

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: May 5, 2023
(Date of earliest event reported)

ELYS GAME TECHNOLOGY, CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39170
(Commission
File Number)

33-0823179
(IRS Employer
Identification No.)

130 Adelaide Street West, Suite 701
Toronto, Ontario M5H 2K4, Canada
(Address of principal executive offices)

1-561-838-3325
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	ELYS	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On May 5, 2023 (the "Closing Date"), Elys Game Technology, Corp. (the "Company") closed a private placement offering of up to 1,500 units and entered into a Subscription Agreement (the "Agreement") with a single accredited investor, Gold Street Capital Corp. (the "Investor"), which is a company owned by Gilda Pia Ciavarella, a related party and spouse of the Company's Executive Chairman, Michele Ciavarella. Each Unit sold to the Investor was sold at a per unit price of \$1,000 and was comprised of (i) a 12% convertible debenture in the principal amount of \$1,000 (the "Debentures"), and (ii) warrants to purchase shares of the Company's common stock (the "Warrants").

The purpose of the private placement is to provide working capital for general corporate purposes in advance of launching the Company's online channel and mobile app product for U.S. and Canadian markets.

The Investor purchased a total of 1,500 units and the Company issued Debentures for the total principal amount of \$1,500,000 (the "Principal Amount") to the Investor and warrants to purchase 3,138,075 shares of common stock of the Company.

The Debentures mature three years from their date of issuance and bear interest at a rate of 12% per annum compounded annually and payable on the maturity date. Each Debenture is convertible, at the option of the holder, at any time, into such number of shares of common stock of the Company equal to the principal amount of the Debenture plus all accrued and unpaid interest at a price equal to \$0.48 per share or the Nasdaq consolidated closing bid price (calculated to the nearest one-hundredth of one cent) of the Company common stock on the Nasdaq stock market on the Closing Date, subject to adjustment as provided in the Debenture, at any time up to the Maturity Date. The Debentures are initially convertible into 3,138,075 shares of common stock, subject to anti-dilution adjustment as provided in the Debentures. The holder is guaranteed to receive a minimum of five months of interest in the event of an early repayment ("Redemption") by the Company.

In addition, the Company may accelerate this right of conversion on at least ten (10) business days prior written notice to the Holder if there is an effective Registration Statement registering, or a current prospectus available for, the resale of the common shares issuable on the conversion and (i) the closing price of the Company's common shares exceeds two hundred (200%) per cent of the Conversion Price for five (5) trading days in a thirty (30) day period or (ii) the Company wishes to redeem or pre-pay the Debentures prior to the Maturity Date.

If at any time that the common shares issuable to the Investor on conversion of the Debentures in whole or in part would be free trading without resale restrictions or statutory hold periods, the Debentures are redeemable by the Company at any time or times prior to the Maturity Date on not less than ten (10) Business Days prior written notice from the Company to the Investor of the proposed date of Redemption (the "Redemption Date"), without bonus or penalty, provided, however, that prior to the Redemption Date, the Investor has the right to convert the whole or any part of the principal and accrued and unpaid interest of the Debentures into common shares of the Company.

The Warrants are exercisable at an exercise price equal to \$0.48 per share or the Nasdaq consolidated closing bid price (calculated to the nearest one-hundredth of one cent) of the Company common stock on the Nasdaq stock market on the Closing Date, subject to adjustment as provided in the Warrant and expire three years after the issuance date. Each Warrant is exercisable on a cashless basis in the event that there is not an effective registration statement registering the shares underlying the Warrant at the time of exercise.

The Company may accelerate the right to exercise the Warrants on at least ten (10) business days prior written notice to the Holder if there is an effective Registration Statement registering, or a current prospectus available for, the resale of the common shares issuable on exercise of the Warrants and the closing price of the Company's common shares exceeds two hundred (200%) per cent of the Exercise Price for five (5) trading days in a thirty (30) day period.

The Warrants and Debentures provide that if the Company issues or sells common stock of securities convertible or exercisable into common stock for a price lower than the exercise price of conversion price that the exercise price and conversion price will be reduced to such price, subject to a floor price of \$0.35 and subject to certain exempt issuances set forth in the Debenture and Warrant.

The number of shares of common stock that may be issued upon conversion of the Debentures and exercise of the Warrants is subject to an Exchange Cap (as defined in the Debenture and Warrant) unless shareholder approval to exceed the Exchange Cap is approved. The parties agree to amend the Debentures and Warrants as necessary in order to comply with the requirements of the Nasdaq Capital Markets.

The Debentures are secured by a senior security interest in all of the assets of Elys Game Technology, Corp. pursuant to a Security Agreement. The Company's primary assets consist of certain business operations and licenses in multiple jurisdictions, trademarks and other intellectual property, betting technology and products as further described in the Company's annual report on Form 10-K filed with the SEC on April 17, 2023. Following an event of default under the Debenture, the Investor will have all available rights under the Security Agreement and applicable law to enforce their rights as a secured creditor, including to sell, assign, transfer, pledge, encumber or otherwise dispose of the secured assets, and to exercise any other available rights and remedies upon the occurrence of an event of default as described in the Debenture.

The Debentures can be declared due and payable upon an "Event of Default." As more fully described in the Purchase Agreement, each of the following, among other things, constitutes an "Event of Default" under the Debenture:

- (a) default in the payment of any principal or interest on the Debenture as and when the same shall become due and payable, and continuance of such default for a period of five (5) Business Days after the date on which written notice of such failure, requiring the Corporation to remedy the same, shall have been given by the Holder;
- (b) the institution of bankruptcy or insolvency proceedings against the Corporation, or the institution of proceedings seeking reorganization or winding-up of the Corporation or any other bankruptcy, insolvency or analogous laws, or the issuing of sequestration or process of execution against the Corporation or any substantial part of its property, or the appointment of a receiver or manager of the Corporation or of any substantial part of its property, and, in each case, the continuance of any such proceedings unstayed, undischarged and in effect for a period of fifteen (15) days from the date thereof;
- (c) or the institution by the Corporation of proceedings to be adjudicated bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it, or the passing of a resolution authorizing the filing by it, of a petition or answer or consent seeking reorganization or relief under bankruptcy laws or any other bankruptcy, insolvency or analogous laws, or the consent by it to the filing of any such petition or to the appointment of a receiver of the Corporation or of any substantial part of its property, or the making by it of a general assignment for the benefit of creditors, or the Corporation's admitting in writing its inability to pay its debts generally as they become due or taking corporate action in furtherance of any of the aforesaid purposes.

The Company paid no finders fees in connection with the subscription.

The foregoing descriptions of the Subscription Agreement, Debenture, Warrant and Security Agreement are qualified in their entirety by reference to the full text of the forms of Subscription Agreement, Debenture, Warrant and Security Agreement copies of each of which are attached hereto as Exhibits 10.1, 10.2, 10.3 and 10.4, respectively.

Item 2.03 - Creation of Direct Financial Obligation

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 3.02 - Unregistered Sales of Equity Securities

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

The Debentures and Warrants were issued pursuant to an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended and Rule 506 of Regulation D promulgated thereunder (the "Securities Act") and therefore are not registered under the Securities Act or the securities laws of any state of the United States. The transaction does not involve a public offering. The investors are each an "accredited investor" and each investor has access to information about us and their investment.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are filed with this Current Report on Form 8-K.

Exhibit Number	Exhibit Description
10.1	Form of Subscription Document between the Company and the Investors
10.2	Form of Debenture
10.3	Form of Warrant
10.4	Form of Security Agreement
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 8, 2023

ELYS GAME TECHNOLOGY, CORP.

By: /s/ Michele Ciavarella

Name: Michele Ciavarella

Title: Executive Chairman



**SUBSCRIPTION AGREEMENT
(United States Dollar)**

TO: ELYS GAME TECHNOLOGY, CORP.

RE: PURCHASE OF UNITS OF ELYS GAME TECHNOLOGY, CORP.

Subject to the terms and conditions contained in this subscription agreement, including the terms and conditions set forth in Schedule "A" hereto, the undersigned (the "**Purchaser**"), hereby irrevocably subscribes for and agrees to purchase the number of units (the "**Units**" or the "**Purchased Securities**") of **ELY'S GAME TECHNOLOGY, CORP.** (the "**Company**" or "**Corporation**") as set forth below at a purchase price of US\$1,000 per Unit (the "**Purchase Price**").

(*Name of Purchaser – please print*)

By: _____
(*Authorized Signature*)

(*Please print name of individual whose signature appears above if different than the name of the Purchaser printed above.*)

(*Subscriber's Address*)

(*Telephone Number*)

(*Fax Number*)

(*Email Address*)

Register the Purchased Securities as set forth below:

(*Name*)

(*Account reference, if applicable*)

(*Address*)

Number of Units: _____

Aggregate Purchase Price: US\$ _____

If the Purchaser is signing as finder for a principal and the Purchaser is not a trust company or a portfolio manager, in either case, purchasing as trustee or finder for accounts fully managed by it, complete the following:

(*Name of Principal*)

(*Principal's Address*)

Deliver the Purchased Securities as set forth below:

(*Name*)

(*Account reference, if applicable*)

(*Contact Name*)

(*Address*)

(*Telephone Number*)

SUBSCRIPTION AGREEMENT
(United States Dollar)
(Cont'd)

The Purchased Securities represent 1,500 Units offered by the Corporation (the “**Offering**”) to close on or about May 5, 2023 or such other date mutually agreed between the Purchaser and the Corporation (the “**Closing Date**”). The maximum Offering will result in gross proceeds to the Corporation of up to US\$1,500,000. The Corporation may, at its discretion, elect to complete the Offering for proceeds of less than or more than US\$1,500,000 or less than or more than 1,500 Units and in one or more tranches.

Each Unit is comprised of (i) a Secured Debenture of the Corporation in a principal amount of US\$1,000 with a term of three (3) years from the date of issuance (the “**Maturity Date**”) and bearing interest at the rate of twelve (12%) percent per annum (the “**Debenture**”), and (ii) _____ common share purchase warrants of the Corporation (the “**Warrants**”).

Subject to the Exchange Cap as set out in Schedule B, the whole or any part of the principal amount of the Debenture plus any accrued and unpaid interest may be convertible at the option of the Debenture holder into common shares of the Corporation at a price equal to \$0.48 per share or the Nasdaq consolidated closing bid price (calculated to the nearest one-hundredth of one cent) of the Company common stock on the Nasdaq stock market on the Closing Date, subject to adjustment as provided in the Debenture, at any time up to the Maturity Date (the “**Conversion Price**”) provided that the Corporation may accelerate this right of conversion on at least ten (10) business days prior written notice to the Holder if there is an effective Registration Statement registering, or a current prospectus available for, the resale of the common shares issuable on the conversion and (i) the closing price of the Corporation’s common shares exceeds two hundred (200%) per cent of the Conversion Price for five (5) trading days in a thirty (30) day period or (ii) the Corporation wishes to redeem or pre-pay the Debentures prior to the Maturity Date.

Subject to the Exchange Cap as set out in Schedule C, each one Warrant will entitle the holder to acquire one (1) common share of the Corporation within sixty (60) months from the Closing Date and each Warrant will have an exercise price equal to \$0.48 per share or the Nasdaq consolidated closing bid price (calculated to the nearest one-hundredth of one cent) of the Company common stock on the Nasdaq stock market on the Closing Date, subject to adjustment as provided in the Warrant Certificate (the “**Exercise Price**”) and each Warrant may be exercised either by a cash payment of the Exercise Price or by a cashless exercise on the terms set out in the Warrant Certificate. The Corporation may accelerate the right to exercise the Warrants on at least ten (10) business days prior written notice to the Holder if there is an effective Registration Statement registering, or a current prospectus available for, the resale of the common shares issuable on exercise of the Warrants and the closing price of the Corporation’s common shares exceeds two hundred (200%) per cent of the Exercise Price for five (5) trading days in a thirty (30) day period.

The Terms and Conditions of Subscription for Units is attached hereto as **SCHEDULE “A”**, the form of the Debenture is attached hereto as **SCHEDULE “B”**, the form of Warrant Certificate is attached hereto as **SCHEDULE “C”** and the Accredited Investor Certificate is attached hereto as **SCHEDULE “D”** for U.S. Subscribers and **SCHEDULE “E”** for Canadian Subscribers. All dollar amounts referred to in this agreement are in United States Dollars unless otherwise noted.

ACCEPTANCE: The Corporation hereby (i) accepts the above subscription subject to the terms and conditions contained in this subscription agreement; and (ii) agrees that the Purchaser shall be entitled to rely on such representations and warranties of the Corporation contained in the subscription agreement.

ELYS GAME TECHNOLOGY, CORP.

Date: May __, 2023

Per: _____
Michele Ciavarella, Executive Chairman

SCHEDULE "A"

TERMS AND CONDITIONS OF SUBSCRIPTION FOR UNITS OF ELYS GAME TECHNOLOGY, CORP.

1. Description of Secured Debentures

The secured debenture that form part of the Purchased Securities (the "**Debenture**") shall be governed by provisions of the Debenture of the Corporation, the form of which is annexed hereto as Schedule "B". The Debentures yield interest at the rate of twelve (12%) percent per annum compounded annually and payable on maturity of the Debentures. The Debentures mature three (3) years from the date of issue provided that the Corporation may, on ten (10) business days prior written notice to the holder redeem or prepay all or any part of the Debenture prior to maturity without notice or penalty, except that the Debenture is not redeemable by the Corporation for a period of six (6) months from the commencement date. The Debentures are secured obligations of the Corporation and shall rank senior to all other obligations and debentures of the Corporation irrespective of the date of issue of such debentures. Subject to the Exchange Cap as set out in Schedule B, the principal amount of the Debenture plus any accrued and unpaid interest shall be convertible in whole or in part at the option of the holder at a price equal to \$0.48 per share or the Nasdaq consolidated closing bid price (calculated to the nearest one-hundredth of one cent) of the Company common stock on the Nasdaq stock market on the Closing Date, subject to adjustment as provided in the Debenture, at any time up to the Maturity Date as more specifically set out in the Debenture (the "**Conversion Price**") provided that the Corporation may accelerate this right of conversion on at least ten (10) business days prior written notice to the holder if there is an effective Registration Statement registering, or a current prospectus available for, the resale of the common shares issuable on the conversion and (i) the closing price of the Corporation's common stock exceeds two hundred (200%) per cent of the Conversion Price for five (5) trading days in a thirty (30) day period or (ii) the Corporation wishes to redeem or pre-pay the Debentures prior to the Maturity Date.

