividend is deductible in computing the corporation’s taxable income.

Taxable dividends received by an individual or trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act.

Alternative Minimum Tax on Individuals

A capital gain realized, or deemed to be realized, by a Resident Holder who is an individual (including certain trusts and estates) may give rise to liability to alternative minimum tax under the Tax Act.

Dissenting Resident Holders

A Resident Holder who validly exercises the Dissent Right in respect of the Arrangement (a “**Dissenting Resident Holder**”) and who disposes of Jackpot Shares in consideration for a cash payment from Jackpot will be deemed to have received a dividend from Jackpot equal to the amount by which the cash payment (other than any portion of the payment that is interest awarded by a court) exceeds the paid-up capital (computed for the purpose of the Tax Act) of the Dissenting Resident Holder’s Shares. The balance of the payment (equal to the paid-up capital computed for purposes of the Tax Act of the Dissenting Resident Holder’s Shares) will be treated as proceeds of disposition. The Dissenting Resident Holder will also realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the ACB of the Dissenting Resident Holder’s Shares. In certain circumstances, the full payment received by a Dissenting Resident Holder that is a corporation resident in Canada may be treated under the Tax Act as proceeds of disposition.

Any deemed dividend received by a Dissenting Resident Holder and any capital gain or capital loss realized by the Dissenting Resident Holder, will generally be treated in the same manner as described under “Dividends on Yo Eleven Shares” and “Taxation of Capital Gains and Losses” above.

A Dissenting Resident Holder will be required to include in computing its income any interest awarded by a court in connection with the Arrangement. In addition, a Dissenting Resident Holder that, throughout the relevant taxation year, is a “Canadian controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on its “aggregate investment income” (as defined in the Tax Act), including any taxable capital gains and interest income. Dissenting Resident Holders should consult their own tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.

Eligibility for Investment

Based on the current provisions of the Tax Act, the Yo Eleven Shares will be qualified investments under the Tax Act for trusts governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a deferred profit sharing

plan, a registered education savings plan, a registered disability savings plan or a tax-free savings account (“TFSA”) (each as defined in the Tax Act), at any particular time, provided that, at that time, the Yo Eleven Shares are listed on a “designated stock exchange” or Yo Eleven is a “public corporation” (each as defined in the Tax Act).

Notwithstanding that Yo Eleven Shares may be qualified investments for a trust governed by a RRSP, RRIF or TFSA, the annuitant under an RRSP or RRIF, or the holder of a TFSA, will be subject to a penalty tax on such shares if such shares are a “prohibited investment” (as defined in subsection 207.01(1) of the Tax Act). The Yo Eleven Shares will generally not be a “prohibited investment” for a trust governed by a TFSA, RRSP or RRIF provided that (i) the holder of the TFSA or the annuitant under the RRSP or the RRIF, as the case may be, deals at arm’s length with Yo Eleven for purposes of the Tax Act and does not have a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in Yo Eleven, or (ii) the Yo Eleven Shares are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for the TFSA, RRSP or RRIF. An annuitant under the RRSP or RRIF, or a holder of a TFSA should consult its own tax advisor in this regard.

Other Tax Considerations

This Circular does not address any tax considerations of the Arrangement other than certain Canadian income tax considerations. Holders of securities who are resident in jurisdictions other than Canada should consult their own tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements in such jurisdictions and with respect to the tax implications in such jurisdictions of owning Yo Eleven Shares after the Arrangement. Holders of securities should also consult their own tax advisors regarding provincial, territorial or state tax considerations of the Arrangement or of holding Yo Eleven Shares.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for the purposes of the application of the Tax Act, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, the Jackpot Shares or Yo Eleven Shares in a business carried on in Canada (a “**Non-Resident Holder**”). Special rules, which are not discussed in this summary, may apply to certain holders that are insurers carrying on an insurance business in Canada and elsewhere or an “authorized foreign bank” (as defined in the Tax Act).

Distribution of Yo Eleven Shares

A Non-Resident Holder who receives Yo Eleven Shares pursuant to the Arrangement will be deemed to have received a taxable dividend equal to the amount, if any, by which the fair market value of the Yo Eleven Shares distributed to the Non-Resident Holder exceeds the paid-up capital as computed for purposes of the Tax Act of the Non-Resident Holder's Shares at that time. Any such taxable dividend will be taxable as described below under "Taxation of Dividends". Jackpot expects that the fair market value of the Yo Eleven Shares distributed to Jackpot Shareholders under the Arrangement will not exceed the paid-up capital as computed for purposes of the Tax Act of the Jackpot Shares. Accordingly, Jackpot does not expect that any Non-Resident Holder will be deemed to receive a taxable dividend as a result of the Arrangement. However, if the fair market value of the Yo Eleven Shares is substantially greater than Jackpot’s internal valuations, Non-Resident Holders may be deemed to receive a taxable dividend as a result of Yo Eleven Shares being distributed pursuant to the Arrangement.

Taxation of Dividends

Dividends paid or credited, or deemed to be paid or credited, to a Non-Resident Holder will be subject to withholding tax under the Tax Act at a rate of 25% unless the rate is reduced under the provisions of an applicable income tax treaty or convention. In the case of a beneficial owner of dividends who is a resident of the United States for purposes of the *Canada-US Tax Convention (1980)* and is entitled to the benefits of that treaty, and who holds less than 10% of the voting stock of the dividend-paying corporation, the withholding tax rate will be 15%. The payor of the dividend will be required to withhold the Canadian withholding tax from the dividend and remit the withheld amount to the CRA for the Non-Resident Holder's account. Non-Resident Holders should consult their own tax advisors in this regard.

Taxation of Capital Gains and Losses

This summary assumes that the Jackpot Shares and the Yo Eleven Shares (following their distribution to a Non-Resident Holder) will not at any time be "taxable Canadian property" of a Non-Resident Holder.

A share of a corporation listed on a "designated stock exchange" as defined in the Tax Act (which includes the CSE) generally will not be taxable Canadian property to a Non-Resident Holder at any particular time unless, at any time during the 60 months immediately preceding the particular time, (a) the Non-Resident Holder, one or more persons with whom the Non-Resident Holder does not deal at arm's length, partnerships in which the Non-Resident Holder or persons with whom the Non-Resident Holder does not deal at arm's length hold a membership interest in directly or indirectly through one or more partnerships, or any combination thereof, owned 25% or more of the issued shares of any class of the capital stock of the corporation, and (b) the share derived more than 50% of its fair market value directly or indirectly from, or from any combination of, real property situated in Canada, "Canadian resource properties", "timber resource properties" (as those terms are defined in the Tax Act), and interest, rights or options in or in respect of any of the foregoing. Non-Resident Holders should consult their own tax advisors in this regard.

Based on the foregoing assumption, a Non-Resident Holder will not be subject to Canadian federal income tax in respect of any capital gain arising on an actual or deemed disposition of Jackpot Shares or Yo Eleven Shares. Based on the foregoing assumption, a Non-Resident Holder will also not be subject to Canadian federal income tax in respect of any capital gain arising on the distribution of Yo Eleven Shares pursuant to the Arrangement.

Dissenting Non-Resident Holders

A Non-Resident Holder who exercises the Dissent Right in respect of the Arrangement (a "**Dissenting Non-Resident Holder**") and disposes of Jackpot Shares to Jackpot in consideration for cash payment from Jackpot will realize a dividend and capital gain or loss in the same manner as discussed above under "Holders Resident in Canada - Dissenting Resident Holders".

Any deemed dividend received by a Dissenting Non-Resident Holder will be subject to Canadian withholding tax as described above under "Taxation of Dividends".

A Dissenting Non-Resident Holder will generally not be subject to income tax under the Tax Act in respect of any capital gain realized on a disposition of Jackpot Shares pursuant to the exercise of their Dissent Rights unless such Jackpot Shares are considered to be "taxable Canadian property", as discussed above under "Taxation of Capital Gains and Losses", to such Dissenting Non-Resident Holder that is not exempt from tax under the Tax Act pursuant to the terms of an applicable income tax convention between Canada and the country in which the Dissenting Non-Resident Holder is resident. Dissenting Non-Resident Holders whose Jackpot Shares may constitute "taxable Canadian property" should consult their own tax advisors.

This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any Holder. Accordingly, Holders should consult their own tax advisors for advice as to the income tax consequences to them of the Arrangement in their particular circumstances.

RIGHTS OF DISSENTING JACKPOT SHAREHOLDERS

Jackpot Shareholders who wish to dissent should take note that the procedures for dissenting to the Plan of Arrangement (the "Dissent Procedures") require strict compliance with Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement.

A brief summary of the Dissent Rights and the Dissent Procedures is set out below.

Dissent Right

As indicated in the Notice of Meeting, any registered Jackpot Shareholder of record on the Share Distribution Record Date is entitled to be paid the fair value of such Jackpot Shareholder's Jackpot Shares in accordance with Section 245 of the BCBCA if such holder duly dissents in respect of the Plan of Arrangement and the Plan of Arrangement becomes effective. A Jackpot Shareholder is not entitled to dissent with respect to such holder's Jackpot Shares if such holder votes any of such Jackpot Shares in favour of the Arrangement Resolution.

If a registered Jackpot Shareholder exercises the 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.

Any registered Jackpot Shareholder who duly exercises the Dissent Right and who is ultimately entitled to be paid for his, her or its Dissent Jackpot Shares will be deemed not to have participated in the Plan of Arrangement and such Dissent Jackpot Shares will be deemed to have been repurchased by Jackpot for cancellation at the effective time of the Arrangement in consideration for a debt-claim against Jackpot to be paid the fair value of such Dissent Jackpot Shares, which fair value will be determined as of the close of business on the Business Day before the day on which the Arrangement Resolution is passed. Such Dissenting Jackpot Shareholder will not be entitled to any other payment or consideration for such Dissent Jackpot Shares and the name of such Dissenting Jackpot Shareholder will be removed from the register of Jackpot Shareholders.

Any Jackpot Shareholder that is 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 of the Arrangement and will be treated in the same manner as such Jackpot Shareholder, on the basis set out in the Plan of Arrangement.

No Jackpot Shareholder who has voted in favour of the Arrangement Resolution will be entitled to dissent with respect to the Plan of Arrangement.

Dissent Procedures

If a registered Jackpot Shareholder wishes to exercise the Dissent Right, a written notice of dissent from the Arrangement Resolution pursuant to Section 242 of the BCBCA, must be sent to Jackpot by such Jackpot Shareholder by 11:00 a.m., Vancouver time, on Tuesday, September 14, 2021 or on the Business Day that is two Business Days before any date to which the Meeting may be postponed or adjourned. The notice of dissent should be delivered by registered mail to Jackpot at the address for notice described below. After the Arrangement Resolution is approved by Jackpot Shareholders and within one month after Jackpot notifies the Dissenting Jackpot Shareholder of Jackpot's intention to act upon the Arrangement Resolution pursuant to Section 243 of the BCBCA, the Dissenting Jackpot Shareholder must send to Jackpot, a written notice that such Dissenting Jackpot Shareholder requires the purchase of all of the Jackpot Shares in respect of which such Dissenting Jackpot Shareholder has given notice of dissent, together with the share certificate or certificates representing those Jackpot Shares (including a written statement prepared in accordance with Section 244(1)(c) of the BCBCA if the dissent is being exercised by the Dissenting Jackpot Shareholder on behalf of a Beneficial Jackpot Shareholder).

Any Dissenting Jackpot Shareholder who has duly complied with Section 244(1) of the BCBCA or Jackpot may apply to the Court, and the Court may determine the fair value of the Dissent Jackpot Shares and make consequential orders and give directions as the Court considers appropriate. There is no obligation on Jackpot to apply to the Court. The Dissenting Jackpot Shareholder will be entitled to receive the fair value of the Dissent Jackpot Shares they held immediately before the passing of the Arrangement Resolution and will receive the payment after the Effective Date of the Arrangement.

Addresses for Notice

All notices of dissent to the Plan of Arrangement pursuant to Section 242 of the BCBCA should be sent to Jackpot at:

Jackpot Digital Inc.
 Attention: Corporate Secretary
 Suite 303 – 570 Granville Street
 Vancouver, British Columbia, V6C 3P1

Strict Compliance with Dissent Provisions Required

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a Jackpot Shareholder who exercises the Dissent Right and seeks payment of the fair value of the Jackpot Shares held by such Jackpot Shareholder and is qualified in its entirety to do so by reference to Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement. A copy of the Interim Order is attached to this Information Circular as Schedule "C". Sections 237 to 247 of the BCBCA are reproduced in Schedule "D" to this Information Circular. The Dissent Procedures must be strictly adhered to and any failure by a Jackpot Shareholder to do so may result in the loss of that Jackpot Shareholders' Dissent

Right. Accordingly, each Jackpot Shareholder who wishes to exercise the Dissent Right should carefully consider and comply with the Dissent Procedures and consult such Jackpot Shareholder's legal advisers.

RISK FACTORS

The securities of Jackpot and Yo Eleven should be considered highly speculative investments and the transactions contemplated herein should be considered to be of a high-risk nature. Jackpot Shareholders should carefully consider all of the information disclosed in this Circular prior to voting on the matters being put before them at the Meeting.

The following risk factors are not a definitive list of all risk factors associated with the Arrangement and of Jackpot and Yo Eleven. Additional risks and uncertainties, including those currently unknown or considered immaterial by Jackpot, may also adversely affect the Jackpot Shares, the Yo Shares and/or the respective businesses of Jackpot and Yo Eleven following completion of the Arrangement. In addition to the other information in this Circular, Jackpot Shareholders should carefully consider each of, and the cumulative effect of the following risk factors, which assume the completion of the Arrangement.

There are risks associated with the businesses of Jackpot and Yo Eleven that should be considered by Jackpot Shareholders, including but not limited to: (i) the need for additional capital by Jackpot and Yo Eleven, through financings and the risk that such funds may not be available on acceptable terms and conditions to Jackpot and Yo Eleven. Furthermore, if funds are available to Yo Eleven on acceptable terms and conditions, there is no assurance whatsoever that Yo Eleven will be able to raise sufficient funds that will be needed to fund Yo Eleven's operations or to enable Yo Eleven it to obtain a listing on a stock exchange; (ii) the speculative nature of technology development (iii) regulatory risks that further development will not be acceptable for social responsibility or other reasons; (v) reliance on management; (vi) the potential for conflicts of interest; (vii) while Jackpot management works to integrate the online casino and sport book businesses and operations, management's focus and resources may be diverted from Jackpot's operational matters and other strategic opportunities; and (ix) other risks associated with either Jackpot or Yo Eleven as described in greater detail below and elsewhere in this Circular.

