

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum.

The securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") and may not be offered or sold to, or for the account or benefit of, a person in the "United States" or a "U.S. person" (as such terms are defined in Regulation S under the U.S. Securities Act).

December 22, 2015

OFFERING MEMORANDUM



MATOOT GAMES LTD.

#105 – 2971 Viking Way, Richmond, British Columbia V6V 1Y1

Email: glam@matoot.com | Contact: Gordon Lam

Up to 2,000,000 common shares (the "Shares")

Price of \$0.35 per Share

LISTING/REPORTING STATUS:

Currently Listed or Quoted: Not listed or quoted.

These securities do not trade on any exchange or market.

Reporting Issuer: No.

THE OFFERING:

Securities Offered: Up to 2,000,000 common shares of Matoot Games Ltd. ("**Matoot**" or the "**Company**") with a subscription price of \$0.35 per Share.

Price per Security: \$0.35

Minimum/Maximum Offering: **There is no minimum offering.** The maximum offering is for 2,000,000 Shares for gross proceeds of \$700,000.

You may be the only purchaser. Funds available under the Offering will not be sufficient to accomplish our objectives. See "Risk Factors" below.

Minimum Subscription Amount: \$700

Eligibility: Residents of British Columbia may subscribe for any amount of Shares.

Residents of Alberta wishing to subscribe for the Shares for an aggregate purchase price of more than \$10,000 must qualify as "Eligible Investors",

as defined in applicable securities legislation.

Residents of Ontario must be “Accredited Investors”, as defined in applicable securities legislation.

Payment Terms: Bank draft, certified cheque, or personal cheque payable to and delivered to “**Matoot Games Ltd.**” with a subscription agreement, a risk acknowledgement form and, if applicable, an accredited investor certificate and an eligible investor certificate.

See Item 5 titled “**Securities Offered**” for additional information.

Tax Consequences: There are important tax consequences to the purchase, ownership and disposition of these securities.

See Item 6 titled “**Securities Offered**” for additional information.

Proposed Closing Dates: None.

Selling Agent: None.

RESALE RESTRICTIONS

You will be restricted from selling your securities for an indefinite period. See Item 10 titled “Resale Restrictions” for additional information.

PURCHASER’S RIGHTS

You have 2 business days from the date of signing the subscription agreement to cancel your agreement to purchase the Shares. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement.

See Item 11 titled “Purchaser’s Rights” for additional information.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8 titled “Risk Factors” for additional information.

INVESTMENT NOT LIQUID

The Shares offered hereunder will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, if ever, a shareholder of the Company will not be able to trade the Shares unless it complies with very limited exemptions from the prospectus requirements under applicable securities legislation.

See Item 10 titled “Resale Restrictions” for additional information.

CAUTIONARY STATEMENTS

An investment in the Shares is highly speculative and is designed for persons who are prepared to accept the significant risks inherent in our business. The price of the Shares was determined solely by our management and there is no market for the Shares. Therefore, the Shares are not suitable or appropriate investment for investors who may need to dispose of their investment in a timely manner.

See Item 8 titled “Risk Factors” for additional information.

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FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains certain statements that may constitute forward-looking information under applicable securities laws. All statements, other than those of historical fact, which address activities, events, outcomes, results, developments, performance or achievements that Matoot anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements formed in the future tense or indicating that certain actions, events or results “may”, “could”, “would”, “might” or “will” (or other variations of the forgoing) be taken, occur, be achieved, or come to pass. Forward-looking information contained in this Offering Memorandum include statements about: the success of outbound telemarketing to sign-up users, sponsorship revenue upon the launch of Checkpoint Challenge, revenues in general, customer demand conditions, operating expenses, estimates of anticipated costs and expenditures comments with respect to strategies, expectations, planned operations and future actions of Matoot, statements about the use of proceeds set out in this Offering Memorandum; Matoot’s ability to compete with other companies that are developing or selling products and services that are competitive with Matoot’s products and services; Matoot’s ability to grow its active consumer base; Matoot’s plans to continue to invest in and develop technology and services for its markets; Matoot’s ability to establish new marketing partnerships; Matoot’s ability to expand into new markets; Matoot’s ability to acquire and integrate new businesses and technologies; the timing of expected introductions of new or enhanced services and products; Matoot’s ability to attract and retain key personnel, and anticipated and unanticipated costs and other factors referenced in this Offering Memorandum, including, but not limited to, those set forth under the caption “**Risk Factors**”.