2. Description of Warrants

The warrants that form part of the Purchased Securities (the "**Warrants**") shall be governed by the provisions of warrant certificates (the "**Warrant Certificates**") of the Corporation, the form of which is annexed hereto as Schedule "C". Subject to adjustment as provided in the Warrant Certificates, each Warrant shall entitle the holder thereof to acquire one common share of the Corporation at any time on or before 5:00 p.m. (New York time) on the date that is sixty (60) months from the Closing Date (the "**Warrant Shares**"). Subject to the Exchange Cap as set out in Schedule C, each one Warrant will have an exercise price equal to \$0.48 per share or the Nasdaq consolidated closing bid price (calculated to the nearest one-hundredth of one cent) of the Company common stock on the Nasdaq stock market on the Closing Date, subject to adjustment as provided in the Warrant Certificates (the "**Exercise Price**") and each Warrant may be exercised either by a cash payment of the Exercise Price or by a cashless exercise on the terms set out in the Warrant Certificate if and only if there is no effective Registration Statement after six months from the Closing Date. The Warrant exercise may be accelerated by the Corporation if the closing price of the Corporation's common stock exceeds 200% of the Exercise Price for five (5) trading days in a 30 day period at any time up to the expiration date as more specifically set out in the Warrant Certificate and there is an effective Registration Statement registering, or a current prospectus available for, the resale of the Warrant Shares.

3. Description of the Restricted Common Shares

None of the shares of common stock to which this subscription agreement relates (the "**Subscription Shares**") have been registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**"), or any U.S. state securities laws, and, unless so registered, none may be offered or sold, directly or indirectly, in the United States or to U.S. persons (as defined herein) except in accordance with the provisions of Regulation S under the US Securities Act, pursuant to an effective registration statement under the US Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in each case only in accordance with applicable state securities laws, or an opinion of counsel satisfactory to the corporation that such registration or qualification is not required.

4. Acknowledgments re: Hold Periods and Resale Restrictions

The Purchaser on its own behalf and (if applicable) on behalf of others for whom it is contracting hereunder, understands and acknowledges the following:

- (a) The Debentures, Warrants and Subscription Shares (collectively, the “*Purchased Securities*”) are subject to statutory hold periods or resale restrictions and the Debentures forming part of the Purchased Securities, the shares issued on the conversion of the Debentures, and the Warrants forming part of the Purchased Securities, and the Warrant Shares issued on exercise of the Warrants being collectively referred to herein as the “*Underlying Securities*”) will be subject to statutory hold periods or resale restrictions;
- (b) The Purchaser, and (if applicable) others on whose behalf the Purchaser is contracting hereunder, have been advised to consult their own legal advisers in connection with any applicable statutory hold periods and resale restrictions relating to the Purchased Securities and the Underlying Securities and no representation has been made respecting applicable statutory hold periods or resale restrictions relating to such securities;
- (c) The Certificates representing the Purchased Securities and the Underlying Securities may be endorsed with a legend setting out resale restrictions under applicable securities legislation;
- (d) The Purchaser, and (if applicable) others on whose behalf the Purchaser is contracting hereunder, are solely responsible (and the Corporation is not in any way responsible) for compliance with applicable hold periods and resale restrictions, including without limitation the filing of any documentation and, if applicable, the payment of any fees with any applicable securities regulatory authority, and the Purchaser, and (if applicable) others on whose behalf the Purchaser is contracting hereunder, are aware that the Purchaser, and (if applicable) such others, may not be able to resell the Purchased Securities or the Underlying Securities, except in accordance with limited exceptions under applicable securities legislation and regulatory policies and the Purchaser and, if applicable, others on whose behalf the Purchaser is contracting hereunder, will not sell, resell or otherwise transfer the Purchased Securities or the Underlying Securities, except in compliance with applicable laws; and
- (e) No market currently exists for the Warrants and no liquid market may exist for the Underlying Securities.

5. Delivery and Payment

Unless other arrangements are agreed by the Corporation, the following must be delivered to you or your broker, not later than 5:00 p.m. (New York time) on the day immediately preceding the Closing Date:

- (a) One signed copy of this subscription agreement with the relevant “accredited investor” certification completed in Schedule “D” or Schedule “E”, as applicable to U.S. and Canadian Subscribers respectively;
- (b) The aggregate Purchase Price payable for the Purchased Securities by way of a certified check or bank draft payable to the Corporation or your broker; and
- (c) Such other documents as may be required pursuant to terms of this subscription agreement.

6. Closing

This subscription is subject to acceptance by the Corporation, as described below. A Debenture and a Warrant Certificate endorsed by the Corporation representing part of the Purchased Securities will be available for delivery to the Purchaser, on the Closing Date against payment of the aggregate Purchase Price for the Purchased Securities and a certificate representing part of the Purchased Securities will be available for delivery to the Purchaser approximately fifteen (15) days after the Closing Date.

7. Acceptance Subscription

This subscription may be accepted in whole only and the right is reserved to the Corporation to refuse to accept any subscription. Confirmation of acceptance or rejection of this subscription will be forwarded to the Purchaser promptly after the acceptance or rejection of this subscription by the Corporation. If this subscription is rejected, the Purchaser understands that any certified check, bank draft, wire transfer or other method of payment delivered by the Purchaser to the broker or the Corporation c/o the law firm of Beard Winter LLP representing the Purchase Price will be promptly returned to the Purchaser without interest or deduction.

8. Acknowledgments re: Prospectus Exemptions, etc.

The Purchaser acknowledges and agrees, on its own behalf and (if applicable) on behalf of others for whom the Purchaser is contracting hereunder, that the sale of the Purchased Securities to the Purchaser, or (if applicable) to such others, is conditional upon, among other things, such sale being exempt from the requirement to file a prospectus or deliver an offering memorandum in respect of such sale or upon the issuance of such rulings, orders, consents or approvals as may be required to permit such sale without complying with the requirement to file a prospectus or deliver an offering memorandum.

The Purchaser also acknowledges and agrees, on its own behalf and (if applicable) on behalf of others for whom it is contracting hereunder, that: (i) the Purchaser, and (if applicable) such others have not received, requested or been provided with, nor have any need to receive, a prospectus, offering memorandum, sales or advertising literature or similar disclosure document relating to the Offering and/or the business and affairs of the Corporation and that the decision to enter into this subscription agreement and purchase the Purchased Securities has not been based upon any verbal or written representation as to fact or otherwise made by or on behalf of the Corporation or any officer, director, employee or agent of the Corporation and that such decision is based entirely upon the form of Debenture attached as Schedule "B" and the form of Warrant Certificate attached as Schedule "C" to this subscription agreement and information set out in this subscription agreement, (ii) there has not been any advertisement of the Purchased Securities in printed public media, radio, television or telecommunications, including electronic display such as the Internet; and (iii) Beard Winter LLP is acting as counsel to the Corporation and is not acting as counsel to the Purchasers of Purchased Securities. The Purchaser acknowledges that the Corporation may be required by law to provide applicable securities regulatory authorities with a list setting forth the identities of the beneficial purchasers of the Purchased Securities and the Purchaser agrees to use its best efforts to comply with such laws, if required.

The Purchaser, on its own behalf and (if applicable) on behalf of others for whom the Purchaser is contracting hereunder, understands and acknowledges that: (i) the Purchased Securities have not been nor will be registered under the United States Securities Act of 1933, as amended (the "*US Securities Act*") nor any applicable state securities laws and may not be offered or sold or re-offered or resold, directly or indirectly, in the United States or to any United States person (as defined in Regulation S under the U.S. Securities Act, a "*U.S. Person*"), unless such securities have been registered under the U.S. Securities Act, and any applicable state securities laws, or are otherwise exempt from such registration; and (ii) certificates representing the Purchased Securities may bear a legend to such effect.

9. Conditions to Closing

The Purchaser acknowledges and agrees that as the Offering will not be qualified by a prospectus, the Offering is subject to the condition that the Purchaser, or (if applicable) others for whom the Purchaser is contracting hereunder, execute and return to the Corporation, as applicable, all relevant documentation required by applicable securities legislation, regulations, rules and policies.

10. Representations, Warranties and Covenants of the Purchaser

The Purchaser, on its own behalf and (if applicable) on behalf of others for whom the Purchaser is contracting hereunder, represent, warrant and covenant to and with the Corporation (and acknowledges that the Corporation, and its counsel are relying thereon) as follows:

- (a) Jurisdiction of Residence – the Purchaser, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, is resident in the jurisdiction set forth on the first page of this agreement and the purchase by and sale to the Purchaser, or any such beneficial purchaser, of the Purchased Securities is being made in accordance with the applicable securities legislation of such jurisdiction;
- (b) Prospectus Exempt Purchase –if the Purchaser or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, is resident in a state of the United States of America or Canada, or is otherwise subject to the securities laws of any US state, the Purchaser, on its own behalf and (if applicable) on behalf of any such beneficial purchaser makes the representations, warranties and covenants set out in Schedule "D" or Schedule "E", to this subscription agreement, as applicable, with the Corporation and the Purchaser, and (if applicable) any such beneficial purchaser, may avail itself of one or more of the categories of prospectus exempt purchasers listed in Schedule "D" or Schedule "E" as applicable;

- (c) Agent Purchasing for Principal(s) – if the Purchaser is acting as agent for one or more beneficial purchasers: (i) each such beneficial purchaser is purchasing as principal for its own account and not for the benefit of any other person; and (ii) each such principal can, and does, make the representations, warranties and covenants set out herein as are applicable to such principal by virtue of its jurisdiction of residence or by virtue of it being subject to the applicable securities legislation of such jurisdiction, and (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, acknowledges that such schedule forms part of and is incorporated into this subscription agreement;
- (d) Capacity – (i) if the Purchaser, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, is an individual, the Purchaser, or such beneficial purchaser, as the case may be, has attained the age of majority and is legally competent to execute this subscription agreement and to perform all actions required pursuant hereto; (ii) if the Purchaser, or any beneficial purchaser for whom the Purchaser is acting, is a corporation, partnership, unincorporated association or other entity, the Purchaser, or such beneficial purchaser, as the case may be, has the legal capacity and competence to enter into and be bound by this subscription agreement and to take all actions required pursuant thereto and the Purchaser further certifies that all necessary approvals of directors, shareholders or otherwise have been given and obtained;
- (e) Authority – (i) if the Purchaser is acting as agent for one or more beneficial purchasers, the Purchaser is duly authorized to execute and deliver this subscription agreement and all other necessary documentation in connection with such subscription on behalf of each such principal and this subscription agreement has been duly authorized, executed and delivered by the Purchaser on behalf of each such principal; and (ii) the entering into of this subscription agreement and the completion of the transactions contemplated herein will not result in the violation of any of the terms and provisions of any law applicable to, or the constating documents of, the Purchaser or of any beneficial purchaser for whom the Purchaser is acting or of any agreement, written or oral, to which the Purchaser or any beneficial purchaser for whom the Purchaser is acting is a party or by which the Purchaser or such beneficial purchaser is bound;
- (f) Enforceability – this subscription agreement has been duly and validly authorized, executed and delivered by the Purchaser (on its own behalf and, if applicable, on behalf of any beneficial purchaser) and, upon acceptance by the Corporation this subscription agreement will constitute a legal, valid and binding contract of the Purchaser, or (if applicable) any beneficial purchaser for whom the Purchaser is acting, enforceable against the Purchaser, or (if applicable) any such beneficial purchasers, in accordance with its terms;
- (g) Purpose – If the purchaser is not an individual, the Purchaser has not been created solely or primarily to use exemptions from the registration and prospectus exemptions under applicable securities legislation and has a pre-existing purpose other than to use such exemptions;
- (h) No Representation re: Resale, Refund, Future Price or Listing – no person has made any written or oral representation to us:
 - (i) That any person will resell or repurchase the Purchased Securities;
 - (ii) That any person will refund the Purchaser Price other than as may be provided in this subscription agreement; or
 - (iii) Relating to the future price or value of the Purchased Securities;
- (i) Investment Experience – the Purchaser, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, has knowledge and experience with respect to investments of this type and the Purchaser, or (if applicable) any such beneficial purchaser, is capable of evaluating the merits and risks thereof and obtaining competent independent business, legal and tax advice regarding this investment;

- (j) Proceeds of Crime - The funds representing the subscription amount which will be advanced by the Purchaser, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, to the Corporation hereunder will not represent proceeds of crime for the purposes of the Proceeds of Crime (Money Laundering) Act (Canada) or any laws relating to money laundering in the United States or any other jurisdiction (collectively, the " *PCMLA* ") and the Purchaser, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, acknowledges that the Corporation may in the future be required by law to disclose the Purchaser's, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, name and other information relating to this Subscription Agreement and the Purchaser's, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge (a) no portion of the subscription amount to be provided by the Purchaser, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, (i) has been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States, or any other jurisdiction, or (ii) is tendered on behalf of a person or entity who has not been identified to the Purchaser, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder. The Purchaser, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, shall promptly notify the Corporation if the Purchaser, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith; and
- (k) Additional Filings - The Purchaser, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, shall execute, deliver, file and otherwise assist the Corporation with filing all documentation required by the applicable securities laws and any other applicable securities legislation to which the Purchaser, or (if applicable) any beneficial purchaser for whom the Purchaser is contracting hereunder, may be subject, within the time limits prescribed to permit the subscription for and issuance of, the Units and thereafter for any subsequent exchange thereof.

The Purchaser acknowledges that the representations, warranties and covenants made by the Purchaser in this Subscription Agreement are made by the Purchaser with the intent that they may be relied upon by the Corporation and its counsel to, among other things, determine the eligibility of the Purchaser, or (if applicable) the eligibility of others on whose behalf the Purchaser is contracting hereunder, to purchase the Purchased Securities under relevant securities legislation including, without limitation, the availability of exemptions from the registration and prospectus requirements of applicable securities legislation in connection with the issuance of the Purchased Securities to the Purchaser. The Purchaser further agrees that by accepting the Purchased Securities on the Closing Date the Purchaser shall be representing and warranting that such representations, warranties and covenants are true as at the Closing Date, with the same force and effect as if they had been made by the Purchaser on such date. The Purchaser undertakes to immediately notify the Corporation of any change in any statement or other information relating to the Purchaser or others on whose behalf the Purchaser is contracting set forth herein that takes place prior to Closing.

11. Representations, Warranties and Covenants of the Corporation

The Corporation hereby represents, warrants and covenants to the Purchaser (and/or to any others on whose behalf the Purchaser is contracting hereunder), that as of the date of this Subscription Agreement and as of the Closing Date:

- (b) The Corporation is a valid and subsisting corporation duly incorporated and in good standing under the laws of its jurisdiction of incorporation;
- (c) The Corporation will reserve and set aside a sufficient number of authorized and unissued Common Shares of the Corporation to issue to the Purchaser the Common Shares issuable in connection with the exercise of the Warrants and such Common Shares will, when issued and delivered upon such exercise, be duly and validly issued as fully paid and non-assessable shares of the Corporation;
- (d) This Subscription Agreement and the Offering have been duly authorized by all necessary corporate action on the part of the Corporation and constitute valid obligations of the Corporation legally binding upon it and enforceable in accordance with its terms;
- (e) The Corporation has all requisite corporate power and authority to carry on its business as now and proposed to be carried on and to own, lease and operate its material properties, business and assets, or the interests therein;

- (f) The Corporation is not a party to any actions, suits or proceedings which could have a material adverse effect on the assets, liabilities, financial condition, business, capital or prospects of the Corporation and, to the best of the Corporation's knowledge, no such actions, suits or proceedings are pending or threatened;
- (g) In the event there is no effective registration statement, the Corporation will have an opinion on file with the Transfer Agent at all times to cover the resale of shares; and
- (h) Registration Statement - The Corporation will use commercially reasonable efforts to file a Registration Statement with respect to the Underlying Securities within six (6) months from the date hereof.