For additional information related to Jackpot risk factors, which relate to its ongoing business, please refer to the MD&A filed in connection with the unaudited interim financial statements for the three months ended March 31, 2021, which are available on SEDAR at www.sedar.com and incorporated by reference herein.

The Arrangement

There are risks associated with the Arrangement that should be considered by Jackpot Shareholders, including but not limited to: (i) market reaction to the Arrangement and the future trading prices of the Jackpot Shares and, if listed or quoted on a stock exchange, the market price of the Yo Eleven Shares, cannot be predicted; (ii) the Arrangement may give rise to significant adverse tax consequences to non-Canadian Jackpot Shareholders and each such Jackpot Shareholder is urged to consult his, her or its own tax advisor; (iii) uncertainty as to whether the Arrangement will have a positive or negative impact on the entities involved in the transaction; and (iv) there is no assurance that the required regulatory, Exchange or court approvals will be received, that a financing of Yo Eleven will be completed or that Yo Eleven Shares will be listed or quoted on any stock exchange.

The completion of the Arrangement is subject to several conditions under the Arrangement Agreement. See "*The Arrangement – Conditions to Closing*". If any of those conditions are not satisfied or waived, the Arrangement may not be completed. There is no certainty, nor can Jackpot provide any assurances that the conditions in the Arrangement Agreement will be satisfied. Certain costs related to the Arrangement, such as legal and accounting fees, must be paid by Jackpot even if the Arrangement is not completed.

Operating History

Yo Eleven is a start-up company and has no operating history and therefore has not generated any revenues or profits. As such, Yo Eleven is subject to certain risks including, but not limited to, the ability to raise the required financing on terms and conditions acceptable to Yo Eleven. There can be no assurance that Yo Eleven will be successful in doing what is necessary to address these risks.

There is no assurance that Yo Eleven will earn any profits in the future, or that profitability, if achieved, will be sustained. A significant portion of Yo Eleven's financial resources will be directed to the development of its products and to marketing activities. The success of Yo Eleven will ultimately depend on its ability to generate revenues such that the business development and marketing activities

may be financed by revenues from operations instead of external financing. There is no assurance that future revenues will be sufficient to generate the required funds to continue such business development and marketing activities.

Financing Requirements

To meet Yo Eleven's growth objectives, capital may be required from lenders and equity markets in the future. There can be no assurance that Yo Eleven will be able to raise capital on commercially reasonable terms to finance growth objectives. The ability of Yo Eleven to arrange such financings in the future will depend in part upon the prevailing capital market conditions as well as the business performance of Yo Eleven. There can be no assurance that Yo Eleven will be successful in its efforts to arrange additional financing on terms satisfactory to Yo Eleven. If additional financing is raised by the issuance of Yo Eleven Shares, warrants and stock options from the treasury of Yo Eleven, then control of Yo Eleven may change, and shareholders may suffer additional dilution from to current levels as a result of shares under option and broker warrants.

Regulatory Compliance

Yo Eleven's business is heavily regulated. Although management believes that revenues planned anticipated to be generated from Yo Eleven's products will represent lawful business, there is the risk that the legality may be challenged by Canadian and/or US or other legal authorities.

Changes in gaming legislations in any jurisdiction, or Yo Eleven's inability to obtain, maintain and comply with all applicable and required licenses, permits, certifications and the costs of compliance with anti-money laundering and corruption laws can adversely affect the financial affairs of Yo Eleven.

Competition

The marketplace for Yo Eleven's products is constantly undergoing changes, is intensely competitive and is subject to changes in customer preferences. New technologies and the expansion of existing technologies may also increase competitive pressures while increased competition may result in reduced operating margins as well as limiting the growth in market share. Potential competitors have well established operating histories, large customer bases, name and brand recognition and significantly larger financial, sales, marketing, technical and other resources than Yo Eleven may be able to generate. Yo Eleven may not be able to compete successfully against current and future competitors, and this competitive pressure could harm Yo Eleven's business and prospects.

Reliance on key personnel

Yo Eleven's success will be dependent on key individuals who are experienced, the loss of any of whom could have an adverse effect on Yo Eleven's organization, operations, or business prospects. Additionally, the future performance of Yo Eleven will depend upon the ability to hire and retain individuals with the required talent. There are no guarantees that Yo Eleven will be able to attract and retain such individuals, and the inability to do so may have an adverse effect on Yo Eleven's organization, operations, or business prospects.

Reliance on strategic relationships

Yo Eleven will likely rely on strategic relationships with casinos, Native North American Indian tribes and horse racing tracks in order to be able to offer Yo Eleven's products in certain jurisdictions. If Yo Eleven cannot establish and manage such relationships with such partners, then Yo Eleven's business, financial condition, and results of operations could be adversely affected.

Growth management

Yo Eleven may be subject to risks related to growth and capacity limits which may create pressure on its operations and controls. Continuous review and improvement of internal management systems may be required in support of effective growth management. Failure to develop and maintain such systems could have a material adverse impact on Yo Eleven.

Growth prospects and market potential will depend on Yo Eleven's ability to obtain licenses to operate in a number of jurisdictions. If Yo Eleven fails to obtain and subsequently maintain such licenses, then Yo Eleven's business, financial condition, results of operations and prospects could be impaired.

Research and development risk

Research and development carries an element of risk because it involves trying new and untested ideas. New or modified products or services may prove to be more difficult or costly to develop than anticipated due to engineering challenges encountered internally or with external vendors. Additionally, delays in commercializing new products and services may lead to a decrease in projected revenue.

Internet and system infrastructure viability

Yo Eleven plans to devote significant resources to our its network and data security in order to protect its systems and data, however, any shutdown of internet services by significant internet service providers may have an adverse material impact on Yo Eleven's ability to generate revenues. Furthermore, Yo Eleven can be severely and adversely affected from power failures, internet slowdowns or failures, software slowdowns or failures or hackings.

Payment processing

Changes in policies of companies, financial institutions, or banks, that handle credit card transactions and/or other types of financial transactions, such as crypto currencies for online gaming, can have an adverse impact on the business and financial affairs of Yo Eleven.

Foreign exchange rates

The profitability of Yo Eleven can be affected by fluctuations in the exchange rate of the US Dollar in relation to the Canadian Dollar.

Coronavirus (COVID-19) Pandemic

The coronavirus (COVID-19) outbreak is causing widespread concern and economic hardship for consumers, businesses and communities across the globe and the extent of the impact will depend on the ultimate duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Yo Eleven's business model aims to produce revenue from online casino gaming and sports betting. While online casino gaming has benefited from the various requirements of social distancing and consumers remaining at home, the re-opening of land-based casinos may adversely affect online gaming participation. There also remains uncertainty around the consistency of delivering live sporting events which may have a material adverse impact on Yo Eleven's business development, operations and prospects.

INFORMATION CONCERNING JACKPOT POST-ARRANGEMENT

The following is a description of Jackpot assuming completion of the Arrangement.

Name, Address and Corporate Structure

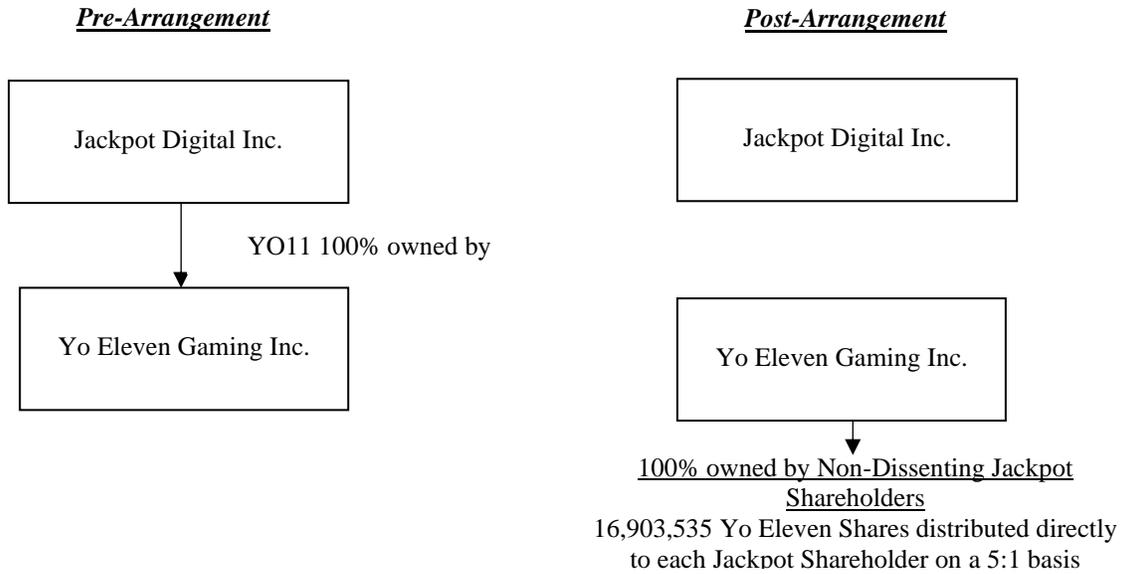
Jackpot is a British Columbia corporation located in Vancouver, British Columbia. The registered office of Jackpot is located at 650 West Georgia St. #3200, Vancouver, BC, V6B 4P7. The head office of Jackpot is located at Suite 303 – 570 Granville Street, Vancouver, British Columbia, V6C 3P1. Jackpot is a reporting issuer in British Columbia and Alberta.

The Jackpot Shares are listed on the Exchange under the symbol "JJ" and on the Frankfurt and Berlin Stock Exchanges under the symbol "LVH3" and are quoted on the OTCQB under the symbol "JPOTF". Jackpot also has a series of Warrants listed on the Exchange under the symbols "JJ.WT.A", "JJ.WT.B" and "JJ.WT.C".

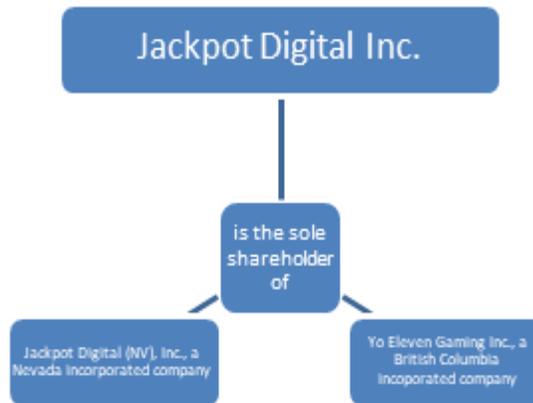
Jackpot's primary business focus is the manufacturing, leasing and selling of electronic table games (ETGs) and as a provider of mobile gaming for the cruise ship industry and regulated casino industry. Jackpot specializes in multiplayer gaming products, including poker and casino games, which are complemented by a suite of backend tools for operators to efficiently control and optimize their gaming business.

Intercorporate Relationships

The following diagram illustrates the relationship between Jackpot and Yo Eleven before and after completion of the Arrangement:



The following diagram illustrates the intercorporate relationship between Jackpot and its subsidiaries:



Directors and Officers

Completion of the Arrangement will not cause any changes in the current directors who are elected at the Meeting or any current officers of Jackpot.

Description of the Securities

Common Shares

Following the Arrangement, Jackpot's authorized capital will consist of an unlimited number of Jackpot Shares without par value. As of the date of this Circular, a total 84,517,674 Jackpot Shares are issued and outstanding.

The holders of Jackpot Shares are entitled to receive notice of and to one vote per Jackpot Share at all meetings of Jackpot Shareholders. The Jackpot Shares are entitled to dividends in such amounts as the Board may from time to time declare and in the event of liquidation, dissolution or winding-up, the holders of Jackpot Shares are entitled to share pro rata in the assets of Jackpot.

Warrants

The following table sets out the essential terms of the outstanding Warrants to purchase Jackpot Shares which are listed for trading on the Exchange:

Series of Warrants	Number of Outstanding Warrants	Exercise Price	Expiry Date
Series A – Symbol "JJ.WT.A"	2,942,153	\$5.00	January 20, 2022
Series B – Symbol "JJ.WT.B"	6,439,656	\$1.00	September 26, 2024
Series C – Symbol "JJ.WT.C"	27,597,681	\$0.10	November 20, 2025

The following table sets out the essential terms of the outstanding Warrants to purchase Jackpot Shares which are not listed for trading on the Exchange:

Number of Outstanding Warrants	Number of Outstanding Warrants	Exercise Prices	Expiry Dates
Various Warrants issued	29,204,101	\$0.10 - \$6.00	October 29, 2021 – June 1, 2026

Debentures

Jackpot has issued Debentures on various terms and conditions, with various maturity dates and interest rates. Some of the Debentures are secured by the assets of Jackpot and others are unsecured. In addition, the principal and interest outstanding under some of the Debentures are convertible into Jackpot Shares at various conversion prices and other terms and conditions related to conversion.

Business of Jackpot Following the Arrangement

Jackpot's primary business focus is the manufacturing, leasing and selling of ETGs and mobile gaming for the cruise ship industry and regulated casino industry. Jackpot specializes in multiplayer gaming products, including poker and casino games, which are complemented by a suite of backend tools for operators to efficiently control and optimize their gaming business. After completion of the Arrangement, Jackpot will continue to operate as a publicly traded company focused on its primary business. For more information related to Jackpot's business, see Jackpot's audited financial statements and the MD&A for the year ended December 31, 2020 and the unaudited financial statements together with the MD&A for the three months ended March 31, 2021.

INFORMATION CONCERNING YO ELEVEN POST-ARRANGEMENT

The following information is reflective of the projected business, financial and share capital position of Yo Eleven upon completion of the Arrangement. See also the unaudited pro forma financial statements of Yo Eleven as at March 31, 2021 attached as Schedule "E" to this Circular.