12. Acknowledgment and Waiver

The Purchaser, on its own behalf and/or on behalf of others for whom the Purchaser is contracting hereunder, has acknowledged that the decision to purchase the Purchased Securities was made solely on the basis of publicly available information. Accordingly, the decision to acquire the Purchased Securities has also been made on the basis of currently available public information.

13. Survival

This Subscription Agreement, including without limitation the representations, warranties and covenants contained herein, shall survive and continue in full force and effect and be binding upon the Corporation and the undersigned for a period of three (3) years from the Closing Date notwithstanding the completion of the purchase of the Purchased Securities.

14. Security Agreement

The Company's obligations hereunder shall be secured pursuant to the Security Agreement annexed to Schedule B as Exhibit "B1".

15. Governing Law

This Subscription Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. The Purchaser, on its own behalf and (if applicable) on behalf of others for whom the Purchaser is contracting hereunder, hereby irrevocably attorn to the jurisdiction of the courts of the State of Delaware with respect to any matters arising out of this agreement.

16. Costs

All costs and expenses incurred by the Purchaser (including any fees and disbursements of any counsel retained by the Purchaser) relating to its purchase of the Purchased Securities shall be borne by the Purchaser.

17. Assignment

This Subscription Agreement is not transferable or assignable, in whole or in part, by the Purchaser or (if applicable) by others on whose behalf the Purchaser is contracting hereunder.

18. Entire Agreement and Headings

This Subscription Agreement (including the schedules hereto), contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This agreement may only be amended or modified in any respect by written instrument only. The headings contained herein are for convenience only and shall not affect the meanings or interpretation hereof.

19. Language

The parties hereto confirm their express wish that this agreement and all documents and agreements directly or indirectly relating thereto be drawn up in the English language

20. Time of Essence

Time shall be of the essence of this Subscription Agreement.

21. Currency

Unless otherwise specified, all dollar amounts referred to in this Subscription Agreement are in United States Dollars.

22. Counterparts and Facsimile Deliveries

This Subscription Agreement may be executed in one or more counterparts, each of which counterparts when executed shall constitute an original and all of which counterparts so executed shall constitute one and the same instrument. The Corporation shall be entitled to rely on delivery of a facsimile copy of this Subscription Agreement, including the completed schedules attached hereto, and acceptance by the Corporation of any such facsimile copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.

23. Consent to Collection and Use of Personal Information

The Purchaser acknowledges that this subscription agreement requires the Purchaser to provide certain personal information to the Corporation ("**Personal Information** "). Such information is being collected by the Corporation for the purposes of completing the proposed issuance of the Units, which includes, without limitation, determining the Purchaser's eligibility to purchase the Units under applicable securities laws, preparing and registering certificates representing the Underlying Securities and completing filings required by the securities commissions, and/or other securities regulatory authorities. The Purchaser agrees that the Purchaser's Personal Information may be disclosed by the Corporation to: (a) securities commissions and/or other securities regulatory authorities, (b) the Corporation's registrar and transfer agent, and (c) any of the other parties involved in this subscription, including legal counsel, and may be included in record books in connection with this subscription. In the case of such information is being collected indirectly by them for the purpose of the administration and enforcement of the applicable securities laws and the Purchaser authorizes the indirect collection of such information by them.

24. Risk Factors

Purchase of Debentures pursuant to this Offering should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Debentures at this time is speculative due to the stage of the Corporation's development. An investment in Debentures is appropriate only for Subscribers who are prepared to invest money for three (3) years and who have the capacity to absorb a loss of some or all of their investment. Subscribers must rely on management of the Corporation. Any investment in the Corporation at this stage involves a high degree of risk. The following additional risk factors are inherent in an investment in the Debentures:

1. **Redemptions:** There can be no assurance that if additional funding is required by the Corporation to redeem any or all of the Debentures on maturity, that such financing will be available on terms satisfactory to the Corporation, or at all. If the Corporation does not have sufficient funds on hand to redeem any or all of the Debentures and its assets do not mature or cannot be sold quickly enough, it will not be able to redeem any or all of the Debentures on maturity.
2. **Secured Debentures:** The Debentures offered pursuant to this Offering are senior secured obligations hereunder shall be secured pursuant to the Security Agreement.
3. **Tax Consequences:** The tax consequences associated with an investment in the Debentures may be subject to changes in federal and state tax laws. There can be no assurance that the tax laws will not be changed in a manner that will adversely affect tax consequences to Subscribers holding or disposing of the Debentures.

4. **No Right to Vote:** Debenture holders will have no right to vote on matters relating to the Corporation. Exclusive authority and responsibility for managing the Corporation rests with management of the Corporation and those persons, consultants and advisors retained by management on behalf of the Corporation. Accordingly, Subscribers should appreciate that they will be relying on the good faith, experience, expertise and ability of the directors and officers of the Corporation and other parties for the success of the business of the Corporation.
5. **Systemic Risk:** Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Corporation and/or the other parties that may have impact on the Debentures interact on a daily basis.
6. **Limited History:** The Corporation has limited operational history. Accordingly, there is limited information available to a Subscriber upon which to base an evaluation of the Corporation and its business and prospects. The Corporation is in the early stages of its business and therefore is subject to the risks associated with early-stage companies, including uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of the Corporation's business and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Corporation will be successful in doing what it is required to do to overcome these risks. No assurance can be given that the Corporation's business activities will be successful.
7. **Illiquid Investment:** An investment in the Debenture of the Corporation is an illiquid investment. There is currently no public market through which the Debenture of the Corporation may be resold.
8. **No Deposit Insurance:** The Debentures are not insured against loss through the Canada Deposit Insurance Corporation, Federal Deposit Insurance Corporation or any other insurance company or program.
9. **No Independent Counsel:** No independent counsel has been retained on behalf of the Subscribers; and no independent counsel has conducted any due diligence and reviewed the structure and the documentation of the Offering on their behalf to assess potential issues and risks for Debenture Holders.
10. **Competitive Industry:** The regulated gaming industry in Italy and the U.S. in which the Corporation primarily operates is, and will continue to be, very competitive. There is no assurance that the Corporation will be able to continue to compete successfully or that the level of competition and pressure on pricing will not affect its margins.
11. **General Market Risk:** The Corporation and its affiliates may be adversely affected by a general deterioration in economic conditions or a deterioration affecting specific industries, products or geographies: A recession or downturn in the economy or the deterioration in the economic conditions affecting specific industries, geographic locations and/or products could make it difficult for the Corporation and its affiliates to originate new business and maintain existing business.
12. **Liquidity Risk:** If the Corporation requires new capital, it may need to raise additional funds. If it is unable to raise such capital, it would need to curtail its growth and its business, and its ability to service or redeem Debentures could be adversely impacted.
13. In addition, a Subscriber should refer to the section entitled "**Risk Factors**" in the most recent Form 10-K filing of the Corporation and any amendments thereto which are available at www.sec.gov/archives/edgar/data.

SCHEDULE "D"
U.S. SUBSCRIBERS

CONFIRMATION OF APPLICABLE PORTION OF ACCREDITED INVESTOR DEFINITION

NOTE: THE INVESTOR MUST INITIAL BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW.

ELYS GAME TECHNOLOGY, CORP.
(The "Corporation")

The purpose of this Statement is to obtain information relating to whether or not you are an accredited investor as defined in Securities and Exchange Regulation D as well as your knowledge and experience in financial and business matters and to your ability to bear the economic risks of an investment in the Corporation.

As used in Regulation D, the following terms shall have the meaning indicated:

- a. Accredited investor. Accredited investor shall mean any person who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:
 1. Any bank as defined in section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; any insurance company as defined in section 2(13) of the Act; any investment company registered under the Investment Corporation Act of 1940 or a business development company as defined in section 2(a)(48) of that Act; any Small Business Investment Corporation licensed by the U.S. Small Business Administration under section 301(e) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
 2. Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;
 3. Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
 4. Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
 5. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000, excluding the value of the person's primary residence, but including any excess liability between the value of the residence and the amount of any obligation(s) thereon;
 6. Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
 7. Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) and
 8. Any entity in which all of the equity owners are accredited investors.

1. Name, Home Address and Telephone Number:

Name

Address

Telephone (____) _____

2. Residence

(a) If an individual, what is your principal place of residence?

(b) If not an individual:

(1) Where is your principal place of business?

(2) Where are your executive headquarters?

(3) If a partnership, in which states(s) does (do) each of your partners reside?

(4) If a corporation, what is your state of incorporation?

(5) If a trust, in which state(s) does (do) each of the beneficiaries reside?

3. Business or occupation (including title):

4. Educational background (level, degrees completed):

5. Net Worth, Partners' Capital or Total Assets (check one):

- \$5,000,000 or more
- \$1,000,000-\$5,000,000
- Less than \$1,000,000

6. For individual or married persons only - Gross income for each of the last 2 years (check one):

- \$300,000 or more
- \$200,000 - \$300,000
- Less than \$200,000

Is this income amount combined with that of your spouse? Yes No

Do you expect to reach the same level of income in the current year? Yes No

7. In connection with my investment activities, I utilize the services of the following attorney, accountant or other advisor to assist me in analyzing investment opportunities:

- (a) Name of advisor: _____
- (b) Position or occupation: _____
- (c) Business address: _____

8. Personal data:

- Age: _____
- Marital Status: _____
- Number of dependents: _____

9. I am an "accredited investor" as defined in Rule 501(a) of Securities and Exchange Commission Regulation D. _____ (Initials)

10. I have adequate means of providing my current needs, and possible personal contingencies, and have no need for liquidity in an investment in the Corporation. _____ (Initials)

11. I, together with my advisors, have specific knowledge and experience in related financial and business matters so as to be capable of evaluating the relative economic and operational merits and risks of an investment in the stock. _____ (Initials)

12. I hereby certify that I have answered the foregoing questions to the best of my knowledge and that my answers hereto are complete and accurate. _____ (Initials)

Name (Please Print)

Signature Date

SCHEDULE "E"
CANADIAN SUBSCRIBERS

TO BE COMPLETED BY SUBSCRIBERS UNDER ACCREDITED INVESTOR EXEMPTION

ACCREDITED INVESTOR CERTIFICATE

In connection with the purchase of Debentures of the Corporation by the undersigned subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent (the "Subscriber" for the purposes of this Schedule E), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The Subscriber is resident in the jurisdiction as set forth on the face page of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Debentures as principal for its own account or a fully managed account;
3. The Subscriber is an "accredited investor" within the meaning of National Instrument 45-106 entitled "Prospectus Exemptions", section 73.3(2) of the Securities Act (Ontario) and the regulations promulgated thereunder, by virtue of satisfying the indicated criterion as set out in Appendix 1 to this Accredited Investor Certificate;
4. The Subscriber was not created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (m) of the attached Appendix 1 of this Schedule E;
5. Upon execution of this Schedule E by the Subscriber, this Schedule E shall be incorporated into and form a part of the Subscription Agreement; and
6. The Subscriber acknowledges that he has requested and is satisfied that this Subscription Agreement and all documentation related thereto be drawn up in the English language. Le soussigné reconnaît qu'il a exigé que cette contrat d'abonnement ainsi que toutes les autres documents qui s'y rattachent soit rédigé et exécuté en anglais et s'en déclare satisfait.

The foregoing representations and warranties are true and accurate as of the date of this certificate and will be true and accurate as of Closing Date. If any such representations and warranties shall not be true and accurate prior to Closing Date, the Subscriber shall give immediate written notice of such fact to the Corporation.

Dated: _____, 2023.

Print name of Subscriber

By: _____
Signature

Print name of Signatory (if different from Subscriber)

Title:

**IMPORTANT: PLEASE MARK THE CATEGORY OR CATEGORIES
IN APPENDIX 1 ON THE NEXT PAGE THAT DESCRIBES YOU.**

APPENDIX 1

(CANADIAN SUBSCRIBER)

CONFIRMATION OF APPLICABLE PORTION OF ACCREDITED INVESTOR DEFINITION

NOTE: THE INVESTOR MUST INITIAL BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW.

Accredited Investor - (defined in section 1.1 of the National Instrument 45-106, in the Province of Ontario in section 73.3(1) of the Securities Act (Ontario) and regulations promulgated thereunder, means:

- ___ (a) a Canadian financial institution, or an authorized foreign bank named in Schedule III of the *Bank Act* (Canada) (and, in Ontario, a Schedule I, II or III bank); or
 - ___ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
 - ___ (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by Directors of that subsidiary; or
 - ___ (d) a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer; or
 - ___ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d); or
 - ___ (e.1) an individual formerly registered under the securities legislation of a province, territory or other permissible jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador); or
 - ___ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada; or
 - ___ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec; or
 - ___ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government; or
 - ___ (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada; or
 - ___ (j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000; or
- (Note: if an individual qualifies as an accredited investor under this category (j), such individual must complete, sign and deliver a Risk Acknowledgement Form set out in Appendix 2.)
- ___ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000; or
 - ___ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; or

(Note: if an individual qualifies as an accredited investor under this category (k), such individual must complete, sign and deliver a Risk Acknowledgement Form set out in Appendix 2.)

(Note: if individual accredited investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under paragraph (t) below, which must be initialed.)

___ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000; or

(Note: if an individual qualifies as an accredited investor under this category (l), such individual must complete, sign and deliver a Risk Acknowledgement Form set out in Appendix 2.)

___ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements; or

___ (n) an investment fund that distributes or has distributed its securities only to

___ (a) a person that is or was an accredited investor at the time of the distribution, or

___ (b) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 and 2.19 of National Instrument 45-106 or of Quebec Regulation 45-106, as applicable, or

___ (c) a person described in paragraph (a) or (b) that acquires or acquired securities under section 2.18 of National Instrument 45-106 or of Quebec Regulation 45-106, as applicable, or

___ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt; or

___ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be; or

___ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, or

___ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded; or

___ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function; or

___ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors; or

(Note: if you are purchasing as an individual, accredited investors paragraph (k) above must be initialed rather than paragraph (t))

___ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser; or

___ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as

___ (a) an accredited investor, or

___ (b) an exempt purchaser in Alberta or British Columbia after September 14, 2005; or

___ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

[The remainder of this page has been left blank intentionally.]

APPENDIX 2

FORM 45-106F9

**RISK FORM ACKNOWLEDGEMENT FOR INDIVIDUAL ACCREDITED INVESTORS
(CANADA)**

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: <i>[Instruction: Include a short description, e.g., common shares]</i> 12% Convertible Debentures with Warrants	Issuer: ELYS GAME TECHNOLOGY, CORP.
Purchased from: <i>[Instruction: Indicate whether securities are purchased from the issuer or a selling security holder.]</i> ELYS GAME TECHNOLOGY, CORP.	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your initials
Risk of loss – You could lose your entire investment of \$ _____. <i>[Instruction: Insert the total dollar amount of the investment.]</i>	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the sales person is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the sales person identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials
Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	
4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	

5. Salesperson information

[Instruction: The sales person is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]

First and last name of salesperson (please print):

Telephone:

Email:

Name of firm (if registered):

SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER

6. For more information about this investment

For investment in a non-investment fund

[Insert name of issuer/selling security holder] ELYS GAME TECHNOLOGY, CORP.

[Insert address of issuer/selling security holder] Suite 701, 130 Adelaide St. W., Toronto, Ontario M5H 2K5

[Insert contact person name, if applicable] Mike Ciavarella

[Insert telephone number] (561) 838-3325

[Insert email address] m.ciavarella@elysgame.com

[Insert website address, if applicable]: www.elysgame.com

For investment in an investment fund

[Insert name of investment fund]

[Insert name of investment fund manager]

[Insert address of investment fund manager]

[Insert telephone number of investment fund manager]

[Insert email address of investment fund manager]

[If investment is purchased from a selling security holder, also

insert the name, address, telephone number and email address of selling security holder here]

For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.

Form instructions:

1. This form does not mandate the use of a specific font size or style but the font must be legible.
2. The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.
3. The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.

SCHEDULE "B"

DEBENTURE

No. D- _____

ELYS GAME TECHNOLOGY, CORP.

Convertible Debenture due May 4, 2026

**Convertible into Common Shares of
Elys Game Technology, Corp.**

Holder: _____

Amount: _____

Commencement Date: May 5, 2023

TABLE OF CONTENTS

ARTICLE 1 - INTERPRETATION		1
Section 1.1	Definitions	3
Section 1.2	Interpretation not Affected by Headings, etc.	3
Section 1.3	Deemed Notice of Debenture	3
Section 1.4	Applicable Law	3
Section 1.5	Accounting Terms	3
Section 1.6	Day not a Business Day	3
Section 1.7	Currency	3
ARTICLE 2 - THE DEBENTURE		3
Section 2.1	Terms, Form and Denomination of Debenture	3
Section 2.2	Certification by Corporation	3
Section 2.3	Replacement of Debenture	3
Section 2.4	Payment of Principal and Interest	3
Section 2.5	Ownership of Debenture, Assignment	4
Section 2.6	Redemption of Debenture	4
Section 2.7	Redemption Price	4
Section 2.8	Places of Surrender of the Debenture	4
Section 2.9	Notice of Pre-Payment or Redemption	4
Section 2.10	Cancellation of Retired Debenture	4
ARTICLE 3 - NO SECURITY		4
Section 3.1	No Security	4
ARTICLE 4 - DEFAULT AND ENFORCEMENT		4
Section 4.1	Events of Default	4
Section 4.2	Acceleration of Default	5
Section 4.3	Holder not Obligated to Institute Proceedings	5
Section 4.4	Rights and Remedies Cumulative	5
ARTICLE 5 - CONVERSION OF DEBENTURE INTO COMMON SHARES		5
Section 5.1	Conversion into Common Shares	5
Section 5.2	Base Conversion Price	5
Section 5.3	Mechanics of Conversion or Prepayment	6
Section 5.4	Corporation to Reserve Shares	6
Section 5.5	Cancellation of Converted Debenture	7
Section 5.6	Conversion of Legended Debenture	7
ARTICLE 6 - CERTAIN ADJUSTMENTS		7
Section 6.1	Stock Dividends and Stock Splits	7
Section 6.2	Subsequent Equity Sales	7
Section 6.3	Subsequent Rights Offerings	8
Section 6.4	Pro-Rata Distributions	8
Section 6.5	Fundamental Transaction	8
Section 6.6	Calculations	9
Section 6.7	Notice to the Holder	9

ARTICLE 7 - PARTICULAR COVENANTS OF THE CORPORATION	10
Section 7.1 Payment of Principal and Interest	10
Section 7.2 To Carry On Business	10
ARTICLE 8 - SATISFACTION AND DISCHARGE	10
Section 8.1 Cancellation and Destruction	10
Section 8.2 Payment Set Aside in Trust	10
Section 8.3 Release from Covenants	10
ARTICLE 9 - MISCELLANEOUS	10
Section 9.1 Notice to the Holder and to the Corporation	10
SIGNATURES	12

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE TRANSFERRED OR SOLD IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OR OTHER COMPLIANCE UNDER THE ACT OR THE LAWS OF THE APPLICABLE STATE OR A "NO ACTION" OR INTERPRETIVE LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER, AND ITS COUNSEL, TO THE EFFECT THAT THE SALE OR TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE ACT AND SUCH STATE STATUTES.

ELYS GAME TECHNOLOGY, CORP.
(incorporated under the laws of the State of Delaware)

No. D- _____

\$ _____

Debenture due May 4, 2026

ELYS GAME TECHNOLOGY, CORP. (hereinafter referred to as the "**Corporation**"), FOR VALUE RECEIVED, hereby promises to pay to (the "**Holder**"), subject to the provisions hereof (the provisions hereof are hereinafter collectively referred to as the "**Debenture**"), on **May 4, 2026**, or on such other date as the principal amount hereof may become due in accordance with the provisions of the Debenture, on presentation and surrender of this Debenture, the sum of _____ (**US\$** _____) **United States Dollars** and, subject to the provisions of this Debenture, to pay interest on the principal amount hereof at the rate of **twelve (12%) per cent** per annum on the Maturity Date (as hereinafter defined), which interest shall be payable before as well as after maturity and both before and after default and judgment, with interest on amounts in default at the same rate, and with interest compounding annually all in accordance with the terms and conditions hereof.

ARTICLE 1 - INTERPRETATION

Section 1.1 Definitions. In this Debenture, unless there is something in the subject matter or context inconsistent therewith:

" **Applicable Laws** " means the laws applicable to the Corporation at any relevant time;

" **Base Conversion Price** " shall have the meaning set forth in Section 5.2.

" **Black Scholes Value** " means the value of the outstanding principal amount of this Debenture, plus all accrued and unpaid interest hereon based on the Black and Scholes Option Pricing Model obtained from the "OV" function on Bloomberg L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Maturity Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Maturity Date.

" **Business Day** " means a day on which banks are open for business in New York, New York other than a Saturday, Sunday or civic or statutory holiday in New York, New York;

“ **Change of Control Transaction** ” means the occurrence after the date hereof of any of (a) an acquisition after the date hereof by an individual or legal entity or “group” (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Corporation, by contract or otherwise) of in excess of 50% of the voting securities of the Corporation (other than by means of conversion, exercise or exchange of this Debenture or the Warrant Shares issued together with this Debenture), (b) the Corporation merges into or consolidates with any other Person, or any Person merges into or consolidates with the Corporation and, after giving effect to such transaction, the shareholders of the Corporation immediately prior to such transaction own less than 50% of the aggregate voting power of the Corporation or the Successor Entity of such transaction, (c) the Corporation sells or transfers all or substantially all of its assets to another Person, or (c) the execution by the Corporation of an agreement to which the Corporation is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (c) above.

“ **Commencement Date** ” means the effective date of original issue of this Debenture, being May 5, 2023;

“ **Common Stock Equivalents** ” means any securities of the Corporation or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“ **Common Shares** ” means the shares in the capital stock of the Corporation designated as common shares in the Corporation Articles with the voting rights attached thereto of one (1) vote for each issued and outstanding common share, as such shares exist at the commencement of business on the Commencement Date; provided that in the event of a subdivision, redivision, reduction, combination, consolidation, reclassification or other changes thereof, or successive such subdivisions, redivisions, reductions, combinations, consolidations, reclassifications or other changes, then, subject to adjustments, if any, having been made in accordance with the provisions of Article 5 hereof, “ **Common Shares** ” shall thereafter mean the shares resulting from such subdivision, redivision, reduction, combination, consolidation, reclassification or other change;

“ **Corporation** ” means Elys Game Technology, Corp. and every Successor Entity which shall have complied with the provisions of Article 8;

“ **Corporation Articles** ” means the Certificate of Incorporation of the Corporation and any amendments thereof;

“ **Conversion Price** ” means, at any relevant time, the price per Common Share at which the Holder may obtain Common Shares upon the conversion of this Debenture pursuant to Section 5.1, being initially at the Base Conversion Price equal to \$0.48 per share or the Nasdaq consolidated closing bid price (calculated to the nearest one-hundredth of one cent) of the Company common stock on the Nasdaq stock market on the Closing Date, which may be accelerated by the Corporation if the closing price of the Corporation’s common stock exceeds 200% of the Conversion Price for five (5) trading days in a 30 day period at any time up to the Maturity Date and if there is an effective Registration Statement registering, or a current prospectus available for, the resale of the common shares issuable on the conversion as more specifically set out in the Section 5.6;

“ **Conversion Ratio** ” means the number of Common Shares received on the conversion of the whole or part of this Debenture pursuant to the Base Conversion Price;

“ **Corporate Reorganization** ” means, in respect of a corporation, any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other Person whether by way of arrangement, reorganization, consolidation, amalgamation, merger, transfer, sale, continuance into any other jurisdiction of incorporation or otherwise;

“ **Date of Conversion** ” has the meaning attributed thereto in subsection 5.1;

“ **Debenture** ” means this Debenture due May 4, 2026 of the Corporation;

“ **Director** ” means a director of the Corporation for the time being and “ **Directors** ” means the board of directors of the Corporation or, if duly constituted and whenever duly empowered, the executive committee of the board of directors of the Corporation for the time being, and reference to action by the directors means action by the directors of the Corporation as a board or action by the said executive committee as such committee;

“ **Event of Default** ” has the meaning attributed thereto in Section 4.1;

“**Exempt Issuance**” means the issuance of (a) shares of Common Stock upon exercise or conversion of any outstanding security on the date of issuance of this Debenture, (b) shares of Common Stock issued upon conversion of this Debenture or exercise of the Warrant issued as part of the Unit of which this Debenture is a part of, (c) shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose and (d) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

“**Maturity Date**” means May 4, 2026;

“**Offering**” means the offering of up to 1,500 Units by the Corporation, the initial tranche to close on or about May 5, 2023 which may result in gross proceeds to the Corporation of up to US\$1,500,000 with each such Unit being comprised of (i) a convertible debenture of the Corporation in a principal amount of US\$1,000 with a term of three (3) years from the date of issuance (the “**Maturity Date**”) and bearing interest at the rate of twelve (12%) percent per annum (the “**Debenture**”), convertible into shares of common stock at the Base Conversion Price and (ii) warrants exercisable for [_____] shares of common stock, exercisable at the Base Conversion Price (the “**Warrants**”).

“**Person**” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, estate trustee, or other legal personal representative or other entity howsoever designated or construed;

“**Redemption Price**” has the meaning attributed thereto in Section 2.7;

“**Shareholder Approval**” means approval of the holders of a majority of the Corporation’s outstanding voting Common Stock, to effectuate the issuance of all of the shares of Common Stock issuable upon conversion of the Debenture and exercise of the Warrants in excess of 19.99% of the issued and outstanding Common Stock on the Measurement Date.

“**Specified Number of Common Shares**” means the number of Common Shares that results on the conversion of the whole or any part of the Debenture into Common Shares pursuant to the Base Conversion Price;

“**Successor Entity**” means any corporation continuing from and which acquires all or substantially all of the undertaking, property and assets of the Corporation pursuant to any Corporate Reorganization;

“**Transfer Agent**” means Signature Stock Transfer, Inc. with its office situate at 14673 Midway Road, Suite #220, Addison, Texas 75001, or such other transfer agent as the Corporation may, from time to time, appoint with respect to the Debenture by giving written notice to the Holder, as herein provided.

Section 1.2 Interpretation not Affected by Headings, etc. The division of this Debenture into Articles, sections, subsections and clauses, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Deemed Notice of Debenture. The Holder of this Debenture, and all Persons claiming through or under such Holder, shall be deemed to have notice of, and shall be bound by, the provisions of this Debenture.

Section 1.4 Applicable Law. This Debenture shall be governed by and construed in accordance with the laws of the State of Delaware applicable therein without reference to any conflicts of law provisions and shall be treated in all respects as a Delaware contract.

Section 1.5 Accounting Terms. All accounting terms which are not specifically defined herein shall be construed in accordance with generally accepted accounting principles of the United States consistently applied.

Section 1.6 Day not a Business Day. If any day on or before which any action is required or permitted to be taken hereunder is not a Business Day, then such action shall be required or permitted to be taken on or before the requisite time on the next succeeding day that is a Business Day.

Section 1.7 Currency and Conversion. Except where otherwise stated, all references to currency herein are expressed in United States Dollars.

ARTICLE 2 - THE DEBENTURE

Section 2.1 Terms, Form and Denomination of Debenture.

- (a) This Debenture shall be designated as a “*Debenture due May 4, 2026*”.
- (b) The outstanding principal amount of this Debenture shall bear interest from and including the Commencement Date to but excluding the Maturity Date, as applicable, at the rate of twelve (12%) per cent per annum compounded annually and payable on the Maturity Date, provided that the Corporation may prepay at any time the whole or any part of this Debenture in accordance with Section 2.4(d).

Section 2.2 Certification by Corporation. This Debenture shall not be obligatory or entitle the Holder to the benefit hereof until it has been executed by or on behalf of the Corporation and certified by the Transfer Agent, and certification by the Transfer Agent of any Debenture shall be conclusive evidence as against the Corporation that this Debenture so certified has been duly issued and is a valid obligation of the Corporation and that the Holder is entitled to the benefit hereof.

Section 2.3 Replacement of Debenture.

- (a) In case this Debenture shall be mutilated, defaced, lost, destroyed or stolen, the Corporation, subject to Applicable Laws, shall issue and the Transfer Agent shall certify and deliver a new Debenture of like date and tenor as the one mutilated, defaced, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such Debenture and in lieu of and in substitution for such mutilated, defaced, lost, destroyed or stolen Debenture, and the new Debenture shall be entitled to the benefit hereof and rank equally in accordance with its terms with all other Debenture.
- (b) Upon the application for the issue of a new Debenture pursuant to this Section 2.3, the Holder shall bear the costs of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, provide to the Transfer Agent such evidence of ownership and of the loss, destruction or theft of the Debenture so lost, destroyed or stolen as shall be satisfactory to the Transfer Agent and the Corporation in their discretion and the Holder may also be required to provide an indemnity in amount and form satisfactory to the Transfer Agent and the Corporation in their discretion.

Section 2.4 Payment of Principal and Interest.

- (a) The principal and interest of this Debenture will be payable when due in United States Dollars by check payable to the Holder or, at the Holder's option, will be payable by wire transfer to such account and at such location as may be specified by written notice from the Holder to the Corporation given not less than ten (10) Business Days prior to the date of payment. For greater certainty, any such payment by wire transfer in accordance with the Holder's specifications shall satisfy and fully discharge the Corporation's obligations in respect thereof.
- (b) The interest on this Debenture shall be due and payable on the Maturity Date and is compounded annually on the anniversary date of its issuance.

- (c) Subject to the other provisions herein, the outstanding principal amount of this Debenture and all accrued interest shall be repaid by check or wire transfer on the Maturity Date against presentation and surrender hereof at the offices of the Transfer Agent in the Town of Addison, Texas, or as otherwise agreed in writing between the Corporation and the Holder.
- (d) Provided that the Common Shares issuable to the Holder on conversion of this Debenture in whole or in part would be free trading without resale restrictions or statutory hold periods if the Holder elected to exercise the right of conversion in Article 5 the outstanding principal and accrued interest under this Debenture may be prepaid in whole or in part at any time or times by giving not less than ten (10) Business Days prior written notice from the Corporation to the Holder as set forth in Section 2.9 of the proposed date of pre-payment (the “**Pre-Payment Date**”), without bonus or penalty, provided that (i) the Debenture cannot be redeemed for a period of six (6) months after the Commencement Date, and (ii) the Holder shall have the right to convert the whole or any part of the principal and the accrued and unpaid interest into Common Shares of the Corporation in accordance with Article 5 prior to the Pre-Payment Date.