Name, Address and Corporate Structure

Yo Eleven was incorporated on June 28, 2021 pursuant to the BCBCA as "Yo Eleven Gaming Inc.". The registered office of Yo Eleven is located at 1000-700 Burrard Street, Vancouver, British Columbia, V7X 1S8. The head office of Yo Eleven is located at Suite 303 – 570 Granville Street, Vancouver, British Columbia, V6C 3P1.

Yo Eleven is not currently a reporting issuer and its common shares are not listed or quoted on any stock exchange nor will they be listed on any stock exchange on completion of the Arrangement. If the Arrangement is completed, Yo Eleven will become a reporting issuer in the Provinces of British Columbia and Alberta. In the future, following completion of the Arrangement, management of Yo Eleven expects to seek a public listing of the Yo Eleven Shares, subject to raising the required capital and meeting applicable listing requirements.

Yo Eleven will have no subsidiaries on completion of the Arrangement.

Description of the Business

Jackpot wishes to reorganize its business by transferring the Online Gaming Software to Yo Eleven in consideration of the issuance of Yo Eleven Shares to Jackpot Shareholders. See "*The Arrangement – Benefits of the Arrangement*" for a description of the benefits of the Arrangement. On completion of the Arrangement, Jackpot will retain its interest in its primary ETGs business.

History of Jackpot

Jackpot was incorporated in 1980. Jackpot was formerly known as "Las Vegas From Home.com Entertainment Inc." and changed its name to Jackpot Digital Inc. in June of 2015. In 1999 co-founders, Jake H. Kalpakian and Bedo Kalpakian, launched www.tigergaming.com.

In 2006 Jackpot sold the tigergaming.com business unit and used that capital to start pursuing the development and licensing of its own gaming software within the iGaming market segment.

Jackpot has continued to market its Online Gaming Software (i.e., poker, casino, and bingo games, Texas Hold'em, Chinese Poker, blackjack, baccarat, American roulette, etc.) with limited revenues (no revenues since 2018) as the marketplace is very fractured, complex and difficult to penetrate.

On June 30, 2015, Jackpot entered into an asset purchase agreement (the "**PokerTek Agreement**") with Everi Holdings Inc. ("**EHI**") (EHI was previously known as Multimedia Games, Inc. ("**MMG**")) to acquire certain electronic gaming tables and systems and inventory and software. The PokerTek Agreement was amended a number of times until a final debt/payment agreement was reached with EHI in July of 2019. Through this process Jackpot was able to reduce the payments made to EHI to approximately C\$6.3 million (from an initial US\$9.5 million purchase price).

The PokerTek Agreement was the basis of how Jackpot entered the electronic gaming table business because it enabled Jackpot to purchase all of the tangible and intangible assets of MMG's PokerTek business unit ("**PTBU**"), including all of their electronic gaming systems (i.e., which were parts and tables), software, patents and all the licensing contracts with third-parties linked to the PTBU – including a number of cruise ships companies. Since mid-2015 Jackpot has been developing, then leasing (89%) and selling (11%) its Jackpot Blitz™, PokerPro and ProCore electronic table game platform. Jackpot's ETGs are leased or sold within the legal gambling and gaming industry – primarily to the international cruise ship industry (80%) as well as to the general land-based casino marketplace (20%).

Readers should also note that Jackpot previously had a controlling interest of approximately 49% of 37 Capital Inc. ("**37 Capital**"), a firm controlled by Jake Kalpakian and Bedo Kalpakian. In 2019, Jackpot reduced its interest in 37 Capital to approximately 0.70%. Jackpot thereafter entered into a debt settlement agreement with 37 Capital and acquired 597,380 (post-consolidated) of 37 Capital shares.

In February of 2021 Jackpot acquired certain tangible assets, a patent and five cruise ship customers of 52 Gaming, LLC ("**52 Gaming**") and as consideration Jackpot paid US\$107,500, issued a promissory note in the amount of US\$470,000 payable in twenty-four months at 10% simple interest per annum, issued 1.5 million Jackpot Shares, issued 2.0 million share purchase warrants, and granted a royalty. 52 Gaming is a Charlotte, North Carolina based gaming and manufacturing business that has been creating and selling its own Trillium™ ETGs and had previously sold the PokerPro to EHI before Jackpot acquired it from EHI.

Yo Eleven was incorporated in June of 2021 as the Board wanted to make sure that Jackpot was focused on its core ETG business and land-based / cruise ship marketplace, with new opportunities in other emerging land-based / cruise ship markets. At the same time, YO11, will be focused on online casino games and sports book operations. The two businesses, two companies' strategy makes each business plan clear and focused.

Significant Acquisitions

Yo Eleven has not completed a fiscal year. There are no significant acquisitions or dispositions, completed or probable, for which financial statements would be required under applicable securities laws, other than the Arrangement. Details of the Arrangement are provided under "*The Arrangement*". The Arrangement, if successfully completed, will result in Yo Eleven owning a 100% interest in

the Online Gaming Software. The future operating results and financial position of Yo Eleven cannot be predicted. Jackpot Shareholders may review Yo Eleven's unaudited pro forma financial statements attached as Schedule "E".

Narrative Description of the Business

Description of the Online Gaming Software and the iGaming Business

Yo Eleven is a start-up technology and online gaming and has no historical revenues and/or earnings.

The name Yo Eleven proposition bet (also known as the Yo-Leven bet) isn't very popular and rarely appears on craps tables. It is a single roll/bet wager on the shooter to roll/bet an 11. The number 11 is what must be rolled in order for the casino player to win. In the game of craps, rolling an 11 is the second most infrequent number to come up, but it has some big winnings and payouts (15:1) if the player does happen to bet and win using this wager.

YO11 represents the company building a newly multi-faceted on-line casino and online sports book business (the “**iGaming Business**”).

The primary reason for the Arrangement is to rationalize the two business operations that will exist between Jackpot and YO11. Jackpot will remain focused on its ETGs and systems, with expansion into new markets and opportunities as its ETGs and systems are enhanced and modified.

Conversely, YO11 will be focused on online gaming, online casino games and a sportsbook.

In order to commence YO11 operations Jackpot will initially contribute its existing Online Gaming Software which was internally developed and funded (nearly \$4.0 million) by Jackpot from 1999 to 2015. The Online Gaming Software is a series of web-based gaming software applications that include 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). The Online Gaming Software assets have been previously written off by Jackpot due to technological and gaming industry changes (during the last few years), but they still provide YO11 with a critical gaming industry intellectual property framework and high-level schema / design of what is now specifically needed in the online casino /sports book, post COVID-19.

The new iGaming Business will be developed through future internal YO11 technical efforts, selective third-party software and hardware licensing and via strategic, targeted acquisitions within the online casino gaming and/or sportsbook markets, for both the iGaming Business' front-end and back-end applications.

YO11 will also complete partnerships and/or transactions with recognized sports book operators and affiliate marketing entities (who are well known within the sports book markets) that will pull customers to the iGaming Business' sports book. YO11 also plans to access the entertainment industry's existing media properties (e.g., well-known films and games) to enable them to complete transactions that allow Yo Eleven to deploy online casino games that leverage off historical, well-known, popular media films/games. This allows Yo Eleven to use the historical goodwill established by other successful media and sports book parties so that Yo Eleven can penetrate the online gaming and online sport book markets at reasonable costs and within compressed timeframes and use fun, creative brands to do so.

Yo Eleven is advancing discussions with a series of firms that Jackpot management believes will allow YO11 to progress its business at an accelerated pace. YO11 is seeking to build / license / buy certain key assets or elements of its iGaming Business so that it can operate online cost-effectively and in a streamlined manner.

Critical to Yo Eleven's plans in creating a new iGaming Business are its efforts regarding building / licensing or buying the following (which Jackpot and YO11 management have already commenced undertaking):

1. Backend relational database and overall gaming management system (“**iGaming Management Back-end System**”). In this regard, Yo Eleven is seeking a licensing relationship with a group(s) to provide an overall quick-view dashboard as well as a comprehensive operational management system into all of its online operations – from player oversight / management, operational tracking (by player, day, product, etc.), payments (payment processing, tracking by player, tracking by bank, etc.), accounting (transactions, big wins, etc.), promotions (loyalty, bonuses, etc.), marketing, reports (snapshots of revenues, deposits, withdrawals, etc.), users (tracking) and maintenance. A system, and web portal, that management uses to oversee

and manage operations of an online gaming business. YO11 is in discussions to license such technology from a Canadian 3rd-party supplier.

2. A front-end player interface application / system that compiles and tracks player data and provides users a streamlined link for registration, wagering, bonuses, games, etc. At the same time provides management a means to Know-Your-Customer, do geolocation checking, etc. (“**iGaming Management Front-end System**”). YO11 is in discussions to license such technology from a Canadian third-party supplier.
3. A system that fully integrates the iGaming Management Front-end System and iGaming Management Front-end System as well as provides a transaction processing capability that is real-time. As transactions within a casino or online casino environment are happening in real-time, the management system must be able to process and resolve transaction in real-time. YO11’s discussions to license the above back-end and front-end management system(s) also addresses this need.
4. A sports betting software (“**Betting Management System**”) system to manage and automate Yo Eleven’s planned sports book. The software needs to track player metrics and their behavior so that their activity is traceable so that management can have real-time insights that improve operational decision-making and accelerate marketing over-sight. Also, sports betting software that provides the ability to transact/process payments in multi-currencies, has a real-time bet engine to manage player and betting data, sports book with a multilingual wallet odds engine for covering all sports events and a backend management system to oversee all betting operations. YO11 is in discussions to license such technology from a U.S. 3rd-party supplier.
5. A creative front-end sports betting system (“**User Betting System**”) that provides bettors/users enhanced and unique capabilities to play against each other. A patented system that enables users the ability to create their own bets and odds. Users can wager with other sports bettors, friends, and celebrities instead of a bookie. At the same time, the system tracks and manages bettors and users and allows for a fair exchange between players in a true peer-to-peer environment. YO11 is in discussions to license such technology from a U.S. third-party supplier.
6. Marketing affiliate and partnership agreements (“**Partner Agreements**”) with gaming / gambling / casino experts / companies to attract and push users to Yo Eleven’s online casino and online sports book businesses. For example, Yo Eleven is seeking to sign Partner Agreements with celebrities / sports betting insiders, entertainment media properties (films/games) and other that will drive traffic to Yo Eleven’s online casino and online sports book businesses.

By leveraging the reach of parties who are already known in the sports betting and entertainment markets Yo Eleven’s management foresees itself being more compelling and attractive to some users versus larger, well known gaming / gambling industry firms. YO11 is in discussions with a number of firms and experts in a variety of industry verticals to provide enhanced market interest at accelerated rates.

7. Online casino games. Yo Eleven is seeking partnerships and licenses arrangements with firms to obtain the latest and most creative interactive products that they can deliver online and mobile game interfaces. YO11 is in discussions to license such technology from a Canadian third-party supplier and plans to have ten new browser/mobile games available during Q3 of 2021.

All of the above forms Yo Eleven’s planned iGaming Business. It is management’s belief that by undertaking all of the above that it can build out its online casino business during Q3/Q4 of 2021 with revenues to start in 2022.

Also, by licensing a Bettor Management System, User Betting System and signing Partner Agreements that Yo Eleven can slowly build out its sports book business during Q3/Q4 of 2021 with revenues to start in 2022.

With regard to all of the above, YO11 will have access to Jackpot’s existing customers, which does provide Yo Eleven potential short-term users and contracts. Jackpot management believes that its existing customers will offer Yo Eleven material shorter-term revenue opportunities as many land-based and cruise ship casino operators do not have substantial next generation online casino games and/or sports books. Also, by creating packaging its online casino games and by partnering with selective higher-profile marketing affiliates that revenues can be generated earlier and with better margins.

YO11’s iGaming Business will be partially built, licenced, or perhaps eventually acquired so as to deploy its enhanced online casino games and sports betting system, whether users’ access YO11’s services via a browser or on any type of mobile device.

Stated Business Objectives and Milestones

Yo Eleven's short-term objective is to create a sustainable financial model by getting its applications deployed as fast as is practical so that users can gain access to Yo Eleven's online casino platforms and sports book.

Yo Eleven intends to demonstrate to gaming industry bettors, players and operators that YO11's services are well-designed, secure and fun to play.

Yo Eleven plans to secure business via Partner Agreements and direct marketing efforts, but also by working with appropriate gaming industry social media outlets so that YO11 can leverage their pull / push with users.

The critical short-term objectives of Yo Eleven include:

1. Yo Eleven intends to complete an initial seed round of approximately \$500,000 in Q3 of 2021 ("**Seed Round**"). Milestone: Before the end of Q3 of 2021.
2. Complete a further Series "A" round of \$2,500,000 ("**Series A Round**") before the end of Q4 of 2021. Milestone: End of Q4 of 2021. (The prices of the Seed Round and Series A Round are still to be determined by the Board of Yo Eleven; with initial thoughts being \$0.10 per Yo Eleven Share for the Seed Round and \$0.25 per round for the Series A Round. All Pricing is subject to market conditions and changes.)
3. Close each of the transactions outlined in items 1. to 7. above. In doing this, create a more robust iGaming Business that contains front-end users' systems, back-end management systems and marketing and sales programs / partners to drive users and revenues to Yo Eleven. Milestone: Before the end of Q4 of 2021.
4. Work on creating a more robust, flashy and immersive YO11 iGaming System Web site and portal. Milestone: Before the end of Q4 of 2021.
5. Create a Beta "YO11 iGaming System" that demonstrates Yo Eleven's services and capabilities. Be able to showcase its YO11 iGaming System to gaming industry influencers and operators – showing how various elements of Yo Eleven's YO11 iGaming System works and out-perform larger competitors. Leverage the existing installed base of Jackpot users to showcase the feature-rich nature of Yo Eleven's YO11 iGaming System, including installed cruise ship and land-based operators. Milestone: Before the end of Q1 of 2022.
6. Work with international online casino and sports betting gaming industry insiders / operators so as gain access to their own opportunities and projects at an accelerated rate in 2022. By using these parties contacts and their expertise, penetrate the international markets more quickly. Yo Eleven's management is targeting the closing of two to five new Partner Agreements in 2021 and 2022. Spread the marketing messaging of how creative the new YO11 iGaming System is. Milestone: Before the end of Q1 of 2022.
7. Sign agreements with one to two online casino operators to use elements of Yo Eleven's Beta YO11 iGaming System. Before the end of Q1 of 2022.
8. Sign agreements with one to two sports betting operators to use elements of Yo Eleven's Beta YO11 iGaming System. Before the end of Q1 of 2022.
9. Compile initial detailed customer feedback and usage reports on 7. and 8, above to show how many transactions (of all sorts) that Yo Eleven's Beta YO11 iGaming System has processed and keep an increasing counter on this. Arrange to have some third-party data compiled to show verification. Make the results of such test data available for review by potential users. Yo Eleven will fully independently test constantly and will do a continual review of all products / services / techniques. Before the end of Q2 of 2022.
10. Develop a new 2021+ YO11 iGaming System and technology roadmap for the internal development of other systems and the iGaming System for enhanced functionality – i.e., new services functionality that can help operators/players more. Before the end of Q2 of 2022.
11. File further trademark and brand protection. Before the end of Q2 of 2022.