Section 2.5 Ownership of Debenture, Assignment. The Person in whose name this Debenture is registered shall for all the purposes of this Debenture be and be deemed to be the owner thereof and payment of or on account of the principal or the interest thereon shall be made, subject to any express provisions hereof to the contrary, only to or upon the order in writing of such Person. This Debenture may only be assigned by an instrument in writing or Form of Assignment the form of which is annexed hereto as **Appendix “C”**.

Section 2.6 Redemption of Debenture. Provided that the Common Shares issuable to the Holder on conversion of this Debenture in whole or in part would be free trading without resale restrictions or statutory hold periods if the Holder elected to exercise the right of conversion in Article 5, this Debenture shall be redeemable by the Corporation at any time or times prior to the Maturity Date on not less than ten (10) Business Days prior written notice from the Corporation to the Holder as set forth in Section 2.9 of the proposed date of redemption (the “**Redemption Date**”), without bonus or penalty, provided, however, that prior to the Redemption Date, the Holder shall have the right to convert the whole or any part of the principal and accrued and unpaid interest of this Debenture into Common Shares of the Corporation in accordance with Article 5.

Section 2.7 Redemption Price. The price payable by the Corporation on the redemption of the Debenture shall be equal to the principal amount of the Debenture to be redeemed, together with accrued and unpaid interest in the form of cash on the principal amount of the Debenture to be redeemed, to but excluding the Maturity Date (the applicable price, including accrued and unpaid interest in the form of cash, at which Debenture may be redeemed being referred to as the “**Redemption Price**”).

Section 2.8 Places of Surrender of the Debenture. The Redemption Price of this Debenture shall be payable in cash upon presentation and surrender of this Debenture at the principal office of the Transfer Agent in Addison, Texas, and/or at such other places (if any) as may be specified by the Corporation in the notice of redemption or as otherwise agreed in writing only between the Corporation and the Holder.

Section 2.9 Notice of Pre-Payment or Redemption. The Corporation shall provide the Holders with at least ten (10) Business Days of a notice of pre-payment or a Notice of Redemption, the form of which is annexed hereto as **Appendix “A”** if such pre-payment or redemption is occurring prior to the Maturity Date in compliance with Sections 2.4 (d) and 2.6. No notice of redemption of this Debenture need be given by the Corporation to the Holders for the redemption of this Debenture on the Maturity Date.

Section 2.10 Cancellation of Retired Debenture. All Debenture redeemed by the Corporation under the provisions of this Article 2 shall be forthwith cancelled and shall not be reissued.

ARTICLE 3 – SECURITY AGREEMENT

Section 3.1 Secured Debenture. This Debenture is a secured obligation of the Corporation and shall rank senior to all other obligations of the Corporation and all other Debenture issued by the Corporation irrespective of the date of issue of such Debenture pursuant to the Security Agreement annexed hereto as Exhibit B1.

ARTICLE 4 - DEFAULT AND ENFORCEMENT

Section 4.1 Events of Default. Each of the following events is herein sometimes referred to as an “*Event of Default*”:

- (a) default in the payment of any principal or interest on this Debenture as and when the same shall become due and payable, and continuance of such default for a period of five (5) Business Days after the date on which written notice of such failure, requiring the Corporation to remedy the same, shall have been given by the Holder;
- (b) the institution of bankruptcy or insolvency proceedings against the Corporation, or the institution of proceedings seeking reorganization or winding-up of the Corporation or any other bankruptcy, insolvency or analogous laws, or the issuing of sequestration or process of execution against the Corporation or any substantial part of its property, or the appointment of a receiver or manager of the Corporation or of any substantial part of its property, and, in each case, the continuance of any such proceedings unstayed, undischarged and in effect for a period of fifteen (15) days from the date thereof;
- (c) or the institution by the Corporation of proceedings to be adjudicated bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it, or the passing of a resolution authorizing the filing by it, of a petition or answer or consent seeking reorganization or relief under bankruptcy laws or any other bankruptcy, insolvency or analogous laws, or the consent by it to the filing of any such petition or to the appointment of a receiver of the Corporation or of any substantial part of its property, or the making by it of a general assignment for the benefit of creditors, or the Corporation’s admitting in writing its inability to pay its debts generally as they become due or taking corporate action in furtherance of any of the aforesaid purposes.

Section 4.2 Acceleration of Default. In case any Event of Default has occurred and is continuing, the Holder may in his, her or its discretion, declare the principal of and interest on this Debenture and other moneys payable hereunder to be due and payable and, the same shall forthwith become immediately due and payable to the Holder and the Corporation shall forthwith pay to the Holder the principal of and accrued and unpaid interest on this Debenture with such interest to be paid in cash not Common Shares and all other moneys payable hereunder together with subsequent interest thereon, at the rate borne by this Debenture, from the date of the said declaration until payment is received by the Holder, such subsequent interest to be payable in cash not Common Shares at the times and places in and according to the tenor of the Debenture.

Section 4.3 Holder not Obligated to Institute Proceedings. The Holder shall not be liable or accountable for any failure to enforce the rights and remedies of the Holder herein and shall not be bound to institute proceedings for the purpose of collecting, enforcing or realizing the same for the purpose of preserving any right of the Holder, the other Holders, the Corporation or any other Person in respect of the same.

Section 4.4 Rights and Remedies Cumulative. All rights and remedies of the Holder set out in this Debenture shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right and remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the obligations hereby secured shall not operate as a merger of any of the covenants contained in this Debenture.

ARTICLE 5 - CONVERSION OF DEBENTURE INTO COMMON SHARES

Section 5.1 Conversion into Common Shares. After the Original Issue Date until this Debenture is no longer outstanding, this Debenture shall be convertible, in whole or in part, at any time, and from time to time, into Conversion Shares at the option of the Holder. The Holder shall effect conversions by delivering to the Corporation a Notice of Conversion, the form of which is annexed hereto as **Appendix "B"** (each, a **"Notice of Conversion"**), specifying therein the principal amount of this Debenture to be converted and the date on which such conversion shall be effected (such date, the **"Conversion Date"**). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder. No ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required. To effect conversions hereunder, the Holder shall not be required to physically surrender this Debenture to the Corporation unless the entire principal amount of this Debenture, plus all accrued and unpaid interest thereon, has been so converted. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Debenture in an amount equal to the applicable conversion. The Holder and the Corporation shall maintain records showing the principal amount(s) converted in each conversion, the date of each conversion, and the Conversion Price in effect at the time of each conversion. The Corporation may deliver an objection to any Notice of Conversion within two Trading Days of delivery of such Notice of Conversion. In the event of any dispute or discrepancy, the records of the Corporation shall be controlling and determinative in the absence of manifest error. **The Holder, and any assignee by acceptance of this Debenture, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Debenture, the unpaid and unconverted principal amount of this Debenture may be less than the amount stated on the face hereof.**

Section 5.2 Base Conversion Price. The "Conversion Price" shall be equal to \$0.48 per share or the Nasdaq consolidated closing bid price (calculated to the nearest one-hundredth of one cent) of the Company common stock on the Nasdaq stock market on the Closing Date (as adjusted for stock splits, stock combinations and similar events). All such Conversion Price determinations are to be appropriately adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the Common Stock. Provided, however, the Corporation may accelerate this right of conversion on at least ten (10) Business Days prior written notice to the Holder ("Notice of Acceleration") if (i) the Common Shares of the Corporation issuable on such conversion are free-trading and not subject to resale restrictions or statutory hold periods and (ii) the closing price of the Corporation's Common Shares exceeds two hundred (200%) per cent of the Conversion Price for a period of five (5) trading days in a thirty (30) day period. In the event of the issuance of a Notice of Acceleration, the Holder shall have the right to convert the whole or any part of the principal and the accrued and unpaid interest of this Debenture into Common Shares of the Corporation in accordance with this Article 5 prior to the date specified in the Notice of Acceleration.

Section 5.3 Mechanics of Conversion or Prepayment.

- (a) Conversion Shares Issuable Upon Conversion of Principal Amount. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Debenture to be converted by (y) the Conversion Price in effect at the time of such conversion.
- (b) Delivery of Certificate Upon Conversion. Not later than two Trading Days after each Conversion Date (the "Share Delivery Date"), the Corporation shall deliver, or cause to be delivered, to the Holder any certificate or certificates required to be delivered by the Corporation under this Section 5.3.
- (c) Failure to Deliver Conversion Shares. If, in the case of any Notice of Conversion, such Conversion Shares are not delivered to or as directed by the applicable Holder by the Share Delivery Date, the Holder shall be entitled to elect by written notice to the Corporation at any time on or before its receipt of such Conversion Shares, to rescind such conversion, in which event the Corporation shall promptly return to the Holder any original Debenture delivered to the Corporation.

- (c) **Obligation Absolute: Partial Liquidated Damages.** The Corporation's obligations to issue and deliver the Conversion Shares upon conversion of this Debenture in accordance with the terms hereof, are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Corporation or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Corporation to the Holder in connection with the issuance of such Conversion Shares. In the event the Holder of this Debenture shall elect to convert any or all of the outstanding principal amount hereof, the Corporation may not refuse conversion based on any claim that the Holder or anyone associated or affiliated with the Holder has been engaged in any violation of law, agreement or for any other reason.
- (d) **No Fractional Shares.** No fractional shares or scrip representing fractional shares shall be issued upon the conversion of this Debenture. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Corporation shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.
- (e) **Transfer Taxes and Expenses.** The issuance of Conversion Shares on conversion of this Debenture shall be made without charge to the Holder hereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificates. The Corporation shall pay all Transfer Agent fees required for same-day processing of any Notice of Conversion and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Conversion Shares.
- (f) **Attorneys' Fees etc.** The Corporation shall (A) pay the reasonable fees of the law firm of the Holder's choice (in an amount not to exceed \$500 per opinion) in connection with the conversion of the Debenture, and (B) cause its attorneys to promptly provide any reliance opinion to the Transfer Agent.
- (g) Except as otherwise permitted under Section 4(a)(1) under the 1933 Act, as a result of the application of Rule 144 promulgated thereunder, shares of common stock issued upon the conversion of this Debenture shall be issued with the following, or a comparable, legend:

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE CORPORATION THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Section 5.4 Corporation to Reserve Shares. The Corporation agrees that it will reserve and keep available out of its authorized Common Shares and solely for the purpose of issue upon exercise of conversion rights under the Debenture as provided in this Article 5, the maximum number of Common Shares as shall then be issuable upon the exercise of the conversion rights under Section 5.1 inclusive of the obligations of the Corporation to pay interest on the Debenture in the form of Units.

Section 5.5 Cancellation of Converted Debenture. All Debenture with respect to which the conversion rights under the provisions of this Article 5 are exercised shall be immediately cancelled.

Section 5.6 Conversion of Legended Debenture. Upon the exercise of conversion rights under Debenture bearing a legend, the certificates representing the Common Shares issued upon exercise of the conversion rights under such Debenture and all certificates issued in exchange therefor or in substitution thereof, shall bear such legend as is determined to be required for compliance with Applicable Laws, or the requirements of a securities regulatory authority, if any.

Section 5.7 Exchange Cap. Notwithstanding anything to the contrary contained in this Debenture, the Holder shall not have the right to effect a conversion of this Debenture, to the extent (but only to the extent) that after giving effect to such conversion the sum of the number of shares of Common Stock that may be issued upon conversion of this Debenture and the exercise of the Warrant issued to Holder as part of the Units purchased by Holder, would exceed 19.99% of the Corporation's outstanding shares of Common Stock immediately prior to the closing date, which number of shares of Common Stock shall be reduced, on a share-for-share basis, by the number of shares of Common Stock issued or issuable pursuant to any transaction or series of transactions that may be aggregated with the exercise of this Warrant and the conversion of the Debenture under applicable Nasdaq rules (the "**Exchange Cap**") on May 5, 2023 (the "**Measurement Date**"), unless Shareholder Approval (as defined above) is obtained by the Corporation to issue more than the Exchange Cap in accordance with the applicable Nasdaq rules. For the avoidance of doubt, the Company may, but shall be under no obligation to, request its stockholders to approve the issuance of Common Stock pursuant to this Debenture; provided, however, that if such stockholder approval is not obtained, the Exchange Cap shall be applicable for all purposes of this Debenture and the transactions contemplated hereby at all times while this Debenture remains outstanding. The Exchange Cap shall be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split (including forward and reverse), or other similar transaction.

ARTICLE 6. - CERTAIN ADJUSTMENTS.

Section 6.1 Stock Dividends and Stock Splits. If the Corporation, at any time while this Debenture is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock or any Common Stock Equivalents, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Corporation, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Corporation) outstanding immediately before such event, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 6.1 shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

Section 6.2 Subsequent Equity Sales.

- (a) At any time, for so long as the Debenture or any amounts accrued and payable thereunder remain outstanding, the Corporation or any Subsidiary, as applicable, sells or grants any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or announces any sale, grant or any option to purchase or other disposition), any Common Stock or Common Stock Equivalents entitling any Person to acquire shares of Common Stock at an effective price per share that is lower than the Conversion Price then in effect (such lower price, the "**Base Conversion Price**" and each such issuance or announcement a "**Dilutive Issuance**"), then the Conversion Price shall be immediately reduced to equal the Base Conversion Price. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued.
- (b) If any Common Stock Equivalent is amended or adjusted, and such price as so amended shall be less than the Conversion Price in effect at the time of such amendment or adjustment, then the Conversion Price shall be adjusted upon each such issuance or amendment as provided in this Section 6.2. If any shares of Common Stock or Common Stock Equivalents are issued or sold for a consideration other than cash, the amount of such consideration received by the Corporation will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Corporation will be the average VWAP of such public traded securities for the five days prior to the date of receipt. If any shares of Common Stock or Common Stock Equivalents are issued to the owners of the non-surviving entity in connection with any merger in which the Corporation is the surviving entity, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such shares of Common Stock or Common Stock Equivalents, as the case may be.
- (c) If the holder of Common Stock or Common Stock Equivalents outstanding on the Original Issue Date or issued after the Original Issuance Date shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive shares of Common Stock at an effective price per share that is lower than the Conversion Price then in effect, such issuance shall be deemed to have occurred for less than the Conversion Price on such date and such issuance shall be deemed to be a Dilutive Issuance.

- (d) The Corporation shall notify the Holder in writing, no later than the Trading Day following the issuance of any Common Stock or Common Stock Equivalents subject to this Section 6.2, indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the “**Dilutive Issuance Notice**”). For purposes of clarification, whether or not the Corporation provides a Dilutive Issuance Notice pursuant to this Section 6.2, upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Conversion Shares based upon the Base Conversion Price on or after the date of such Dilutive Issuance, regardless of whether the Holder accurately refers to the Base Conversion Price in the Notice of Conversion.
- (e) The provisions of this Section 6.2 shall apply each time a Dilutive Issuance occurs after the Original Issue Date for so long as the debenture or any amounts accrued and payable thereunder remain outstanding, but any adjustment of the Conversion Price pursuant to this Section 6.2 shall be downward only. Notwithstanding anything to the contrary contained in this Section 6.2, in no event shall the adjustment of the Conversion Price result in a conversion price of less than \$0.35 per share.
- (f) The provisions of this Section 6.2 shall not apply to Exempt Issuances.

Exempt Issuance means the issuance of (a) shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose and (b) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

Section 6.3 Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 6.1 above, if at any time the Corporation grants, issues or sells any Common Stock, Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the “**Purchase Rights**”), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Debenture immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

Section 6.4 Pro Rata Distributions. During such time as this Debenture is outstanding, if the Corporation shall declare or make any dividend or other distribution of its assets or rights or warrants to acquire its assets, or subscribe for or purchase any security other than Common Stock, to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “**Distribution**”), at any time after the issuance of this Debenture, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Debenture immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution.

Section 6.5 Fundamental Transaction. (1) If, at any time while this Debenture is outstanding, (i) the Corporation, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Corporation with or into another Person, (ii) the Corporation, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Corporation or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Corporation, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, (v) the Corporation, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50%

of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a “**Fundamental Transaction**”), then, upon any subsequent conversion of this Debenture, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation on the conversion of this Debenture), the number of shares of Common Stock of the successor or acquiring corporation or of the Corporation, if it is the surviving corporation, and any additional consideration (the “**Alternate Consideration**”) receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this debenture is convertible immediately prior to such Fundamental Transaction (without regard to any limitation on the conversion of this Debenture). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Corporation shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Debenture following such Fundamental Transaction. The Corporation shall not effect a Fundamental Transaction unless it gives the Holder at least 10 Trading Days prior notice together with sufficient details so the Holder can make an informed decision as to whether it elects to accept the Alternate Consideration. If a public announcement of the Fundamental Transaction has not been made, the notice to the Holder may not be given until the Corporation files a Form 8-K or other report disclosing the Fundamental Transaction. (2) Notwithstanding anything to the contrary, in the event of a Fundamental Transaction that is (x) an all cash transaction, (y) a “Rule 13e-3 transaction” as defined in Rule 13e-3 under the Exchange Act, or (z) a Fundamental Transaction involving a person or entity not traded on a national securities exchange or trading market (with such exchange or market including, without limitation, the Nasdaq Global Select Trading Market, the Nasdaq Global Market, or the Nasdaq Capital Market, the New York Stock Exchange, Inc., the NYSE American or any market operated by the OTC Markets, Inc.), the Corporation or any Successor Entity shall, at the Holder’s option, concurrently with the consummation of the Fundamental Transaction, purchase this Debenture from the Holder by paying to the Holder the higher of (i) an amount of cash equal to the Black Scholes Value of the outstanding principal of this Debenture on the date of the consummation of such Fundamental Transaction, or (ii) the product of (a) the number of Conversion Shares issuable upon full conversion of this Debenture (without regard to any limitation on conversion of this Debenture) and (b) the positive difference between the cash per share paid in such Fundamental Transaction minus the then in effect Conversion Price. (3) If Section 6.5(1) and (2) are not applicable, the Corporation shall cause any successor entity in a Fundamental Transaction in which the Corporation is not the survivor to assume in writing all of the obligations of the Corporation under this Debenture and the other Transaction Documents in accordance with the provisions of this Section 6.5 pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Debenture a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Debenture which is convertible for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon conversion of this Debenture prior to such Fundamental Transaction, and with a conversion price which applies the Conversion Price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such conversion price being for the purpose of protecting the economic value of this Debenture immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Debenture and the other Transaction Documents referring to the “Corporation” shall refer instead to the Successor Entity), and may exercise every right and power of the Corporation and shall assume all of the obligations of the Corporation under this Debenture and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Corporation herein. Notwithstanding anything in this Section 6.5, an Exempt Issuance shall not be deemed a Fundamental Transaction.

Section 6.6 Calculations. All calculations under this Section 6 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 6, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding any treasury shares of the Corporation) issued and outstanding.

Section 6.7 Notice to the Holder.

- (a) Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 6, the Corporation shall promptly deliver to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.
- (b) Notice to Allow Conversion by Holder. If (A) the Corporation shall declare a dividend (or any other distribution in whatever form) on its Common Stock, (B) the Corporation shall declare a special nonrecurring cash dividend on or a redemption of its Common Stock, (C) the Corporation shall authorize the granting to all holders of its Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any shareholders of the Corporation shall be required in connection with any reclassification of its Common Stock, any consolidation or merger to which the Corporation is a party, any sale or transfer of all or substantially all of the assets of the Corporation, or any compulsory share exchange whereby its Common Stock is converted into other securities, cash or property or (E) the Corporation shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, then, in each case, the Corporation shall cause to be filed at each office or agency maintained for the purpose of conversion of this Debenture, and shall cause to be delivered to the Holder at its last address as it shall appear upon the Debenture Register, at least 5 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of its Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of its Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Corporation or any of the Subsidiaries (as determined in good faith by the Corporation), the Corporation or its successor shall simultaneously file such notice with the SEC pursuant to a Current Report on Form 8-K.

ARTICLE 7 - PARTICULAR COVENANTS OF THE CORPORATION

Section 7.1 Payment of Principal and Interest. The Corporation will duly and punctually pay or cause to be paid to the Holder, the principal of and interest on the Debenture of which he, she or it is the Holder, on the dates, at the places and in the manner provided for in this Debenture.

Section 7.2 To Carry On Business. Subject to the express provisions hereof, the Corporation will carry on and conduct its business in a proper and efficient manner (which shall include, without limitation, the maintenance of books of account in accordance with International Financial Reporting Standards consistently applied) and, subject to the express provisions hereof, it will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

ARTICLE 8 - SATISFACTION AND DISCHARGE

Section 8.1 Cancellation and Destruction. All matured Debenture, forthwith after payment thereof, shall be cancelled by the Transfer Agent and delivered to or to the order of the Corporation. All Debenture cancelled or required to be cancelled under this or any other provision of this Debenture may be destroyed by the Corporation.

Section 8.2 Payment Set Aside in Trust.

- (1) The Corporation shall be entitled to set aside in trust any moneys to be applied to the payment of the principal of the Debenture with the Bank to be paid to the Holder of this Debenture upon due presentment and surrender thereof in accordance with the provisions of this Debenture.
- (2) Upon the Corporation, pursuant to this Section 8.2, setting aside in trust any moneys to be applied to the payment of the principal of the Debenture, the principal represented by each Debenture in respect of which such moneys have been so set aside shall be deemed to have been paid and the Holder thereof shall thereafter have no right in respect thereof except that of receiving payment in accordance with subsection 8.2(1) of the moneys so set aside by the Corporation (without interest on such monies), upon due presentment and surrender hereof, subject always to the provisions of Section 8.3.

Section 8.3 Release from Covenants. Upon the principal of all the Debenture and interest thereon and other moneys payable hereunder have been paid or satisfied, the Holder shall, at the request and at the expense of the Corporation, execute and deliver to the Corporation such deeds or other instruments as shall be requisite to release the Corporation from its covenants contained herein.

ARTICLE 9 - MISCELLANEOUS

Section 9.1 Notice to the Holder and to the Corporation.

Any notice in writing required or permitted to be given hereunder shall be sufficiently given if delivered personally or mailed by registered mail, postage prepaid, addressed as follows:

To the Corporation at: 130 Adelaide St. W. Suite 701
Toronto, Ontario M5H 2K4

Attention: Michele Ciavarella, Executive Chairman

To the Holder at: _____

In all cases with a copy to:

Signature Stock Transfer, Inc.
14673 Midway Road, Suite #220,
Addison, Texas 75001

Attention: Jason M. Bogutski, President

Any such notice given by personal delivery shall conclusively be deemed to be received on the date of the actual delivery thereof and when given by registered mail, shall conclusively be deemed to be received on the seventh (7th) Business Day following the date of mailing. When any party giving ay notice knows, or ought to know, of any disruption in the operation of the postal system which may affect the delivery of mail in the ordinary course, any such notice shall not be mailed but shall be given by personal delivery.

Any party may at any time give notice in writing to the other party of any change of address of the party giving such notice, and from and after the giving of such notice, the address therein specified shall be deemed to be the address of such party for the giving of notices hereunder.

(Signature Page Follows)

IN WITNESS WHEREOF, the Corporation has caused this Debenture to be signed by its proper officer on its behalf as of the 5th day of May, 2023.

ELYS GAME TECHNOLOGY, CORP.

by: _____
Name: Michele Ciavarella
Title: Executive Chairman

Certified countersigned and registered by the Debenture Agent:

BEARD WINTER LLP

by: _____
Name:
Title:

(Signature Page To Debenture)

APPENDIX "A"

FORM OF REDEMPTION NOTICE

TO: Holders of Convertible Secured Debenture (the "Debenture") of ELYS GAME TECHNOLOGY, CORP. (the "Corporation")

AND TO: BEARD WINTER LLP

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

Notice is hereby given pursuant to Section 2.9 of the convertible debenture indenture (the "Indenture") dated as of May 5, 2023 to the holders and Beard Winter LLP (the "Counsel to Elys Game Technology, Corp."), that the aggregate principal amount of \$[] of the \$[] of Debenture outstanding will be redeemed as of [] (the "Redemption Date"), upon payment of a redemption amount of \$1,000 for each \$1,000 principal amount of Debenture, plus an amount equal to 12% of the principal amount then owing being equal to the aggregate of \$[] (the "Redemption Price").

The Redemption Price will be payable upon presentation and surrender of the Debenture called for redemption at the following corporate trust office:

Beard Winter LLP
Suite 701, 130 Adelaide St. W.
Toronto, Ontario, M5H 2K4
Attention: Julian Doyle, Partner

The interest upon the principal amount of Debenture called for redemption shall cease to be payable from and after the Redemption Date, unless payment of the Redemption Price shall not be made on presentation for surrender of such Debenture at the above-mentioned corporate trust office on or after the Redemption Date or prior to the setting aside of the Redemption Price pursuant to the Indenture. The Redemption Price plus all accrued and unpaid interest on the Debenture will be paid in cash.

DATED: _____

ELYS GAME TECHNOLOGY, CORP.

By: _____
Michele Ciavarella
Executive Chairman

APPENDIX "B"

FORM OF NOTICE OF CONVERSION

TO: ELYS GAME TECHNOLOGY, CORP.

AND TO: BEARD WINTER LLP

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

The undersigned registered holder of Convertible Secured Debenture in the principal amount of \$[] bearing Certificate No. D-[] irrevocably elects to convert such Debenture (or \$[] principal amount thereof) in accordance with the terms of the convertible debenture indenture (the "Indenture") dated as of May 5, 2023 to ELYS GAME TECHNOLOGY, CORP. and Beard Winter LLP, as Counsel to Elys Game Technology, Corp. referred to in such Debenture and tenders herewith the Debenture, and, if applicable, directs that the Shares of ELYS GAME TECHNOLOGY, CORP. issuable upon a conversion be issued and delivered to the Person indicated below. (If Shares are to be issued in the name of a Person other than the holder, all requisite transfer taxes must be tendered by the undersigned).

Dated: _____

(Signature of Registered Holder)

(SSN/TIN/EIN/SIN or Other Identification Number of Registered Holder)

If less than the full principal amount of the Debenture being converted, indicate in the space provided the principal amount (which must be a multiple of \$1,000), and the undersigned requests that a new Debenture representing the principal not converted be issued and delivered as follows:

NOTE: If Shares are to be issued in the name of a Person other than the holder, the signature must be guaranteed by a chartered bank, a trust company or by a member of an acceptable Medallion Guarantee Program. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

(Print name in which Shares are to be issued, delivered and registered)

Name: _____

Address: _____
City, Province and Postal Code

(SSN/TIN/EIN/SIN or Other Identification Number of Registered Holder)

Name of Guarantor: _____

Authorized signature: _____

Printed Name: _____

APPENDIX "C"

FORM OF ASSIGNMENT - DEBENTURE

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto, whose address and social insurance number, if applicable, are set forth below, this Debenture number D-_____ (or \$_____ principal amount hereof) (*or a portion of the principal amount as set forth below) of Elys Game Technology, Corp. standing in the name(s) of the undersigned in the register maintained by Counsel to Elys Game Technology with respect to such Debenture and does hereby irrevocably constitute and appoint the attorney of the undersigned to transfer such Debenture, or portion thereof as set forth herein, in such register, with full power of substitution in the premises.

*If less than the full principal amount of the within Debenture is to be transferred, indicate in the space provided the principal amount (which must be \$1,000 or an integral multiple thereof, unless you hold a Debenture in a non-integral multiple of 1,000, in which case such Debenture is transferable only in its entirety) to be transferred.

Amount of Partial Transfer: \$ _____ (multiple of \$1,000 only)

Dated: _____

Address of Transferee: _____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: _____

1. The signature(s) to this assignment must correspond with the name(s) as written upon the face of this Debenture in every particular without alteration or any change whatsoever. The signature(s) must be guaranteed by a Canadian chartered bank or trust company or by a member of an acceptable Medallion Guarantee Program. Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".
2. The registered holder of this Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Debenture.

Signature of Guarantor

Authorized Officer

Signature of transferring registered holder

Name of Institution: _____

SCHEDULE "C"

COMMON SHARE PURCHASE WARRANT CERTIFICATE

No. W - _____

Certificate for _____ Warrant Shares

NOT EXERCISABLE AFTER 5:00 P.M.,
EASTERN STANDARD TIME, ON MAY 4, 2026

ELYS GAME TECHNOLOGY, CORP.
(the "Corporation")

COMMON STOCK PURCHASE WARRANT CERTIFICATE

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE CORPORATION. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, _____, or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to the close of business on the fifth year anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from the Corporation, up to _____ shares of Common Stock (subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one Warrant Share under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b). This Warrant issued pursuant to a Subscription Agreement (the "Subscription Agreement") entered into as of the Initial Exercise Date between the Corporation and the initial Holder.

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Subscription Agreement, dated May 5, 2023, among the Corporation and the Purchaser.

Section 2. Exercise.

(a) Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Corporation (or such other office or agency of the Corporation as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Corporation) of a duly executed copy of the Notice of Exercise Form the form of which is annexed hereto as Appendix "D". Within two Trading Days

following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank, unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. Notwithstanding anything herein to the contrary (although the Holder may surrender the Warrant to, and receive a replacement Warrant from the Corporation), the Holder shall not be required to physically surrender this Warrant to the Corporation until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Corporation for cancellation within two Trading Days of the date the final Notice of Exercise is delivered to the Corporation. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Corporation shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Corporation shall deliver any objection to any Notice of Exercise Form within one Trading Day of delivery of such notice. The Holder by acceptance of this Warrant or any transferee, acknowledges and agrees that, by reason of the provisions of this Section 2(a), following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.