12. Yo Eleven may consider a listing of its shares on a Canadian stock exchange.

Market Situation and Competitive Conditions

The Canadian Gaming Association estimates that approximately

C\$15 billion

was bet on sports in Canada in 2020.

The Canadian Senate approved Bill C-218, the Safe and Regulated Sports Betting Act, on June 22, 2021, which will officially legalize single-event sports betting in Canada once royal assent is received. After Bill C-218 was introduced, it was rivalled by Bill C-13 – which had crucial protection for horse-race betting. This protection was subsequently incorporated into Bill C-218. This new legislation is modernizing Canada’s sports betting industry. In the U.S., by November 2020, twenty-four U.S. States had passed legislation to reform sports betting, and eighteen of those states have fully operational markets in which sports bets can now be legally booked.

By November 2020,

24 US states

had passed legislation to reform sports betting, and 18 of those states have fully operational markets in which sports bets can now be legally booked.

The Canadian legislation is similar to moves in the United States. In May 2018, the U.S. Supreme Court struck down the 1992 Professional and Amateur Sport Protection Act (PASPA), a decision that had the potential to legitimize US\$150 billion in illegal sports betting activity. Within months, a handful of U.S. states had begun to accept sport-related wagers; by November 2020, 24 states had passed legislation to reform sports betting, and 18 of those states have fully operational markets in which sports bets can now be legally booked.

The Canadian Gaming Association (CGA) estimates that approximately C\$15 billion was bet on sports in Canada in 2020.

Deloitte analysis suggests that within five years of legalization, Canadian sports betting could grow from \$500 million to nearly

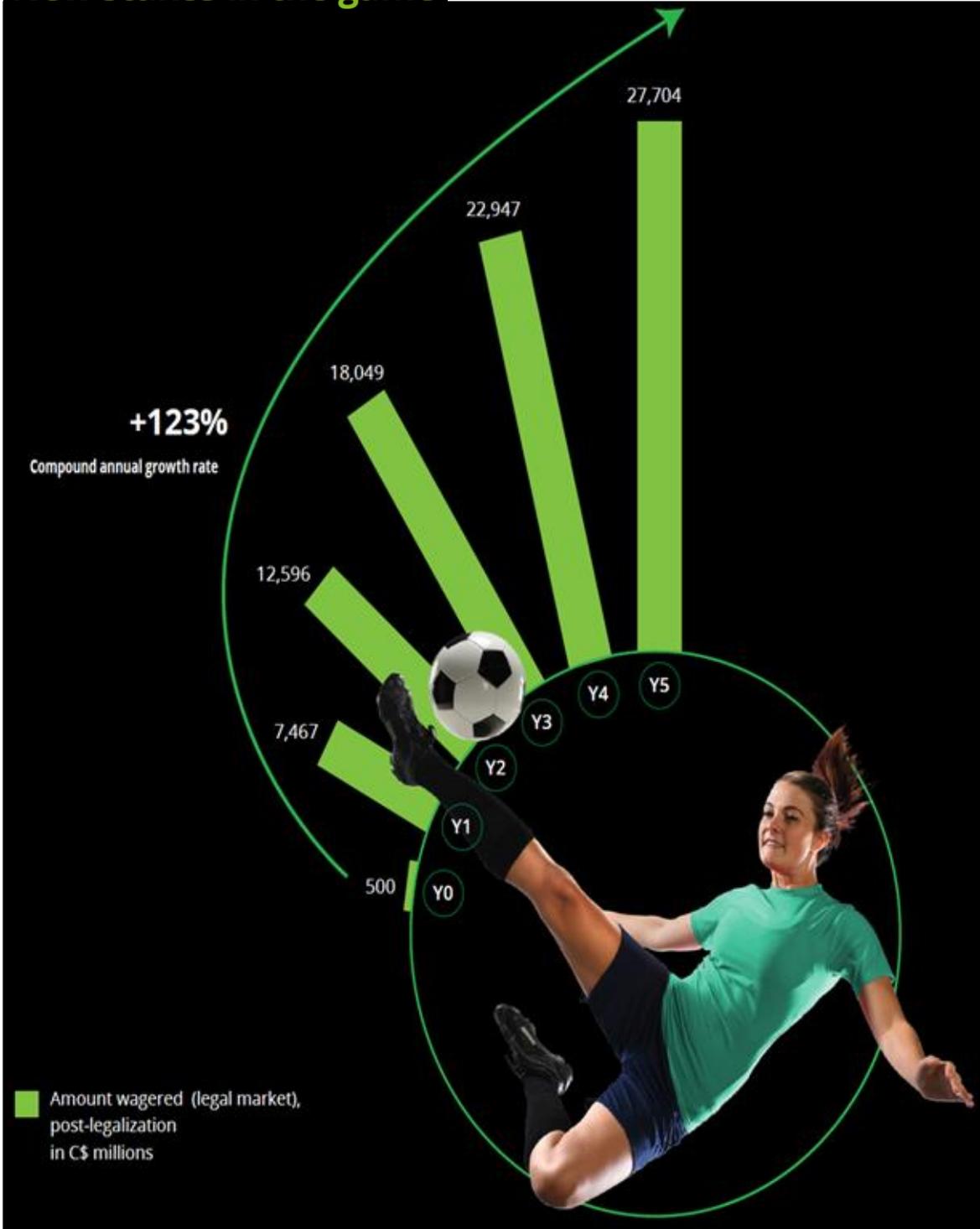
C\$28 billion

in legal-market wagering

This is roughly 3.75 times the size of the country’s pre-COVID-19 spectator sports market, which comprises all professional, semi-professional, and amateur sports clubs that perform for an audience. However, just 3 percent – or C\$450 million - of that \$15 billion in bets was done legally.



New stakes in the game



Small Sample of Online Gaming Firms

Bragg Gaming Group Inc. (OTCOX: BRGGF) (TSX-V: BRAG)

Bragg Gaming Group Inc. provides business-to-business online gaming solutions worldwide. It offers turnkey solution for retail, online, and mobile iGaming platform, as well as casino content aggregator, sportsbook, lottery, marketing, and operational services. Bragg Gaming Group Inc. is headquartered in Toronto, Canada. The firm is headed by Richard Carter. Mr. Carter brings five years of experience as CEO at the interactive sports betting provider SB Tech Inc. which merged with DraftKings Inc. in a US\$3.3 billion merger in 2020. Bragg Gaming Group Inc. expanded into Europe and signed a number of partnership agreements in 2021. The firm claims that it offers "plug and play" style gaming solutions. This scalability has in the past 2 years enabled the firm to increase its customer base by over 300% and grow its revenues.

Scientific Games Corporation (NASDAQ: SGMS)

Scientific Games Corporation develops technology-based products and services, and related content for the gaming, lottery, social and digital gaming industries in the United States and internationally. The company's Gaming segment sells new and used gaming machines, electronic table systems, video lottery terminals, conversion game kits, and spare parts; slot, casino, and table-management systems; table products, including shufflers; and perpetual licenses to proprietary table games. It also leases gaming machines; provides gaming operations and licensing arrangements; and installs and supports casino management systems, such as ongoing hardware and software maintenance and upgrade services of customer casino management systems. Its Digital segment provides digital gaming, iLottery, and sports betting solutions and services, including digital RMG and sports wagering solutions, distribution platforms, content, products, and services; software design, development, licensing, maintenance, and support services; Open Platform Systems; and content aggregation platforms. The company was incorporated in 1984 and is headquartered in Las Vegas, Nevada.

DraftKings Inc. (NASDAQ: DKNG)

DraftKings Inc. operates as a digital sports entertainment and gaming company in the United States. It operates through two segments, Business-to-Consumer and Business-to-Business. The company provides users with daily sports, sports betting, and iGaming opportunities. It is also involved in the design, development, and licensing of sports betting and casino gaming platform software for online and retail sportsbook, and casino gaming products. The company distributes its product offerings through various channels, including traditional websites and direct app downloads, as well as direct-to-consumer digital platforms, such as the Apple App store and the Google Play store. DraftKings Inc. was founded in 2011 and is headquartered in Boston, Massachusetts.

Elys Game Technology Corp (NASDAQ: ELYS)

Elys Game Technology, Corp. provides online and land-based gaming services in Europe and North America. It offers leisure betting products, including lottery, casino gaming, sports betting, online casino games, poker, bingo, virtual sports betting, and horse racing, as well as skilled and interactive games and slots; and operates betting platform software services for leisure betting establishments. The company provides its products through physical, land-based retail locations; website, newgioco.it or commercial webskins linked to its website; and mobile devices under the Newgioco brand name. It serves 100,000 online user accounts through 1,000 Web cafÃ©s, 7 corners, and 113 agency/ data transmission center locations. The company was formerly known as Newgioco Group, Inc. and changed its name to Elys Game Technology, Corp. in November 2020. Elys Game Technology, Corp. was incorporated in 1998 and is headquartered in Toronto, Canada.

Employees

Yo Eleven will have no employees or consultants on closing of the Arrangement. Subject to raising working capital after closing, Yo Eleven expects to hire employees and engage consultants to provide services for the development of Yo Eleven's business.

Selected Unaudited Pro Forma Financial Information

Yo Eleven has not completed a financial year and has not yet conducted any business. The following is a summary of certain financial information on a pro forma basis for Yo Eleven as at March 31, 2021, assuming completion of the Arrangement as of such date. The following information should be read in conjunction with the (a) unaudited pro forma financial statements of Yo Eleven following

completion of the Arrangement, which are attached as Schedule "E" to this Circular; and (b) the unaudited interim financial statements of Jackpot for the three months ended March 31, 2021 and the MD&A filed in connection with the unaudited interim financial statements for the three months ended March 31, 2021, which are available on SEDAR at www.sedar.com and incorporated by reference herein.

Assuming that the Effective Date of the Arrangement was March 31, 2021, the following table sets out certain unaudited pro forma financial information for Yo Eleven and certain other adjustments.

Assets	Yo Eleven as of March 31, 2021 \$	<i>Pro Forma</i> Adjustments \$	Yo Eleven Upon Arrangement \$
Current Assets:			
Cash	10	(10)	-
Intangible assets	-	-	-
Total assets	10	(10)	-
Current liabilities:			
Accounts payable	-	-	-
Shareholders' equity:			
Share capital	10	(10)	-
Deficit	-	-	-
Total shareholders' equity	10	(10)	-
Total liabilities and shareholders' equity	10	(10)	-

Description of Share Capital

On completion of the Arrangement, Yo Eleven's authorized capital will consist of an unlimited number of Yo Eleven Shares without par value. As of the date of this Circular, Jackpot is the sole shareholder of Yo Eleven and owns 1,000 Yo Eleven Shares. Provided that there are no Dissenting Jackpot Shareholders, it is estimated that upon completion of the Arrangement, there will be approximately 16,903,535 Yo Eleven Shares issued and outstanding (based on Jackpot's outstanding Jackpot Shares as of the date of this Circular), all of which will be held by the Jackpot Shareholders who owned Jackpot Shares as of the Share Distribution Record Date.

The holders of Yo Eleven Shares are entitled to receive notice of and to one vote per share at all meetings of shareholders of Yo Eleven. The Yo Eleven Shares are entitled to dividends in such amounts as the board of directors of Yo Eleven may from time to time declare and in the event of liquidation, dissolution or winding-up, the holders of Yo Eleven Shares are entitled to share pro rata in the assets of Yo Eleven.

On completion of the Arrangement, there will be no securities issued or issuable by Yo Eleven which are exercisable or convertible into Yo Eleven Shares.

Prior Sales of Yo Eleven Shares

On incorporation, Yo Eleven issued 1,000 Yo Eleven Shares to Jackpot at a price of \$0.01 per Yo Eleven Share. These Yo Eleven Shares will be cancelled on the Effective Date as part of the Arrangement.

Yo Eleven Stock Option Plan

The board of directors of Yo Eleven has adopted the Yo Eleven Option Plan. The Jackpot Shareholders will be asked at the Meeting to approve the Yo Eleven Option Plan. For a description of the material terms of the Yo Eleven Option Plan, see the sections in this Circular entitled "*Particulars of Other Matters to be Acted Upon – Approval of Yo Eleven Option Plan*" and "*Particulars of Other Matters to be Acted Upon – Re-Approval of Jackpot's Stock Option Plan*".

Upon completion of the Arrangement, Yo Eleven does not contemplate granting any stock options to purchase Yo Eleven Shares under the Yo Eleven Option Plan.

Dividends

The proposed management and directors of Yo Eleven do not anticipate declaring any dividends payable to the holders of Yo Eleven Shares. If Yo Eleven generates earnings in the foreseeable future, it expects that they will be retained to finance growth. The directors of Yo Eleven will determine if and when dividends should be declared and paid in the future based upon Yo Eleven's financial position at the relevant time.

Liquidity and Capital Resources

Yo Eleven is a start-up company and therefore has no regular source of income. As a result, Yo Eleven's ability to conduct operations, including the development of the iGaming Business, is based on its ability to raise funds, primarily from equity sources, and there can be no assurance that Yo Eleven will be able to do so.