(b) Exercise Price. The initial exercise price per share of the Common Stock under this Warrant shall be equal to \$0.48 per share or the Nasdaq consolidated closing bid price (calculated to the nearest one-hundredth of one cent) of the Company common stock on the Nasdaq stock market on the Closing Date, subject to adjustment under Section 3 (the "Exercise Price").

(c) Cashless Exercise. Other than as provided for in Section 2(f), if at any time after the six month anniversary of the Initial Exercise Date, there is no effective Registration Statement covering the resale of the Warrant Shares by the Holder (or the prospectus does not meet the requirements of Section 10 of the Securities Act), then this Warrant may also be exercised at the Holder's election, in whole or in part and in lieu of making the cash payment otherwise contemplated to be made to the Corporation upon such exercise, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the number obtained by dividing $[(A - B) \text{ times } (C)]$ by (A), where:

(A) = the greater of (i) the arithmetic average of the VWAPs for the five consecutive Trading Days ending on the date immediately preceding the date on which the Holder elects to exercise this Warrant by means of a "cashless exercise," as set forth in the applicable Notice of Exercise (or Mandatory Exercise Notice) or (ii) the VWAP for the Trading Day immediately prior to the date on which the Holder makes such "cashless exercise" election (or the date prior to the Corporation issuing a Mandatory Exercise Notice);

(B) = the Exercise Price of this Warrant, as adjusted hereunder, at the time of such exercise; and

(C) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise;

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)) (or a similar organization or agency succeeding to its functions of reporting prices), (b) if no volume weighted average price of the Common Stock is reported for the Trading Market, the most recent reported bid price per share of the Common Stock, or (c) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Corporation, the fees and expenses of which shall be paid by the Corporation.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the characteristics of the Warrants being exercised, and the holding period of the Warrants being exercised may be tacked on to the holding period of the Warrant Shares. The Corporation agrees not to take any position contrary to this Section 2(c).

Notwithstanding anything herein to the contrary, if on the Termination Date (unless the Holder notifies the Corporation otherwise) if there is no effective Registration Statement covering the resale of the Warrant Shares by the Holder, then this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c).

“Trading Market” means the stock exchange or market in the United States on which the Common Shares are listed or quoted.

“Trading Days” means a date on which a Trading Market is open for the conduct of trading.

(d) **Partial Exercise.** Upon the exercise of less than all of the Warrants to purchase the Common Shares evidenced by this Warrant Certificate, there shall be issued to the Holder a new Warrant Certificate in respect of the Warrants not exercised.

(e) **Acceleration.** If at any time after the Initial Exercise Date, there is an effective Registration Statement registering, or a current prospectus available for, the resale of the Warrant Shares by the Holder and the closing price of the Company’s Common Shares exceeds two hundred (200%) per cent of the Exercise Price for a period of five (5) trading days in a thirty (30) day period, the Corporation may accelerate the time in which to exercise the Warrants by giving at least ten (10) business days prior written notice to the Holder of such acceleration and the Holder may exercise the Warrants prior to the date specified in such notice of acceleration.

(f) **Mechanics of Exercise.**

(i) **Delivery of Certificates Upon Exercise.** Certificates for the shares of Common Stock purchased hereunder shall be transmitted to the Holder by the Transfer Agent by crediting the account of the Holder’s prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system (“DWAC”) if the Corporation is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) this Warrant is being exercised via cashless exercise and Rule 144 is available, or otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise by the date that is two Trading Days after the latest of (A) the delivery to the Corporation of the Notice of Exercise and (B) payment of the aggregate Exercise Price as set forth above (unless by cashless exercise, if permitted)(such date, the “Warrant Share Delivery Date”). The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Corporation of the Exercise Price (or by cashless exercise, if permitted). The Corporation understands that a delay in the delivery of the Warrant Shares after the Warrant Share Delivery Date could result in economic loss to the Holder. As compensation to the Holder for such loss, the Corporation agrees to pay (as liquidated damages and not as a penalty) to the Holder for late issuance of Warrant Shares upon exercise of this Warrant the proportionate amount of \$10 per Trading Day (increasing to \$20 per Trading Day after the fifth Trading Day) after the Warrant Share Delivery Date for each \$1,000 of the value of the Warrant Shares for which this Warrant is exercised (based on the Exercise Price) which are not timely delivered. In no event shall liquidated damages for any one transaction exceed \$1,000 for the first 10 Trading Days. Furthermore, in addition to any other remedies which may be available to the Holder, in the event that the Corporation fails for any reason to effect delivery of the Warrant Shares by the Warrant Share Delivery Date, the Holder may revoke all or part of the relevant Warrant exercise by delivery of a notice to such effect to the Corporation, whereupon the Corporation and the Holder shall each be restored to their respective positions immediately prior to the exercise of the relevant portion of this Warrant, except that the liquidated damages described above shall be payable through the date notice of revocation or rescission is given to the Corporation or the date the Warrant Shares are delivered to the Holder, whichever date is earlier.

(ii) **Delivery of New Warrant Upon Exercise.** If this Warrant shall have been exercised in part, the Corporation shall, at the request of a Holder and upon surrender of this Warrant, at the time of delivery of the certificate or certificates representing Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical to this Warrant. Unless the Warrant has been fully exercised, the Holders shall not be required to surrender this Warrant as a condition of exercise.

(iii) **Rescission Rights.** If the Corporation fails to deliver the Warrant Shares or cause the Transfer Agent to transmit to the Holder a certificate or the certificates representing the Warrant Shares pursuant to Section 2(f)(i) by the Warrant Share Delivery Date, then the Holder will have the right, at any time prior to issuance of such Warrant Shares, to rescind such exercise.

(iv) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Corporation shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(v) Charges, Taxes and Expenses. Issuance of certificates for Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificate including any charges of any clearing firm, all of which taxes and expenses shall be paid by the Corporation, and such certificates shall be issued in the name of the Holder or in such name or names as may be directed by the Holder. The Corporation shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise. The Corporation shall (A) pay the reasonable legal fees of the Holder's choice (in an amount not to exceed \$500 per opinion, and not more often than once per week) in connection with the exercise of the Warrants, (B) cause its attorneys to promptly provide any reliance opinion to the Transfer Agent, and (C) pay the Holder the sums required under Section 2(f)(iv).

(vi) Closing of Books. The Corporation will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Section 3. Certain Adjustments.

(a) Stock Dividends and Splits. If the Corporation, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Corporation upon exercise of this Warrant or pursuant to any of the other Transaction Documents), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Corporation, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

(b) Subsequent Equity Sales. If and whenever on or after the Initial Exercise Date, the Corporation issues or sells, or in accordance with this Section 3 is deemed to have issued or sold, any shares of Common Stock (including the issuance or sale of shares of Common Stock owned or held by or for the account of the Corporation, issued or sold or deemed to have been issued or sold) for a consideration per share (the "Base Share Price") less than a price equal to the Exercise Price in effect immediately prior to such issuance or sale or deemed issuance or sale (such Exercise Price then in effect is referred to herein as the "Applicable Price") (the foregoing a "Dilutive Issuance"), then immediately after such Dilutive Issuance, the Exercise Price then in effect shall be reduced to an amount equal to the Base Share Price. For all purposes of the foregoing (including, without limitation, determining the adjusted Exercise Price and the Base Share Price under this Section 3(b)), the following shall be applicable:

(i) Issuance of Options. If the Corporation in any manner grants or sells any Options and the lowest price per share for which one share of Common Stock is at any time issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option or otherwise pursuant to the terms thereof is less than the Applicable Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Corporation at the time of the granting or sale of such Option for such price per share.

- (ii) Issuance of Convertible Securities. If the Corporation in any manner issues or sells any Convertible Securities and the lowest price per share for which one share of Common Stock is at any time issuable upon the conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof is less than the Applicable Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Corporation at the time of the issuance or sale of such Convertible Securities for such price per share.
- (iii) Change in Option Price or Rate of Conversion. “Convertible Securities” means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any shares of Common Stock. If the purchase or exercise price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion, exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exercisable or exchangeable for shares of Common Stock increases or decreases at any time (other than proportional changes in conversion or exercise prices, as applicable, in connection with an event referred to in Section 3(a)), the Exercise Price in effect at the time of such increase or decrease shall be adjusted to the Exercise Price which would have been in effect at such time had such Options or Convertible Securities provided for such increased or decreased purchase price, additional consideration or increased or decreased conversion rate, as the case may be, at the time initially granted, issued or sold. For purposes of this Section 3(b)(iii), if the terms of any Option or Convertible Security that was outstanding as of the Closing Date are increased or decreased in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the shares of Common Stock deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such increase or decrease. No adjustment pursuant to this Section 3(b)(iii) shall be made if such adjustment would result in an increase of the Exercise Price then in effect.
- (iv) Calculation of Consideration Received. If any shares of Common Stock, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor will be deemed to be the net amount of consideration received by the Corporation therefor. If any shares of Common Stock, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of such consideration received by the Corporation will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Corporation for such securities will be the arithmetic average of the VWAPs of such security for each of the five Trading Days immediately preceding the date of receipt. If any shares of Common Stock, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Corporation is the surviving entity, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such shares of Common Stock, Options or Convertible Securities. The fair value of any consideration other than cash or publicly traded securities will be determined jointly by the Corporation and the Holder. If such parties are unable to reach agreement within 10 days after the occurrence of an event requiring valuation (the “Valuation Event”), the fair value of such consideration will be determined within five Trading Days after the 10th day following such Valuation Event by an independent, reputable appraiser jointly selected by the Corporation and the Holder. The determination of such appraiser shall be final and binding upon all parties absent manifest error. If such appraiser’s valuation differs by less than 5% from the Corporation’s proposed valuation, the fees and expenses of such appraiser shall be borne by the Holder, and if such appraiser’s valuation differs by more than 5% from the Corporation’s proposed valuation, the fees and expenses of such appraiser shall be borne by the Corporation.
- (v) Record Date. If the Corporation takes a record of the holders of shares of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in shares of Common Stock, Options or in Convertible Securities or (B) to subscribe for or purchase shares of Common Stock, Options or Convertible Securities, then such record date will be deemed to be the date of the issuance or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase (as the case may be).
- (vi) Notwithstanding the foregoing, this Section 3(b) shall not apply to any Exempt Issuances.

(c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Corporation grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights. Notwithstanding the foregoing, no Purchase Rights will be made under this Section 3(c) in respect of an Exempt Issuance.

(d) Pro Rata Distributions. If the Corporation, at any time while this Warrant is outstanding, shall distribute to all holders of Common Stock (and not to the Holder) evidences of its indebtedness or assets (including cash and cash dividends) or rights or warrants to subscribe for or purchase any security other than the Common Stock (which shall be subject to Section 3(d)), then in each such case the Exercise Price shall be adjusted by multiplying the Exercise Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the VWAP determined as of the record date mentioned above, and of which the numerator shall be such VWAP on such record date less the then per share fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of the Common Stock as determined by the Board of Directors in good faith. In either case the adjustments shall be described in a statement provided to the Holder of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

(e) Fundamental Transaction.

(i) If, at any time while this Warrant is outstanding, (i) the Corporation, directly or indirectly, in one or more related transactions engages in any Fundamental Transaction, as defined in the Debenture Agreement, then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation on the exercise of this Warrant), at the option of the Holder the number of shares of Common Stock of the successor or acquiring corporation or of the Corporation, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Corporation shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Corporation shall not effect a Fundamental Transaction unless it gives the Holder at least 10 Trading Days prior notice together with sufficient details so the Holder can make an informed decision as to whether it elects to accept the Alternative Consideration. If a public announcement of the Fundamental Transaction has not been made, the notice to the Holder may not be given until the Corporation files a Form 8-K or other report disclosing the Fundamental Transaction.

(ii) Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, provided that the Warrant Shares are not registered under an effective registration statement, the Corporation or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction, purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction or (ii) the positive difference between the cash per share paid in such Fundamental Transaction minus the then in effect Exercise Price. "Black Scholes Value" means the value of the unexercised portion of this Warrant based on the Black and Scholes Option Pricing Model obtained from the "OV" function on Bloomberg L.P. determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg L.P. as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date.

(iii) If Section 3(e)(i) and (ii) are not applicable, the Corporation shall cause any successor entity in a Fundamental Transaction in which the Corporation is not the survivor to assume in writing all of the obligations of the Corporation under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(e)(iii) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant prior to such Fundamental Transaction (without regard to any limitation on the exercise of this Warrant), and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Corporation" shall refer instead to the Successor Entity), and may exercise every right and power of the Corporation and shall assume all of the obligations of the Corporation under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Corporation herein.

(f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(g) Notice to Allow Exercise by the Holder. If (A) the Corporation shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Corporation shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Corporation shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Corporation shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Corporation is a party, any sale or transfer of all or substantially all of the assets of the Corporation, or any compulsory share exchange whereby the Common Stock is converted into other securities, or (E) the Corporation shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, then, in each case, the Corporation shall

deliver to the Holder at its last address as it shall appear upon the Warrant Register of the Corporation, at least 5 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to email such notice or any defect therein or in the emailing thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Corporation or any of the Subsidiaries (as determined in good faith by the Corporation), the Corporation shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

(h) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Corporation shall promptly email to the Holder a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment. The Holder may supply an email address to the Corporation and change such address. Notwithstanding anything to the contrary contained in this Section 3, in no event shall the adjustment of the Exercise Price result in an exercise price of less than \$0.35 per share.

(i) Exchange Cap. Notwithstanding anything to the contrary contained in this Warrant, the Holder shall not have the right to effect an exercise of this Warrant, to the extent (but only to the extent) that after giving effect to such exercise the sum of the number of shares of Common Stock that may be issued upon exercise of this Warrant and the conversion of the Debenture issued to Holder as part of the Units purchased by the Holder would exceed 19.99% of the Corporation's outstanding shares of Common Stock immediately prior to the issuance, which number of shares of Common Stock shall be reduced, on a share-for-share basis, by the number of shares of Common Stock issued or issuable pursuant to any transaction or series of transactions that may be aggregated with the exercise of this Warrant and the conversion of the Debenture under applicable Nasdaq rules (the "**Exchange Cap**") on May 5, 2023 (the "**Measurement Date**"), unless Shareholder Approval (as defined below) is obtained by the Corporation to issue more than the Exchange Cap in accordance with the applicable Nasdaq rules. For the avoidance of doubt, the Company may, but shall be under no obligation to, request its stockholders to approve the issuance of Common Stock pursuant to this Warrant; provided, however, that if such stockholder approval is not obtained, the Exchange Cap shall be applicable for all purposes of this Warrant and the transactions contemplated hereby at all times while this Warrant remains outstanding. The Exchange Cap shall be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split (including forward and reverse), or other similar transaction.

"**Shareholder Approval**" shall mean approval of the holders of a majority of the Corporation's outstanding voting Common Stock, to effectuate the issuance of all of the shares of Common Stock issuable upon conversion of the Debentures and Warrants in excess of 19.99% of the issued and outstanding Common Stock on the Measurement Date.

Section 4. Transfer of Warrant.