On the Effective Date, Yo Eleven will not have sufficient working capital necessary to carry out its business plans and fulfill its working capital needs. Yo Eleven intends to complete equity or debt financings to raise capital to provide the operating funds necessary to develop the iGaming Business. There can be no assurance that Yo Eleven will be able to obtain adequate financing in the future or that the terms of such financing will be favourable to Yo Eleven. Failure to obtain additional capital could result in the delay or indefinite postponement of the further development of the iGaming Business. See "*Risk Factors*".

Principal Yo Eleven Shareholders

To the best of the knowledge of Yo Eleven's directors and officers, the following Person may beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding Yo Eleven Shares upon completion of the Arrangement:

Name of Yo Eleven Shareholder	Number of Yo Eleven Shares held upon completion of the Arrangement	Percentage of Issued and Outstanding Yo Eleven Shares following completion of the Arrangement
AlphaNorth Partners Funds Inc. and AlphaNorth Asset Management Inc. 130 King Street West, Suite 2210 Toronto, ON M5X 1E4	2,600,858	15.39%

Directors and Officers

The current directors and officers of Yo Eleven are the same as the directors and officers Jackpot plus a fifth new director. The following table sets forth the name and municipality of residence, position with Yo Eleven, principal occupation within the last five years, and the estimated number and percentage of Yo Eleven Shares to be held or controlled by the directors and officers of Yo Eleven following completion of the Arrangement.

Name, Municipality of Residence, Proposed Offices	Principal Occupation During Last Five Years	Number of Yo Eleven Shares to be Held or Controlled	Percentage of Yo Eleven Shares to be Held or Controlled⁽¹⁾
Jake H. Kalpakian President, CEO and Director Vancouver, British Columbia	See biographical information below.	50,066 (direct) 688,827 (indirect)	0.3% 4.08%
Neil Spellman CFO and Director Carlsbad, California	See biographical information below.	2,308	0.01%
Gregory T. McFarlane ⁽²⁾ Director Las Vegas, Nevada	See biographical information below.	0	0%
Alan Artunian ⁽²⁾ Director Toluca Lake, California	See biographical information below.	720	0.004%
Howard Blank ⁽²⁾ Director Vancouver, British Columbia	See biographical information below.	0	0%
Maria Arenas Secretary Surrey, British Columbia	See biographical information below.	40,625	0.24%

(1) Upon completion of the Arrangement, based on such individual's current ownership of Jackpot Shares. Assumes that as at the date of this Circular, the number of outstanding Yo Eleven Shares on the Effective Date will be 16,903,535 Yo Eleven Shares.

(2) Proposed member of Yo Eleven's Audit Committee.

The information as to Yo Eleven Shares that will be beneficially owned, directly or indirectly, or over which control or direction is exercised, is based upon information furnished to Yo Eleven by the respective directors and officers as at the date of this Circular.

After giving effect to the Arrangement, it is estimated that the directors and officers of Yo Eleven, and their respective associates and affiliates, as a group, will hold an aggregate of 782,546 Yo Eleven Shares, representing approximately 4.63% of the issued and outstanding Yo Eleven Shares.

Biographies of Directors and Officers

The following is the background information on the above proposed directors and officers of Yo Eleven.

Jake H. Kalpakian, President, CEO and Director

Mr. Kalpakian has over 31 years experience in managing small-cap publicly listed companies. Presently, Mr. Kalpakian serves as President, CEO and a director of Jackpot since 1999. Jackpot is listed in Canada on the TSX Venture Exchange, in the USA on the OTCQB and in Germany on the Frankfurt and Berlin Exchanges. Jackpot is a developer and provider of electronic table games (ETGs) and is also a software developer and provider for online and mobile gaming platforms. Mr. Kalpakian, through his private companies, manages and sits on the Board of another Canadian publicly listed company, as well as he has extensive knowledge and experience in forming, structuring and managing the operations of Canadian publicly listed companies, and has raised millions of dollars for junior resource and technological companies over the years.

Neil Spellman, CFO and Director

Mr. Spellman has served as a director of Jackpot since 2002 and in another publicly listed company since 2016. From February 2001 to the present, Mr. Spellman has been employed as Senior Vice President of D.B. Financial Management, Inc. an independent Investment Advisory firm. Prior to D.B Management, Mr. Spellman spent nearly 20 years as a First Vice President with a major Wall Street firm, Smith Barney. Mr. Spellman graduated from San Diego State University, cum laude, with a B.S. degree in Finance.

Gregory T. McFarlane, Director

Mr. McFarlane has served as a director of Jackpot and in another publicly listed company since 1992. Mr. McFarlane is a financial author and real estate investor. A native of Vancouver, Mr. McFarlane graduated from the University of Toronto with a degree in economics and mathematics.

Alan Artunian, Director

Mr. Artunian has served as a director of Jackpot since 2017. Mr. Artunian is the Chief Executive Officer of Nice Guy Holdings, Inc. since 2015, a corporate and legal consulting company serving clients in industries ranging from real estate and mobile food truck commissaries to various other local and national businesses. He oversees day-to-day business operations and decisions such as contract negotiations, mediations, spearheading mergers and acquisitions, and representing clients in local, state and federal agencies. Mr. Artunian graduated from Concord Law school with a J.D. degree.

Howard Blank, Director

Mr. Blank is a 25 year veteran executive and industry leader in the gaming entertainment, media and NPO sectors and previously served for over two decades as Vice President Media Entertainment & Responsible Gaming at Great Canadian Gaming Corporation (TSX:GC). Mr. Blank currently is CEO of Point Blank Entertainment and lends his expertise as an advisor and Board member for many public and NPO Boards.

Maria Arenas, Secretary

Ms. Arenas has served as the Corporate Secretary of Jackpot since 2008. She is an accomplished administrative professional with over 30 years of work experience in the corporate and securities industries. Ms. Arenas ensures that Jackpot meets all regulatory compliance in Canada and the US, and facilitates the closing of financings for Jackpot. Ms. Arenas also serves as a Corporate Secretary of another Canadian publicly listed company. Ms. Arenas is a member of the Canadian Certified Administrative Professionals of Canada since 2005.

Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions

No proposed director (including any personal holding company of a proposed director):

- (1) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Yo Eleven and Jackpot) that:
 - (a) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (collectively an "order"), that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer;
 - (b) was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer;
- (2) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including Yo Eleven and Jackpot) that, while that person was acting in that capacity, or within a year of that person 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;
- (3) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

- (4) has been subject to:
- (a) 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 since December 31, 2020 or before December 31, 2020 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
 - (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

No proposed director of Yo Eleven is to be appointed under any arrangement or understanding between the proposed director and any other Person, except the directors and executive officers of Yo Eleven acting solely in such capacity.

Other Reporting Issuer Experience

The following proposed directors and officers of Yo Eleven are, or within the past five years have been, directors, officers or promoters of the following reporting issuers:

Name of Director or Officer	Name of Reporting Issuer	Stock Exchange	Position	Dates
Jake H. Kalpakian	37 Capital Inc.	CSE	President, CEO & Director	January 1991 to present
Neil Spellman	37 Capital Inc.	CSE	CFO & Director	August 2016 to present
Gregory T. McFarlane	37 Capital Inc.	CSE	Director	October 1992 to present
Howard Blank	Victory Square Technologies Inc. Jackpot Digital Inc. Backstageplay Inc.	CSE TSX-V TSX-V	Director Director Director	June 2016 to May 2021 May 2019 to May 2020 January 2016 to April 2018
Maria Arenas	37 Capital Inc.	CSE	Corporate Secretary	January 2008 to present

Conflicts of Interest

There are potential conflicts of interest to which the proposed directors and officers of Yo Eleven will be subject in connection with the operations of Yo Eleven. In particular, certain of the proposed directors and officers of Yo Eleven are involved in managerial or director positions with other companies whose operations may, from time to time, be in direct competition with those of Yo Eleven or with entities that may, from time to time, provide financing to, or make equity investments in, competitors of Yo Eleven.

Conflicts, if any, will be subject to the procedures and remedies available under the BCBCA. The BCBCA provides that if a director has a material interest in a contract or proposed contract or agreement that is material to Yo Eleven, the director must disclose his interest in such contract or agreement and must refrain from voting on any matter in respect of such contract or agreement subject to and in accordance with the BCBCA. Except as disclosed in this Circular, to the best of Yo Eleven's knowledge, as at the date of this Circular, there are no existing or potential material conflicts between Yo Eleven and a proposed director or officer of Yo Eleven.

Indebtedness of Directors and Officers

No proposed director or officer of Yo Eleven, nor any of their associates, is or has been indebted to Yo Eleven since incorporation, nor is any such person expected to be indebted to Yo Eleven on the completion of the Arrangement.

Interest of Management and Others in Material Transactions

Except as disclosed elsewhere in this Circular, none of the current or proposed directors, executive officers and principal shareholders of Yo Eleven nor any associate or affiliate of the foregoing have had any material interest, direct or indirect, in any transaction in

which Yo Eleven has participated since the incorporation date of Yo Eleven, which has materially affected or will materially affect Yo Eleven.

Executive Compensation of Yo Eleven

Statement of Executive Compensation

The proposed executive officers of Yo Eleven will be Jake H. Kalpakian, President and CEO, Neil Spellman, CFO, and Maria Arenas, Secretary. Yo Eleven does not have an employment or management contract with any of its executive officers pursuant to which he/she will be compensated for his/her services as an executive officer of Yo Eleven. Yo Eleven does not as yet propose to compensate its executive officers or directors following completion of the Arrangement.

Yo Eleven's approach to executive compensation will be to provide suitable compensation for executive officers that is internally equitable, externally competitive and reflects individual achievement. Yo Eleven will attempt to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of Yo Eleven. Yo Eleven's compensation arrangements for its executive officers may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grants of stock options.

All compensation decisions relating to executive officers and directors will be made by the board of directors as a whole, subject to an affirmative vote of a majority of independent directors. Yo Eleven's board of directors will consider a broad range of factors in recommending compensation for executive management, including but not limited to, market data, individual performance, corporate performance and sector performance.

Audit Committee

NI 52-110 requires Yo Eleven's Audit Committee to meet certain requirements. It also requires Yo Eleven to disclose in this Circular certain information regarding Yo Eleven's Audit Committee, which is disclosed below.

Overview

The Yo Eleven Audit Committee will be principally responsible for:

- recommending to the board of directors of Yo Eleven the external auditor to be nominated for election by shareholders of Yo Eleven at each annual general meeting and negotiating the compensation of such external auditor;
- overseeing the work of the external auditor;
- reviewing Yo Eleven's annual and interim financial statements, MD&A and press releases regarding earnings before they are reviewed and approved by the board and publicly disseminated by Yo Eleven; and
- reviewing Yo Eleven's financial reporting procedures and internal controls to ensure adequate procedures are in place for Yo Eleven's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

The Audit Committee's Charter

Following completion of the Arrangement, Yo Eleven will adopt an Audit Committee Charter similar to Jackpot's Audit Committee Charter. Jackpot's Audit Committee Charter is attached to this Circular as Appendix I to Schedule "F".

Composition of the Audit Committee

The proposed members of Yo Eleven's Audit Committee are Gregory T. McFarlane, Alan Artunian and Howard Blank. All of the members are financially literate and are considered to be independent. Pursuant to NI 52-110, to be considered financially literate, a member of the committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Yo Eleven's financial statements. Pursuant to NI 52-110, to be considered to be independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with Yo Eleven. A material relationship is a relationship which could, in the view of the board of directors of Yo Eleven, reasonably interfere with the exercise of a member's independent judgment.

Relevant Education and Experience of Audit Committee Members

All proposed members of the Yo Eleven Audit Committee are experienced business people with a background and experience in financial matters; each has a broad understanding of the accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor. In addition, each member of the Yo Eleven Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies. Please see "*Directors and Officers – Biographies of Directors and Officers*" above for information related to the relevant education and experience of each Audit Committee member.

Pre-Approval Policies and Procedures

Yo Eleven's Audit Committee will not adopt specific policies and procedures for the engagement of non-audit services. Engagement for such services will be considered on a case-by-case basis.

External Auditor Service Fees (By Category)

Yo Eleven has not incurred any auditor fees since incorporation.

Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations

Since Yo Eleven will be a 'venture issuer' on completion of the Arrangement, it will rely on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of Yo Eleven's Audit Committee (as described in "Composition of the Audit Committee" above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about Yo Eleven's Audit Committee in this Circular).

Corporate Governance

The board of directors of Yo Eleven is committed to sound corporate governance practices, which are both in the interests of the shareholders of Yo Eleven and contribute to effective and efficient decision making.

Upon completion of the Arrangement, Yo Eleven will adopt corporate governance practices similar to the current Jackpot corporate governance practices. For information related to Jackpot's corporate governance practices, see "*Corporate Governance Disclosure*" contained in Schedule "G" to this Circular.

Management Contracts

There are no management functions of Yo Eleven, which will be to any substantial degree performed by a Person other than the directors or executive officers of Yo Eleven.

Promoters

Other than Yo Eleven's directors and officers, there is no person who is or who has been, since the date of incorporation of Yo Eleven, a "promoter" of Yo Eleven as defined under applicable Canadian securities laws.

Legal Proceedings

Yo Eleven is not a party to any legal proceedings currently material to it or of which any of Yo Eleven's property is the subject matter, and no such proceedings are known by Yo Eleven to be contemplated.

Auditor, Transfer Agent and Registrar

Smythe LLP, Chartered Professional Accountants, of 475 Howe St. #1700, Vancouver, British Columbia, V6C 2B3, will be the auditor of Yo Eleven upon completion of the Arrangement. The registrar and transfer agent of the Yo Eleven Shares will be Computershare Trust Company of Canada, 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

Material Contracts

The only contract entered into by Yo Eleven since the date of incorporation that can reasonably be regarded as presently material to Yo Eleven is the Arrangement Agreement.

The Arrangement Agreement may be inspected at the head office of Yo Eleven at Suite 303, 570 Granville Street, Vancouver, British Columbia, V6C 3P1 during normal business hours up to the date of the Meeting and is available on SEDAR at www.sedar.com under Jackpot's profile.

STATEMENT OF EXECUTIVE COMPENSATION

The following information regarding executive compensation of Jackpot is presented in accordance with National Instrument Form 51-102F6V *Statement of Executive Compensation* of NI 51-102 and sets forth compensation for each of the NEOs and directors of Jackpot.