(a) Transferability. Subject to compliance with any applicable securities laws and the provisions of the Subscription Agreement, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Corporation or its designated agent, together with a written assignment of this Warrant substantially in the form annexed hereto as Appendix "E" duly executed by the Holder or its agent or attorney. Upon such surrender, the Corporation shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. The Warrant, if properly assigned in accordance herewith, may be exercised by a new Holder for the purchase of Warrant Shares without having a new Warrant issued.

(b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Corporation, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Corporation shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c) Warrant Register. The Corporation shall register this Warrant, upon records to be maintained by the Corporation for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Corporation may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Corporation prior to the exercise hereof other than as explicitly set forth in Section 3.

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Corporation covenants that upon receipt by the Corporation of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it, and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Corporation will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate. In no event shall the Holder be required to deliver a bond or other security.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Trading Day, then, such action may be taken or such right may be exercised on the next succeeding Trading Day.

(d) Authorized Shares.

Except and to the extent as waived or consented to by the Holder, the Corporation shall not by any action, including, without limitation, amending its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Corporation will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Corporation may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Corporation to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Corporation shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Subscription Agreement.

(f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered or if not exercised on a cashless basis when Rule 144 (or any successor law or rule) is available, may have restrictions upon resale imposed by state and federal securities laws.

(g) Non-waiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of the Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant or the Subscription Agreement, if the Corporation willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Corporation shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Corporation shall be delivered in accordance with the notice provisions of the Subscription Agreement.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Corporation, whether such liability is asserted by the Corporation or by creditors of the Corporation.

(j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Corporation agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate or that there is no irreparable harm and not to require the posting of a bond or other security.

(k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Corporation and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder of Warrant Shares.

(l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Corporation and Holders of 75% of the outstanding Warrants issued pursuant to the Subscription Agreement.

(m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

[Signature Page Follows]

IN WITNESS WHEREOF, the Corporation has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

ELYS GAME TECHNOLOGY CORP.

By:
Name: Michele Ciavarella
Title: Executive Chairman

APPENDIX "D"

NOTICE OF EXERCISE

TO: Elys Game Technology Corp.

- (1) The undersigned hereby elects to purchase _____ Warrant Shares of the Corporation pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.
- (2) Payment shall take the form of (check applicable box):
 in lawful money of the United States; or
 if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).
- (3) Please issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number or by physical delivery of a certificate to:

SIGNATURE OF HOLDER

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

APPENDIX "E"

FORM OF ASSIGNMENT - WARRANT

(To assign the foregoing warrant, execute this form and supply required information. Do not use this form to exercise the warrant.)

Elys Game Technology Corp.

FOR VALUE RECEIVED, all of or shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

_____ whose address is

Dated: _____

Holder's Signature: _____

Holder's Address: _____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

**EXHIBIT B1 – DEBENTURES MAY 5, 2023
SECURITY AGREEMENT**

THIS SECURITY AGREEMENT (this “Agreement”) is being made and entered into as of May 5, 2023, by and between ELYS GAME TECHNOLOGY, CORP., a Delaware corporation with offices at Suite 701, 130 Adelaide St. W., Toronto, Ontario M5H 2K4 (hereinafter referred to as the “Debtor”), and _____, having its principal business office at _____ (hereinafter referred to as the “Secured Party”). Debtor represents that Debtor is a limited liability company duly organized and existing under the laws of the State of Florida.

WITNESSETH:

WHEREAS, Secured Party is making a loan to Debtor in the principal amount of ONE MILLION, FIVE HUNDRED THOUSAND (\$1,500,000.00); pursuant to a 12% Senior Secured Debenture (the “Debenture”); and

WHEREAS, as collateral for its obligations under the Debenture, and any other obligations which may become due to Secured Party, Secured Party requires that Debtor grant to Secured Party, a first priority senior security interest in all of its assets and property; and

WHEREAS, Debtor and Secured Party desire that this Agreement shall set forth their full and complete understanding regarding the terms and conditions under which Debtor will grant Secured Party a security interest in its assets and property.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the premises, the mutual promises and covenants herein contained and other good and valuable consideration, the receipt, sufficiency and adequacy of which are expressly acknowledged, Debtor and Secured Party, each intending to be legally bound, do hereby mutually agree as follows:

1. Grant of Security Interest.

As security for the prompt and complete payment and performance when due of all of the Obligations, as hereinafter defined, Debtor does hereby grant to Secured Party a continuing first priority security interest (“Security Interest”) in all personal property, assets and fixtures of Debtor, wherever located, whether now existing or owned or hereafter arising or acquired, whether or not subject to the Uniform Commercial Code, as the same may be in effect in the State of Delaware, as amended from time to time (“UCC”), and whether or not affixed to any realty, including, without limitation, (i) all accounts, chattel paper, investment property, deposit accounts, documents, goods, equipment, products, websites, URL’s, customer, member and supplier lists and records, general intangibles (including trademarks, service marks, trade names, patents, copyrights, licenses and franchises), instruments, inventory, money, accounts receivable, letter of credit rights, causes of action (including tort claims) and other personal property (including agreements and instruments not constituting chattel paper or a document, general intangible or instrument); (ii) all additions to, accessions to, substitutions for, replacements of and supporting obligations of the foregoing; (iii) all proceeds and products of the foregoing, including, without limitation, insurance proceeds; and (iv) all business records and information relating to any of the foregoing and any software or other programs for accessing and manipulating such information (collectively, the “Collateral”). Debtor acknowledges and agrees that the foregoing collateral description is intended to cover all assets of Debtor, whether now owned or hereafter acquired, and all proceeds arising therefrom.

2. Obligations Secured.

The security interest granted by Debtor to Secured Party in the Collateral and evidenced hereby shall secure the following duties and obligations under the Debenture, all interest and charges, which may become due thereon, and any further advances of extension of credit to Debtor, any other obligations of Debtor to Secured Party in any capacity, now existing or hereafter incurred, however created or evidenced, regardless of kind, class or form, whether direct, indirect, absolute or contingent (including obligations pursuant to any guaranty, endorsement, other assurance of payment or otherwise), whether joint or several, whether from time to time reduced and thereafter increased, or entirely extinguished and thereafter reincurred, together with all extensions, renewals and replacements thereof, and all interest, fees, charges, costs or expenses which accrue on or in connection with the foregoing, including, without limitation, any indebtedness or obligations (i) not yet outstanding but contracted for, or with regard to which any other commitment by Secured Party exists; (ii) arising prior to, during or after any pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding; (iii) owed by Debtor to others and which Secured Party obtained, or may obtain, by assignment or otherwise; or (iv) payable under this Agreement (all of the foregoing being collectively referred to as the “Obligations”).

3. Representations, Warranties and Covenants of Debtor.

As an inducement to Secured Party to make the loans, advances and extensions of credit to Debtor which are secured hereby, Debtor hereby represents, warrants and covenants to Secured Party as follows:

- (a) Debtor now owns the Collateral, free and clear of any and all liens, claims, charges, security interests, and other encumbrances of every type, kind or nature. The security interest granted to Secured Party shall be first priority. Debtor will defend the Collateral and Secured Party's security interest in the same against any and all claims and demands of any person or persons who at any time claim any ownership or other interest therein;
- (b) Debtor authorizes Secured Party to file all such Uniform Commercial Code Financing Statements as Secured Party may require to perfect Secured Party's security interest in the Collateral and protect the same against the claims of third parties. No other financing statement has been filed or recorded which includes the Collateral or the proceeds of the Collateral, in whole or in part, within its collateral description;
- (c) During the term of this Agreement, Debtor will not grant or suffer the existence of any other lien, claim, charge, security interest or other encumbrance of any type, kind or nature with respect to the Collateral, without the prior written consent of the Secured Party and will, at all times, maintain good and merchantable title with respect to the same;
- (d) Debtor will cause the Collateral to be insured with companies who are acceptable to the Secured Party, which insurance policies: (i) shall have such coverage provisions, policy limits and exclusions as Secured Party shall require; (ii) shall name Secured Party as an additional insured and/or loss payee thereunder, as its interests may appear; (iii) shall require at least thirty (30) days' prior written notice to Secured Party of any intended cancellation, modification, termination or expiration of the policy or policies evidencing such insurance. Debtor will deliver such certificates of insurance and other evidence of insurance coverage as Secured Party may require;
- (e) At all times during the term of this Agreement, and except as otherwise provided herein, Debtor: (i) shall keep and maintain the Collateral in good and usable condition, free and clear of any and all liens, claims, charges and security interests of every type, kind or nature; (ii) will promptly pay all taxes, assessments and other charges with respect to the Collateral; (iii) will not use the Collateral illegally or in violation of any Agreement between Debtor and any third party; and (iv) will not transfer, convey, assign, sell or otherwise dispose of any portion of the Collateral, except in the ordinary course of its business.

4. Performance of Obligations by Secured Party.

In the event that Debtor fails to perform or comply with the terms of any duty, obligation, representation, warranty or covenant herein contained including, without limitation: (a) Debtor's obligation to keep the Collateral free and clear of all liens, claims, security interest and other encumbrances; (b) Debtor's duty to repair, maintain and preserve the Collateral; and (c) Debtor's duty to insure the Collateral in accordance with this Agreement, Secured Party may, but shall not be required to, perform such duties and obligations on behalf of Debtor, whereupon Debtor shall reimburse Secured Party for any and all amounts, costs and/or expenses which may be incurred by Secured Party to accomplish the same, plus interest on such amounts at the maximum rate permitted by law, from the date Secured Party pays or incurs the same until paid in full.

5. Events of Default. For purposes of this Agreement, an "Event of Default" shall mean an "Event of Default" as defined in the Debenture.

6. Remedies.

Upon the occurrence of any of the aforementioned Events of Default, and at any time thereafter, Secured Party may declare all of the Obligations to be immediately due, payable and performable, whereupon Secured Party may take such actions as it may consider necessary and/or advisable to enforce payment or performance of the same, shall have all of the rights and privileges of a Secured Party under the Uniform Commercial Code as adopted in the State of Delaware, and may exercise such other rights and privileges as may then be available. Without limiting the generality of the foregoing, Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at any place designated by Secured Party. Unless the Collateral is perishable, threatens to decline significantly in value, or is of a type or category which is customarily sold in a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale or disposition of the Collateral or the time and place after which any private sale of the Collateral may be made. The requirement of providing reasonable notice to Debtor shall be deemed satisfied if any such notice is delivered to Debtor at least five (5) days prior to the date on which any such disposition of the Collateral is to occur, which notice shall be delivered in accordance with Paragraph 9 of this Agreement. All costs and expenses which are expended or incurred by Secured Party to retake, hold, prepare for disposition and/or dispose of the Collateral including, without limitation, attorneys' fees and legal expenses, shall be added to the indebtedness secured hereby and shall be paid by Debtor to Secured Party.

7. Financing Statements.

The Secured Party is hereby authorized to file all such financing statements as it deems necessary or advisable to secure the security interest granted hereunder, including all renewals and extensions thereof, including any filings with the U.S. Patent and Trademark Office. Following all obligations under the Debenture being indefeasibly paid in full and upon three (3) business days' prior written notice to Secured Party, Debtor may file UCC-3 terminations statements and such other filings to terminate the security interests granted pursuant to this Agreement.

8. Waiver.

No failure by Secured Party to insist upon exact compliance with any of the terms, provisions and/or conditions of this Agreement shall be deemed or construed as a waiver of the right to require exact compliance with each and every duty and obligation herein contained in the future.

9. Notices.

All notices, requests or other communications required hereunder shall be in writing and shall be deemed to have been duly given or made if delivered personally or by courier service which obtains a signed receipt upon delivery, or if mailed, by United States certified mail, postage prepaid, return receipt requested, to the parties at the respective addresses first above written, or at such other addresses as shall be specified in writing by either of the parties to the other in accordance with the terms and conditions of this Section. Notices shall be deemed effective, if delivered personally or by courier service, on the date personally delivered or, if mailed in accordance herewith, then three (3) business days after mailing.

10. Assignment by Debtor Prohibited.

Neither this Agreement, nor the duties and obligations evidenced hereby, may be transferred, conveyed, assigned or otherwise delegated by Debtor without the prior written consent of Secured Party in each instance. Any such actual or attempted transfer, conveyance, assignment or delegation shall be null, void and of no legal force or effect, shall convey no rights or benefits to the purported transferee, shall release Debtor from no duty or obligation hereunder, and shall be a material breach of this Agreement.

11. Binding Effect.

This Agreement shall inure to the benefit of, and remain fully binding upon, the parties hereto and their respective successors, survivors and permitted assigns.

12. Governing Law, Jurisdiction and Venue.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ALL RESPECTS IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO THE PRINCIPALS OR CONFLICTS OF LAW. THE PARTIES HERETO CONSENT THAT ANY LEGAL OR EQUITY PROCEEDING BROUGHT IN CONNECTION WITH OR ARISING OUT OF ANY MATTER RELATING TO THIS AGREEMENT, AND THE TRANSACTIONS TO WHICH IT RELATES, SHALL BE INSTITUTED ONLY IN A FEDERAL OR STATE COURT OF COMPETENT JURISDICTION WITHIN THE STATE AND COUNTY WITHIN WHICH THE PRINCIPAL OFFICES OF THE SECURED PARTY SHALL BE LOCATED ON THE DATE THAT ANY SUCH PROCEEDING IS COMMENCED. THE DEBTOR HEREBY IRREVOCABLY CONSENTS AND SUBMITS TO THE JURISDICTION, IN ANY SUCH MATTER, OF THE COURTS OF SUCH STATE AND COUNTY AND WAIVES ANY OBJECTION DEBTOR MAY HAVE TO EITHER THE JURISDICTION OR VENUE OF SUCH COURTS. THE DEBTOR FURTHER CONSENTS AND AGREES, WITHOUT LIMITING ANY OTHER METHOD OF OBTAINING JURISDICTION, THAT IN ANY ACTION OR PROCEEDING COMMENCED UNDER THE TERMS OF THIS AGREEMENT, SERVICE OF A SUMMONS AND COMPLAINT, OR ANY OTHER PROCESS, IN ANY ACTION OR PROCEEDING, SHALL BE SUFFICIENT IF MADE ON THE DEBTOR BY REGISTERED OR CERTIFIED MAIL TO THE DEBTOR AT THE LAST KNOWN ADDRESS OF THE DEBTOR, WHETHER SUCH ADDRESS SHALL BE WITHIN OR WITHOUT THE JURISDICTION OF THE COURT WHERE SUCH ACTION OR PROCEEDING IS PENDING, AND DEBTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES PERSONAL SERVICE OF SUCH PROCESS.

13. Entire Agreement.

This Agreement sets forth the full and complete understanding between Debtor and Secured Party with respect to the terms and conditions under which Debtor will grant Secured Party a security interest in the Collateral as security for the Obligations.

(Signature Page Follows)

IN WITNESS WHEREOF, Debtor has executed this Agreement as of the day and year first above written.

DEBTOR:

ELYS GAME TECHNOLOGY, CORP.

By: _____
Name: Michele Ciavarella
Title: Executive Chairman

WITNESS

By: _____
Name: _____
Title: _____

SECURED PARTY:

By: _____
Name: _____
Title: _____

WITNESS

By: _____
Name: _____
Title: _____

(Signature Page to Security Agreement)