Definitions

For the purpose of this Circular:

“**CEO**” means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**COO**” means an individual who acted as chief operating officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**director**” means an individual who acted as a director of Jackpot, or acted in a similar capacity, for any part of the most recently completed financial year; “**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 Share-Based Payments;

“**closing market price**” means the price at which the company's security was last sold, on the applicable date,

- (a) in the security's principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-based Payment*;

“**NEO**” or “**Named Executive Officer**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, 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(6) of NI 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“**share-based award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

Based on the foregoing definitions, Jackpot had four Named Executive Officers during the financial year ended December 31, 2020, namely Jake Kalpakian, President, CEO and a director of Jackpot; Neil Spellman, CFO and a director of Jackpot; and Adam Fritz, the former COO of Jackpot.

Director and NEO Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by Jackpot to each current and former NEO and director, in any capacity, for the financial years ended December 31, 2020 and 2019.

Name and position	Financial Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Jake Kalpakian President, CEO and Director	2020	396,000 ⁽¹⁾	N/A	N/A	N/A	12,957 ⁽²⁾	408,957
	2019	198,000	N/A	N/A	N/A	30,643	228,643
Neil Spellman CFO and Director	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Adam Fritz Former Chief Operating Officer ⁽⁴⁾	2020	207,294	N/A	N/A	N/A	3,589 ⁽³⁾	210,883
	2019	180,000	N/A	N/A	N/A	2,796 ⁽³⁾	182,796
Bedo H. Kalpakian Former Chairman & CFO ⁽⁵⁾	2019	198,000 ⁽¹⁾	N/A	N/A	N/A	8,221 ⁽²⁾	206,221
Gregory T. McFarlane Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Alan Artunian Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

(1) Paid to Kalpakian Bros. of B.C. Ltd. (“**Kalpakian Bros.**”), a private company which was previously jointly controlled by Bedo Kalpakian and Jake Kalpakian (presently controlled by Jake Kalpakian), pursuant to a management services agreement. Please see “*Management Contracts*” for further particulars. Bedo Kalpakian continued to provide his services to Jackpot through Kalpakian Bros. Compensation was recorded under Jake Kalpakian since he became the controlling shareholder of Kalpakian Bros. in 2020.

(2) This amount consists of automobile, parking and medical benefits.

(3) This amount consists of medical benefits.

(4) Adam Fritz was COO of Jackpot from July 24, 2019 up to December 31, 2020. As of January 1, 2021, Adam Fritz has entered into a Consulting Agreement with Jackpot.

(5) On July 15, 2019, Mr. Bedo Kalpakian resigned as Chairman and CFO of Jackpot and Mr. Neil Spellman was appointed as the CFO of Jackpot, and Mr. Bedo Kalpakian stepped down as a director of Jackpot on December 18, 2019.

Stock Options and Other Compensation Securities

Details of Jackpot's Option Plan are described under the heading "*Stock Option Plans and Other Incentive Plans*". The following table sets forth all of the outstanding option-based awards held by the NEOs and directors of Jackpot at the end of the most recently completed financial year:

Outstanding Share-Based Awards and Option-Based Awards

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jake Kalpakian	100,000	1.80	August 28, 2021	Nil	N/A	N/A	N/A
Neil Spellman	50,000	1.80	August 28, 2021	Nil	N/A	N/A	N/A
Adam Fritz	100,000	1.80 ⁽²⁾	August 28, 2021	Nil	N/A	N/A	N/A

(1) Based on the difference between the exercise price of \$1.80 and the closing market price of the Jackpot Shares on the TSX Venture Exchange on December 28, 2020, being the last day the Jackpot Shares traded during the year, of \$0.195.

(2) The exercise price of the Options was amended in January 2021 from \$1.80 to \$0.20 per Jackpot Share.

Stock Option Plans and Other Incentive Plans

The Option Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of Jackpot and its subsidiaries or affiliates, options to purchase Jackpot Shares. The Option Plan is a "rolling" stock option plan, whereby the aggregate number of Jackpot Shares reserved for issuance, together with any other Jackpot Shares reserved for issuance under any other plan or agreement of the Jackpot, will not exceed ten (10%) percent of the total number of issued Jackpot Shares (calculated on a non-diluted basis) at the time an option is granted.

The Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in Jackpot and thereby encourage their continuing association with Jackpot. See disclosure under the heading "*Particulars of Other Matters to be Acted Upon – Re-Approval of Jackpot's Stock Option Plan*". Management proposes share option grants to NEOs and members of the Board based on such criteria as performance, previous grants, and hiring incentives.

There are presently 4,983,361 Options outstanding under the Option Plan.

Employment, Consulting and Management Agreements

Management functions of Jackpot are not, to any substantial degree, performed other than by directors or NEOs of Jackpot.

Management Contracts

Management services are provided to Jackpot by Kalpakian Bros., a private company which was previously jointly controlled by Bedo H. Kalpakian and Jake H. Kalpakian (presently controlled by Jake Kalpakian). Pursuant to a management services agreement effective July 1, 2020 (the "**Kalpakian Agreement**"), Jackpot pays Kalpakian Bros. the sum of \$33,000 plus GST per month for providing management services to Jackpot. Kalpakian Bros. is also entitled to reimbursement for all traveling and other out-of-pocket

expenses incurred by it in connection with performing its services. The term of the Kalpakian Agreement with Kalpakian Bros. is for five years with the option to renew the term for a further five years.

Termination and Change of Control Benefits

Kalpakian Bros. may terminate the Kalpakian Agreement at any time for any reason upon four months' written notice to Jackpot. Kalpakian Bros. may also terminate the Kalpakian Agreement without prior notice in the event of:

- (a) a change in the duties of Kalpakian Bros. or Jake Kalpakian as the approved person to provide the management services under the Kalpakian Agreement on behalf of the Kalpakian Bros.;
- (b) a reduction by Jackpot or any of its subsidiaries of the remuneration payable to Kalpakian Bros.;

and

- (c) there is a control change of the securities of Jackpot, or there is a change of the Jackpot directors.

Jackpot may terminate the Kalpakian Agreement in the event of, among other things:

- (a) Kalpakian Bros. and Jake Kalpakian fail to substantially perform their duties under the Kalpakian Agreement following notice and time to cure such failure;
- (b) an act by Kalpakian Bros. and Jake Kalpakian that is materially injurious to Jackpot;
- (c) any criminal act of dishonesty directly resulting in personal gain of Kalpakian Bros. or Jake Kalpakian at the expense of Jackpot.

Upon termination by either party, Kalpakian Bros. will be entitled to all unpaid management fees and reimbursement of expenses to and including the date of termination of the Kalpakian Agreement, and any options, warrants or other rights to purchase Jackpot Shares granted to Kalpakian Bros. and Jake Kalpakian will remain exercisable.

Other than the Kalpakian Agreement, there are no other contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of Jackpot or a change in a Named Executive Officer's responsibilities.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

Elements of NEO Compensation

As discussed above, Jackpot has adopted the Option Plan to motivate NEOs by providing them with the opportunity, through Options, to acquire an interest in Jackpot and benefit from Jackpot's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of Options to NEOs. Other than the Option Plan, does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

Compensation of Directors

Compensation of directors of Jackpot is reviewed annually. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for to design or implement a formal compensation program for directors. While the Board

considers Option grants to directors under the Option Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Options. Other than the Option Plan, as discussed above, Jackpot does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by Jackpot and none are proposed at this time.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2020:

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category ⁽¹⁾	(a)	(b)	(c)
Equity compensation plans approved by security holders ⁽¹⁾	527,200	\$1.50	4,056,661
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
TOTAL	527,200		4,056,661

(1) The only equity compensation plan Jackpot has is the Option Plan. As at December 31, 2020, the Option Plan reserves for issuance pursuant to stock options a maximum number of Jackpot Shares as is equal to 10% of the outstanding Jackpot Shares from time to time.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Other than “routine indebtedness” as defined in applicable securities legislation, since the beginning of the last fiscal year of Jackpot, none of the executive officers, directors or employees or any former executive officers, directors or employees of Jackpot or any proposed nominee for election as a director of Jackpot or any of their respective associates is or has been indebted to Jackpot or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Jackpot.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, none of:

- (a) the directors or senior officers of Jackpot at any time since the beginning of the last financial year of Jackpot;
- (b) the proposed nominees for election as a director of Jackpot; or
- (c) the associates or affiliates of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "**Informed Person**" means (a) a director or executive officer of Jackpot; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of Jackpot; (c) any person or company who beneficially owns, directly or indirectly, voting securities of Jackpot or who exercises control or direction over voting securities of Jackpot or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of Jackpot, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) Jackpot itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to Jackpot's financial statements for the financial year ended December 31, 2020, none of:

- (a) the Informed Persons of Jackpot;
- (b) the proposed nominees for election as a director of Jackpot; or
- (c) the associates or affiliates of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of Jackpot or in a proposed transaction which has materially affected or would materially affect Jackpot.

FINANCIAL STATEMENTS

The audited financial statements of Jackpot for the period ended December 31, 2020 (the "**Financial Statements**"), together with the auditor's report thereon, will be presented to Jackpot Shareholders at the Meeting. The Financial Statements and the auditor's report thereon together with MD&A for the financial year ended December 31, 2020, are available on SEDAR at www.sedar.com. The Notice of Annual General & Special Meeting of Jackpot Shareholders, Circular, Request for Financial Statements and enclosed form of proxy will be available from Jackpot's Registrar and Transfer Agent, Computershare Investor Services Inc., 510 Burrard Street, 2nd floor, Vancouver, British Columbia, V6C 3B9, or from Jackpot's head office located at Suite 303 – 570 Granville Street, Vancouver, British Columbia, V6C 3P1.

NI 51-102 sets out the procedures for a Jackpot Shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered Jackpot Shareholders must also provide written instructions in order to receive the financial statements.

FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS

The Board proposes that the number of directors on the Board be set at four (4). Jackpot Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be set at four (4). The persons named in the enclosed form of proxy intend to vote in favour of setting the number of directors at four (4).

Although Management is nominating four (4) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

Each director of Jackpot is elected annually and holds office until the next Annual General Meeting of Jackpot Shareholders unless his successor is duly elected or until his resignation as a director.

In the absence of instructions to the contrary, the Jackpot Shares represented by proxy will be voted for the nominees listed below. Management does not contemplate that any of the nominees will be unable to serve as a director.

Information Concerning Nominees Submitted By Management

The following table sets out the names of the persons proposed to be nominated by Management for election as a director, the province or state and country in which each of them is ordinarily resident, the positions and offices which each presently holds with Jackpot, the period of time for which each of them has been a director of Jackpot, their respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of Jackpot Shares which each beneficially

owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular. All four nominees are currently directors of Jackpot.

The nominees for the office of director and information concerning them as furnished by the individual nominees are as follows:

Name, Province and Country of Ordinary Residence and Positions Held with Jackpot	Principal Occupation⁽¹⁾	Date First Became a Director	No. of Jackpot Shares Beneficially Owned, Directly or Indirectly
Jake H. Kalpakian President, CEO and Director Vancouver, British Columbia	President and CEO of Jackpot; President & CEO of 37 Capital Inc.	January 2, 1991	250,332 direct 3,444,134 indirect ⁽²⁾
Neil Spellman CFO and Director Carlsbad, California	Sr. Vice-President of DB Financial Management, Inc.; CFO of 37 Capital Inc. (since 2017); CFO of Jackpot Digital Inc. (since 2019)	July 12, 2002	11,538 direct
Gregory T. McFarlane Director Las Vegas, Nevada	Freelance Advertising Copywriter	October 1, 1992	0 direct
Alan Artunian Director Toluca Lake, California	Business Consultant	January 2, 2017	3,600 direct

- (1) All directors were elected at the last Annual General Meeting. Unless otherwise stated above, all nominees have held the principal occupation or employment indicated for the past five years.
- (2) 3,155,334 Jackpot Shares are held by Kalpakian Bros. of B.C. Ltd., a private company which was previously jointly controlled by Bedo H. Kalpakian and Jake H. Kalpakian (presently controlled by Jake Kalpakian), 283,500 Jackpot Shares are held by 30 Rock Management Inc., a private company controlled by Jake H. Kalpakian, and 5,300 Jackpot Shares are held by Diana Kalpakian, spouse of Jake H. Kalpakian.

The current members of the Audit Committee are Neil Spellman, Gregory T. McFarlane and Alan Artunian.

Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions

No proposed director (including any personal holding company of a proposed director):

- (1) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Jackpot) that:
- (a) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (collectively an "order"), that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer;
 - (b) was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer;
- (2) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including Jackpot) that, while that person was acting in that capacity, or within a year of that person 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;

- (3) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (4) has been subject to:
 - (a) 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 since December 31, 2020 or before December 31, 2020 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
 - (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other Person, except the directors and executive officers of Jackpot acting solely in such capacity.

AUDIT COMMITTEE DISCLOSURE

The Audit Committee Charter and the disclosure required by Form 52-110F2 of NI 52-110 is attached hereto as Schedule "F". The Audit Committee monitors the integrity of internal controls and monitors the business conduct of Jackpot. The Audit Committee reviews matters on a quarterly basis, relating to the financial position of Jackpot in order to provide reasonable assurances that Jackpot is in compliance with applicable laws and regulations, is conducting its affairs ethically and that effective internal controls and information systems are maintained.

CORPORATE GOVERNANCE

The information required to be disclosed by NI 58-101 related to Jackpot's corporate governance practices is attached to this Circular as Schedule "G".

APPOINTMENT AND REMUNERATION OF AUDITOR

At the Meeting, Jackpot Shareholders will be asked to pass an ordinary resolution approving the re-appointment of Smythe LLP, Chartered Professional Accountants, of 475 Howe St. #1700, Vancouver, British Columbia, V6C 2B3, as the auditor of Jackpot to hold office until the next Annual General Meeting of the Jackpot Shareholders at remuneration to be fixed by the Board.

Management recommends that Jackpot Shareholders vote for the approval of the re-appointment of Smythe LLP as the auditor for Jackpot for the ensuing year at a remuneration to be fixed by the Board.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of Stock Option Plan of Yo Eleven

The board of directors of Yo Eleven established the Yo Eleven Option Plan as a 10% rolling stock option plan. The maximum number of Yo Eleven Shares reserved for issuance under the Yo Eleven Option Plan is 10% of the issued and outstanding Yo Eleven Shares on a "rolling" basis.

The purpose of the Yo Eleven Option Plan is to provide an incentive to directors, officers, employees and consultants of Yo Eleven or its affiliates to continue their involvement with Yo Eleven, to increase their efforts on Yo Eleven's behalf and to attract new qualified employees, while at the same time reducing the cash compensation Yo Eleven would otherwise have to pay. The Yo Eleven Option Plan is also intended to assist in aligning management and employee incentives with the interests of shareholders.

General Description

The Yo Eleven Option Plan has the same principal terms of the Option Plan. Please see "*Re-approval of Jackpot's 10% Rolling Stock Option Plan*" below for a brief description of the principal terms of the Yo Eleven Option Plan, which description is qualified in its entirety by the terms of the Yo Eleven Option Plan. A full copy of the Yo Eleven Option Plan is available to Jackpot Shareholders upon request and will be available at the Meeting.

The Jackpot Shareholders will be asked at the Meeting to ratify and approve the Yo Eleven Option Plan by ordinary resolution in the following form:

“RESOLVED THAT:

1. The stock option plan of Yo Eleven Gaming Inc. (“**Yo Eleven**”) is ratified and approved with such additional provisions and amendments as the directors of Yo Eleven may deem necessary or advisable; and
2. any one director or officer of Yo Eleven is authorized and directed, for and on behalf of Yo Eleven, to execute and deliver all such documents and do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to this ordinary resolution, the execution and delivery of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

The Board unanimously recommends, and the persons named in the enclosed form of proxy intend to vote FOR the approval of the Yo Eleven Option Plan.

Re-Approval of Jackpot's 10% Rolling Stock Option Plan

At last year's annual general meeting held on December 16, 2020, the Jackpot Shareholders re-approved Jackpot's Option Plan, which is a 10% “rolling” stock option plan. Under the policies of the Exchange, a rolling stock option plan must be re-approved on a yearly basis by Jackpot Shareholders.

At the Meeting, Jackpot Shareholders will be asked to pass an ordinary resolution re-approving the Option Plan. The details of the Option Plan are set forth below.

- (a) the Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of Jackpot Shares equal to 10% of the issued Jackpot Shares at the time of any stock option grant;
- (b) an optionee must either be an Eligible Charitable Organization or a Director, Employee or Consultant of Jackpot at the time the option is granted in order to be eligible for the grant of a stock option to the optionee;
- (c) the aggregate number of options granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued Jackpot Shares calculated on the date an option is granted to the Person (unless Jackpot has obtained the requisite Disinterested Shareholder Approval);
- (d) the aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued Jackpot Shares, calculated at the date an option is granted to the Consultant;
- (e) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued Jackpot Shares in any 12 month period, calculated at the date an option is granted to any such Person;
- (f) options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any 3 month period;
- (g) the minimum exercise price per Jackpot Share of a stock option must not be less than the Market Price of the Jackpot Shares, subject to a minimum exercise price of \$0.05;
- (h) options can be exercisable for a maximum of 10 years from the date of grant (subject to extension where the expiry date falls within a "blackout period" (see (o) below);

- (i) stock options (other than options held by a person involved in Investor Relations Activities) will cease to be exercisable 90 days after the optionee ceases to be a Director (which term includes a senior officer), Employee, Consultant, Eligible Charitable Organization or Management Company Employee otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the Board. Stock options granted to persons involved in Investor Relations Activities will cease to be exercisable 30 days after the optionee ceases to serve in such capacity otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the Board;
- (j) all options are non-assignable and non-transferable;
- (k) Disinterested Shareholder Approval must be obtained for any reduction in the exercise price of a stock option if the optionee is an Insider of Jackpot at the time of the proposed amendment;
- (l) the Option Plan contains provisions for adjustment in the number of Jackpot Shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the Jackpot Shares;
- (m) upon the occurrence of an Accelerated Vesting Event (as defined in the Option Plan), the Board will have the power, at its sole discretion and without being required to obtain the approval of Jackpot Shareholders or the holder of any stock option, to make such changes to the terms of stock options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of stock options, conditionally or unconditionally; (b) terminating every stock option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the stock options are proposed to be granted to or exchanged with the holders of stock options, which replacement options treat the holders of stock options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of Jackpot Shares under such transaction; (c) otherwise modifying the terms of any stock option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any stock option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event will for the purposes of the Option Plan be final, conclusive and binding;
- (n) in connection with the exercise of an option, as a condition to such exercise Jackpot will require the optionee to pay to Jackpot an amount as necessary so as to ensure that Jackpot is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option; and
- (o) an option will be automatically extended past its expiry date if such expiry date falls within a blackout period during which Jackpot prohibits optionees from exercising their options, subject to the following requirements: (a) the blackout period must (i) be formally imposed by Jackpot pursuant to its internal trading policies; and (ii) must expire upon the general disclosure of undisclosed Material Information; and (b) the automatic extension of an optionee's option will not be permitted where the optionee or Jackpot is subject to a cease trade order (or similar order under Securities Laws) in respect of Jackpot's securities.

“Consultant”, “Director”, “Disinterested Shareholder Approval”, “Eligible Charitable Organization”, “Employee”, “Investor Relations Activities”, “Management Company Employee”, “Market Price”, “Material Information”, “Person” and “Securities Laws” all have the same definition as in the policies of the Exchange.

The text of the resolution to be passed is as follows. In order to be passed, a majority of the votes cast at the Meeting in person or by proxy must be voted in favour of the resolution.

“RESOLVED THAT:

1. The stock option plan of Jackpot Digital Inc (the “**Company**”) is ratified and re-approved with such additional provisions and amendments, provided that such are not inconsistent with the policies of the TSX Venture Exchange, as the directors of the Company may deem necessary or advisable; and
2. any one director or officer of the Company is authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and do all such other acts and things as such director or officer may determine to be

necessary or advisable to give effect to this ordinary resolution, the execution and delivery of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

The Board unanimously recommends, and the Persons named in the enclosed form of proxy intend to vote FOR the re-approval of the Stock Option Plan.

ADDITIONAL INFORMATION

Additional information relating to Jackpot is available on SEDAR at www.sedar.com. Copies of Jackpot’s Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from Jackpot, at Suite 303 – 570 Granville Street, Vancouver, British Columbia, V6C 3P1, Tel: (604) 681-0204 and such documents will be sent by mail or electronically by email as may be specified at the time of the request. Financial information is provided in Jackpot’s comparative Financial Statements and MD&A for the year ended December 31, 2020.

DIRECTOR APPROVAL

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

DATED at Vancouver, British Columbia, this 13th day of August, 2021.

On behalf of the Board

"Jake H. Kalpakian"

Jake H. Kalpakian
President, Chief Executive Officer and Director

SCHEDULE "A"
ARRANGEMENT RESOLUTION

“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 "B" to the Arrangement Agreement dated as of 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.

SCHEDULE "B"
PLAN OF ARRANGEMENT

**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 Dissent 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 the 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.

**SCHEDULE "C"
INTERIM ORDER**

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S 217205
No.
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)	Master <i>ELWOOD</i>)	Friday, the 6 th day of
))	August, 2021
))	
))	

ON THE APPLICATION of the petitioner, Jackpot Digital Inc., without notice, coming on for hearing at 800 Smithe Street, Vancouver, British Columbia, on August 6, 2021 and on hearing Shaun Driver, counsel to the petitioner, and on reading the Affidavit of Jake H. Kalpatian made August 6, 2021; and all parties being heard by telephone or other electronic means:

THIS COURT ORDERS that:

- Jackpot Digital Inc. ("Jackpot") is authorized and directed to call, hold and conduct a special meeting (the "Meeting") of the holders of common shares (the "Shareholders") of Jackpot (each, a "Jackpot Share") to be held at 10 a.m. (Vancouver Time) on Thursday, September 16, 2021 by telephone or such other location in Vancouver, British Columbia to be determined by Jackpot.
- At the Meeting, Shareholders will, inter alia, consider, and if deemed advisable, approve, with or without variation, a special resolution (the "Arrangement Resolution") adopting,

with or without amendment, the proposed plan of arrangement (the "Arrangement") involving Jackpot, the Shareholders, the holders of options of Jackpot, the holders of common share purchase warrants of Jackpot, and Yo Eleven Gaming Inc. ("YoEleven"), as set forth more particularly in the plan of arrangement (the "Plan of Arrangement") attached as Schedule "A" to the Arrangement Agreement between Jackpot and Yo Eleven dated for reference June 28, 2021, which is attached as Exhibit "B" to the Affidavit #1 of Jake H. Kalpatian sworn on August 6, 2021 (the "Affidavit") and filed herein.

3. The Meeting will be called, held and conducted in accordance with the notice of Special Meeting, and information circular (the "Information Circular") and form of proxy (together, the "Meeting Materials") to be delivered to the Shareholders in substantially the form attached as Exhibit "D" to the Affidavit, and in accordance with applicable provisions of the BCBCA, the Articles of Jackpot, the Securities Act (British Columbia), R.S.B.C. 1996, c. 418, as amended (the "Securities Act"), and related rules and policies, the terms of this Order (the "Interim Order") and any further Order of this Court, the rulings and directions of the Chairman of the Meeting, and, to the extent of any inconsistency or discrepancy between the Interim Order and the terms of any of the foregoing, the Interim Order will govern.

4. The record date for determination of the Shareholders entitled to receive the Meeting Materials was the close of business (Vancouver time) on Wednesday, July 21, 2021 (the "Record Date") and as disclosed in the Meeting Materials.

5. Jackpot will mail or deliver to the Shareholders in paper or electronic format or any combination of those, the Meeting Materials with such amendments as counsel for Jackpot may advise are necessary or desirable, provided they are not inconsistent with the terms of the Interim Order in this proceeding. Jackpot will mail or deliver the Meeting Materials to the Shareholders at least 21 days before the date of the Meeting, excluding the dates of mailing or delivery and the Meeting, in accordance with the BCBCA and National Instrument 54-101 of the Canadian Securities Administrators – Communication with Beneficial Owners of Securities of a Reporting Issuer. That mailing or delivery will be valid and timely notice of the Meeting by Jackpot to Shareholders.

6. The accidental failure or omission by Jackpot to give notice of the Meeting or the Petition to any person in accordance with this Interim Order, as a result of mistake or of events beyond the reasonable control of Jackpot (including, without limitation, any inability to utilize postal services) shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such accidental failure or omission is brought to the attention of Jackpot, then it shall use its reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances. Such rectified notice shall be deemed to be good and sufficient notice of the Meeting and/or the Petition, as the case may be.

7. The Arrangement Resolution approving the Arrangement as set forth in the Plan of Arrangement will be effective if passed by not less than 66 2/3% of the votes cast by the Shareholders of record as of the close of business on the Record Date, either present, by telephone, in person or by proxy at the Meeting.

8. Jackpot is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials (collectively "**Additional Information**") in accordance with the terms of the Arrangement, as Jackpot may determine to be necessary or desirable and notice of such Additional Information may be communicated to Shareholders by news release, newspaper advertisement or one of the methods by which the Meeting Materials will be distributed.

9. The mailing or delivery of the Meeting Materials will be valid and timely service of the Petition and the Affidavit on, and notice of hearing of the Petition to, all Shareholders entitled to be served or receive notice. No other form of service or notice need be made or given. No other material need be served on Shareholders in respect of this proceeding.

10. The persons entitled to attend the Meeting will be Shareholders of record as of the close of business (Vancouver time) on the Record Date, their respective proxies, the officers, directors and advisors of Jackpot and such other persons who receive the consent of the Chairman of the Meeting to attend.

11. The only persons permitted to vote at the Meeting will be the registered Shareholders as of the close of business (Vancouver time) on the Record Date or their valid

proxy holders as described in the Information Circular and as determined by the Chairman of the Meeting upon consultation with the Scrutineer (as hereinafter defined) and legal counsel to Jackpot.

12. A quorum for the Meeting will be the quorum required by the Articles of Jackpot

13. In all other respects, the terms, restrictions and conditions of the constating documents of Jackpot will apply in respect of the Meeting.

14. For the purposes of the Meeting, any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

15. Notwithstanding any provision of the BCBCA or the Articles of Jackpot, Jackpot may adjourn or postpone the Meeting from time to time without the need for the approval of this Court, and without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement of the Meeting shall be given by press release, by newspaper advertisement, by email or by mail, as determined by Jackpot to be the most appropriate method of communication.

16. The Record Date for Shareholders entitled to notice of and to vote at the Meeting will not change in respect of adjournments or postponements of the Meeting.

17. At any subsequent reconvening of the Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent reconvening of the Meeting.

18. In all other respects, the terms, restrictions and conditions of Jackpot's constating documents, including quorum requirements, apply in respect of the Meeting.

19. Jackpot may make, subject to the terms of the Arrangement Agreement, such amendments, modifications or supplements to the Plan of Arrangement at any time and from time to time prior to the Meeting, without any additional notice to the Shareholders, and the

Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and approval by this Court at the final hearing for the approval of the Arrangement and, if the Court directs, approved by and communicated to the Shareholders, unless the amendments, modifications or supplements concern 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 the Arrangement and is not materially adverse to the financial or economic interests of any Shareholder.

20. A representative of Jackpot's registrar and transfer agent (or any agent thereof) (the "Scrutineer") will be authorized to act as scrutineer for the Meeting.

21. Jackpot is authorized to permit the Shareholders to vote by proxy using the form of proxy, in substantially the same form as attached as Exhibit "D" to the Affidavit. Jackpot is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communications as it may determine.

22. Jackpot may in its discretion waive the time limits for deposit of proxies by Shareholders if Jackpot deems it reasonable to do so.

23. Registered Shareholders will have the right to dissent from the Arrangement Resolution and to be paid the fair value of their Jackpot Shares, as if ss. 237 to 247 of the BCBCA, as modified by Article 5 of the Plan of Arrangement, the Interim Order and the Final Order (as defined below), applied to the proposed Arrangement. A dissenting Shareholder who does not strictly comply with the dissent procedures in s.237 to 247 of the BCBCA, as modified by Article 5 of the Plan of Arrangement, the Interim Order and the Final Order, will be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder.

24. Jackpot will include in the Meeting Materials a copy of the Interim Order and will make available to any Shareholder requesting same, a copy of the Petition herein and the accompanying Affidavit (collectively, the "Court Materials"). The service of the Petition and

Affidavit in support of the within proceedings to any Shareholder requesting same is hereby dispensed with.

25. Delivery of the Court Materials given in accordance with this Interim Order will constitute good, sufficient and timely service of such Court Materials upon all persons who are entitled to receive the Court Materials pursuant to this Interim Order and no other form of service need be made and no other material need to be served on such persons in respect of these proceedings.

26. Upon the approval by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, Jackpot may apply for an order of this Honourable Court approving the Plan of Arrangement (the "Final Order") and that the Petition be set down for hearing before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. on Wednesday September 26, 2021 or such later date as counsel for Jackpot may be heard.

27. Any Shareholder may appear on the application for approval of the proposed Arrangement by this Court, provided they file with this Court and deliver to the solicitors for Jackpot by 4:00 p.m. (Vancouver time) on Friday, September 17, 2021, a Response to Petition setting out their address for service, and all evidence they intend to present to this Court.

28. If the application for approval of the proposed Arrangement is adjourned, only those persons who have filed and delivered a Response to Petition, in accordance with paragraph 27 above, need to be notified of the adjourned date.

29. The Court shall consider at the hearing for the Final Order, the fairness of the terms and conditions of the Arrangement, as provided for in the Arrangement, and the rights and interest of every person affected thereby.

30. Rules 8-1, 8-2 and 16-1 of the Supreme Court Civil Rules will not apply to any further applications in respect of this proceeding, including the application for approval of the proposed Arrangement application and any application to vary the Interim Order.

31. Jackpot is at liberty to apply to Court to vary the Interim Order.

32. This Court shall seek and request the aid and recognition of any court or judicial, regulatory or administrative body in any Province of Canada, and judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or legislature of any Province, and any court or judicial, regulatory, or administrative body of the United States or any other country, to act in aid of, and to assist this Honourable Court in carrying out, the terms of this Interim Order.

33. The terms and the conditions of the proposed Arrangement, set forth in the Plan of Arrangement attached as Schedule "C" to the Information Circular included in Exhibit "B" to the affidavit of Jake H. Kalpatian sworn August 6, 2021 in this proceeding, are procedurally and substantively fair to all persons exchanging, and to be issued, securities, claims and interests as called for in the proposed Arrangement, and such proposed Arrangement is hereby approved by this Court.

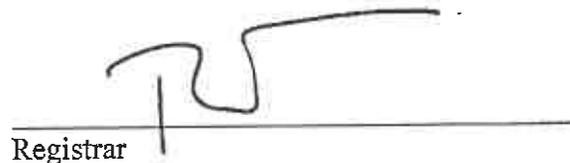
34. This Honourable Court having been informed that if granted, Jackpot and Yo Eleven intend to rely upon the Final Order as the basis for an exemption from the registration requirements of the U.S. Securities Act, pursuant to section 3(a)(10) thereof, with respect to the issuance of the Yo Eleven Shares (as defined in the Information Circular) to Shareholders pursuant to the Arrangement.

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:



Shaun C. Driver
Signature of the Lawyer for the Petitioner

BY THE COURT


Registrar

SCHEDULE "D"
PROCEDURES FOR EXERCISE OF DISSENT RIGHT

Division 2 — Dissent Proceedings of Part 8 of the Business Corporations Act (British Columbia)

Definitions and application

237 (1) In this Division:

“**dissenter**” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“**notice shares**” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“**payout value**” means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable, or

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
 - (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
 - (e) under section 301(5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
 - (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
 - (g) in respect of any other resolution, if dissent is authorized by the resolution;
 - (h) in respect of any court order that permits dissent.
- (2) A shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
- (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(a), (b), (c), (d), (e) or (f) must,

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1)(g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2)(b) or (3)(b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company

- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
- (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
- (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

- (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
- (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
- (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1)(a) or (b) of this section must

- (a) be dated not earlier than the date on which the notice is sent,
- (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- (b) the certificates, if any, representing the notice shares, and
- (c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1)(c) must

- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

- (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
 - (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

- 245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
- (a) promptly pay that amount to the dissenter, or
 - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must

- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE "E"
UNAUDITED PRO FORMA FINANCIAL STATEMENTS
OF YO ELEVEN GAMING INC. AS OF MARCH 31, 2021

[Next page]

Yo Eleven Gaming Inc.

PRO FORMA STATEMENT OF FINANCIAL POSITION

As of March 31, 2021

(Unaudited and expressed in Canadian Dollars)

YO ELEVEN GAMING INC.
Pro Forma Statement of Financial Position
 As of March 31, 2021
 (Unaudited and expressed in Canadian Dollars)

Assets	Yo Eleven as of March 31, 2021 \$	Notes	<i>Pro Forma</i> Adjustments \$	Yo Eleven Upon Arrangement \$
Current Assets:				
Cash	10	4	(10)	-
Intangible assets	-	4	-	-
Total assets	10		(10)	-
Current liabilities:				
Accounts payable	-		-	-
Shareholders' equity:				
Share capital	10	4	(10)	-
Deficit	-		-	-
Total shareholders' equity	10		(10)	-
Total liabilities and shareholders' equity	10		(10)	-

See accompanying notes to pro forma statement of financial position.

YO ELEVEN GAMING INC.Notes to *Pro Forma* Statement of Financial Position

March 31, 2021

(Unaudited and expressed in Canadian Dollars)

1. THE ARRANGEMENT

This unaudited *pro forma* statement of financial position has been compiled for purposes of inclusion in an Information Circular for Jackpot Digital Inc. (“Jackpot”) dated August 13, 2021.

Jackpot intends to reorganize its assets and operations into two separate companies: Jackpot and Yo Eleven Gaming Inc. (“Yo Eleven”). Jackpot intends to complete a share capital reorganization by way of statutory plan of arrangement (the “Arrangement”).

Under the Arrangement, Yo Eleven will acquire certain online gaming software and related assets held by Jackpot (the “Online Gaming Software”) in consideration of the issuance of Yo Eleven shares.

The Arrangement involves the distribution of Yo Eleven shares to existing Jackpot shareholders such that each Jackpot shareholder will hold one (1) share of Yo Eleven for every five (5) Jackpot shares they hold on the effective date of the Arrangement.

Closing of the Arrangement is subject to several conditions including, but not limited to, approval by Jackpot shareholders and receipt of court and necessary regulatory approvals.

2. BASIS OF PRESENTATION

The unaudited *pro forma* statement of financial position gives effect to the Arrangement, whereby Jackpot will spin out the Online Gaming Software to Yo Eleven, as if it had occurred on March 31, 2021.

The unaudited *pro forma* statement of financial position is provided for illustrative purposes only and does not purport to represent the financial position that would have resulted had the Arrangement actually occurred on March 31, 2021. Further, the *pro forma* statement of financial position is not necessarily indicative of the future financial position of Yo Eleven as a result of the Arrangement. The unaudited *pro forma* statement of financial position should be read in conjunction with the unaudited condensed interim financial statements of Jackpot for the three months ended March 31, 2021 and 2020, which are contained within the Information Circular.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of this unaudited *pro forma* statement of financial position are those as set out in the Jackpot audited consolidated financial statements for the years ended December 31, 2020 and 2019.

YO ELEVEN GAMING INC.Notes to *Pro Forma* Statement of Financial Position

March 31, 2021

(Unaudited and expressed in Canadian Dollars)

4. PRO FORMA ADJUSTMENT

Under the terms of the Arrangement, Jackpot will transfer the Online Gaming Software to Yo Eleven in exchange for Yo Eleven shares which will then be distributed to Jackpot shareholders on the basis of one (1) share of Yo Eleven for every five (5) Jackpot shares they hold on the effective date of the Arrangement.

As at the date of the Information Circular, Jackpot has 84,517,674 common shares issued and outstanding. As a result, it is expected that an estimated total of 16,903,535 Yo Eleven shares or more Yo Eleven shares will be issued and distributed to Jackpot shareholders at a deemed price of \$0.02 per share. Following the issuance of the Yo Eleven shares, the original common shares held by Jackpot on incorporation will be cancelled and Jackpot will be removed from the central securities register of Yo Eleven.

Under International Financial Reporting Standards, the transfer of the Online Gaming Software is considered to be a transaction between parties under common control and accordingly the value of the Online Gaming Software has been recorded for accounting purposes at its historical carrying value of \$nil.

5. SHARE CAPITAL

Share capital of Yo Eleven in the unaudited *pro forma* statement of financial position is comprised of the following:

Authorized: Unlimited common shares without par value

	Number of shares	Amount
On incorporation, June 28, 2021	1,000	\$ 10
Shares surrendered upon completion of the Arrangement	(1,000)	(10)
Shares issued to Jackpot shareholders upon completion of the Arrangement	16,903,535	-
	16,903,535	\$ -

6. INCOME TAXES

The unaudited pro forma statement of financial position does not reflect any tax consequences as a result of the Arrangement as it is not known whether sufficient future taxable profits will be available to utilize any deductible temporary differences.

SCHEDULE "F"
JACKPOT AUDIT COMMITTEE DISCLOSURE

ITEM 1: THE AUDIT COMMITTEE'S CHARTER

Jackpot's Audit Committee Charter is attached to this Schedule "F" as Appendix I.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Audit Committee are Neil Spellman, Gregory T. McFarlane and Alan Artunian. All of the members are financially literate. Only Gregory T. McFarlane and Alan Artunian are considered to be independent. "Independent" and "financially literate" have the meaning used in NI 52-110.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

All of the members of Jackpot's Audit Committee are financially literate as that term is defined in NI 52-110.

Neil Spellman and Gregory T. McFarlane sit on the audit committee of another public issuer. All members have an understanding of the accounting principles used by Jackpot to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of Jackpot's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, Smythe LLP, Chartered Professional Accountants) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of NI 52-110, Jackpot has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case-by-case basis.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees charged to Jackpot by the external auditor in each of the last two fiscal years are as follows:

	FYE 2019	FYE 2020
Audit fees for the year ended	\$74,096	\$65,000
Audit related fees	\$6,000 ⁽¹⁾	-
Tax fees	\$5,000 ⁽²⁾	\$3,290
All other fees (non-tax)	\$928 ⁽³⁾	\$793
Total Fees:	\$86,024	\$69,083

- (1) These fees are in connection with guidance in the preparation of the consolidated financial statements, recoverability of intangible assets and goodwill, reconciliation of gaming systems and parts, assessment of debt settlement agreements, and the reconciliation of non-controlling interest.
- (2) These fees are for preparation and filing of Jackpot's tax return.
- (3) Disbursement incurred by the external auditor in respect of the Canadian Public Accountability Board.

ITEM 8: EXEMPTION

In respect of the most recently completed financial year, Jackpot is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

APPENDIX I TO SCHEDULE "F"**AUDIT COMMITTEE CHARTER****Purpose**

The overall purpose of the Audit Committee (the "**Committee**") of Jackpot Digital Inc. (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Company's Board of Directors (the "**Board**") that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

Composition, Procedures and Organization

- (1) The Committee shall consist of at least three members of the Board.
- (2) At least two (2) members of the Committee shall be independent, and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

- (9) The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (10) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - A. contents of their report;
 - B. scope and quality of the audit work performed;
 - C. adequacy of the Company's financial and auditing personnel;
 - D. co operation received from the Company's personnel during the audit;
 - E. internal resources used;
 - F. significant transactions outside of the normal business of the Company;
 - G. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and

- H. the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
 - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- (11) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (12) The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - A. the annual report to Shareholders;
 - B. the annual information form, if required;
 - C. annual and interim MD&A;
 - D. prospectuses;
 - E. news releases discussing financial results of the Company; and
 - F. other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;

- (e) review and report on the integrity of the Company's consolidated financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- (13) The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.

SCHEDULE "G"
JACKPOT CORPORATE GOVERNANCE

Pursuant to NI 58-101 – *Disclosure of Corporate Governance Practices* Jackpot is required to disclose its corporate governance practices as follows.

ITEM 1. BOARD OF DIRECTORS

The Board of Jackpot facilitates its exercise of independent supervision over Jackpot's management through frequent meetings of the Board.

Mr. Gregory T. McFarlane, a director of Jackpot, is "independent" in that he has no direct or indirect material relationship with Jackpot.

Mr. Alan Artunian, a director of Jackpot, is "independent" in that he has no direct or indirect material relationship with Jackpot.

A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.

Mr. Jake Kalpakian is the President and Chief Executive Officer of Jackpot and is therefore not independent.

Mr. Neil Spellman is the Chief Financial Officer of Jackpot and is therefore not independent.

ITEM 2. DIRECTORSHIPS

The directors of Jackpot are currently directors of the following other reporting issuers:

Name of Director	Name of Reporting Issuer	Term
Jake H. Kalpakian	37 Capital Inc.	January 1991 to present
Gregory T. MacFarlane	37 Capital Inc.	October 1992 to present
Neil Spellman	37 Capital Inc	August 2016 to present
Alan Artunian	Alexis Financial Inc.	June 2019 to present

ITEM 3. ORIENTATION AND CONTINUING EDUCATION

The Board of Jackpot briefs all new directors with the policies of the Board, and other relevant corporate and business information.

ITEM 4. ETHICAL BUSINESS CONDUCT

The Board has found that the fiduciary duties placed on individual directors by Jackpot's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of Jackpot.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of Jackpot and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest

in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of Jackpot or an affiliate of Jackpot, (ii) is for indemnity or insurance for the benefit of the director in connection with Jackpot, or (iii) is with an affiliate of Jackpot. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to Jackpot at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to Jackpot for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to Jackpot and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

ITEM 5. NOMINATION OF DIRECTORS

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the Jackpot Shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to Jackpot, the ability to devote the time required, shown support for Jackpot's mission and strategic objectives, and a willingness to serve.

ITEM 6. COMPENSATION

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

ITEM 7. OTHER BOARD COMMITTEES

The Board has no other committees other than the Audit Committee.

ITEM 8. ASSESSMENTS

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.