Forward-looking information is based on currently available competitive, financial and economic data and operating plans, strategies or beliefs as of the date of this Offering Memorandum, but involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of Matoot, as applicable, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors may be based on information currently available to Matoot, including information obtained from third-party industry analysts and other third party sources, and are based on management’s current expectations or beliefs regarding future growth, results of operations, future capital (including the amount, nature and sources of funding thereof) and expenditures. Any and all forward looking information contained in this Offering Memorandum is expressly qualified by this cautionary statement.

A number of risks, uncertainties and other factors could cause actual results to differ materially from the results discussed in the forward-looking information, including the factors discussed in the section entitled “Risk Factors” in this Offering Memorandum.

Forward-looking information reflects Matoot’s current beliefs and is based on information currently available to Matoot and on assumptions it believes to be not unreasonable in light of all of the circumstances. In some instances, material factors or assumptions are discussed in this Offering Memorandum in connection with statements containing forward-looking information. Such material factors and assumptions include, but are not limited to: maintenance by Matoot of relationships with advertising network providers, successful development of the “Matoot” Brand, protection of Matoot’s intellectual property and trade secrets, Matoot’s ability to keep up with rapid technology developments in Matoot’s markets, Matoot’s ability to attract players to its Checkpoint Challenge website, Matoot’s ability to successfully enter new business areas and geographic markets; success of new products developed by Matoot and Matoot’s ability to retain key members of its management team. Although Matoot has attempted to identify important factors that could cause actual actions, events or results to differ

materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is made as of the date of this Offering Memorandum and, other than as required by law, Matoot disclaim any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

Industry and Market Data

This Offering Memorandum also contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, while other information is based on Matoot's internal sources. Although Matoot believes that these third-party sources used in this Offering Memorandum are reliable, neither Matoot has independently verified the information provided by these third parties. While Matoot is not aware of any misstatements regarding any third-party information presented in this Offering Memorandum, their estimates, in particular, as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed under "**Risk Factors**".

Reliance

Prospective investors should rely only on information contained in this Offering Memorandum. The Company has not authorized any other person to provide prospective investors with different information. If a prospective investor is provided with different or inconsistent information, the prospective investor should not rely on such information. The Company is not making an offer to sell in any jurisdiction where an offer or sale is not permitted.

SUMMARY OF OFFERING MEMORANDUM

The following is a summary of the principal features of this Offering Memorandum and should be read together with, and is qualified in its entirety by, the more detailed information contained elsewhere in this Offering Memorandum.

The Issuer The issuer is Matoot Games Ltd., a company incorporated under the *Business Corporations Act* (British Columbia) (the “**Company**” or “**Matoot**”).

Objective Pursuant to the terms of this Offering Memorandum, the Company intends to raise up to \$700,000 through the issuance of common shares of the Company (“**Shares**”).

Matoot will use the net proceeds from this private placement for the purposes of continuing development and branding.

See Item 1.2 titled “Use of Available Funds” for additional information.

Investment Strategy Matoot is a gamified advertising company that will drive qualified and gamified traffic to website sponsors. Using our proprietary marketing platform, Checkpoint, Matoot has designed a new model for delivering potential customers to online businesses.

Checkpoint is an immersive marketing system designed to drive traffic to our sponsors in a way that is new and unique. It is a direct and highly effective approach that we expect users to enjoy, become engaged in and reap rewards from, while sponsors should benefit with increased traffic, revenues and profits. Checkpoint combines gamification and advertising technology techniques to achieve these goals.

See Item 2 titled “Our Business” for additional information.

Minimum Offering There is no minimum offering. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our objectives.

Maximum Offering The maximum offering is for 2,000,000 Shares (\$700,000).

Price/Security The price per Share is \$0.35.

Minimum Subscription Amount and Closing Dates The minimum subscription amount is \$700.

The Company will conduct closings on one or more dates prior to **January 31, 2016** or such later date as may be determined by the Company in its sole discretion (the “**Final Closing**”). The Company may, in its sole discretion, extend the date of the Final Closing. The offering of Shares pursuant to this Offering Memorandum expires on the Final Closing unless terminated earlier by the Company.

Management The officers and directors of Matoot are:

- Andrew J. Hay, Chief Executive Officer and Director
- Gordan Lam, Chief Financial Officer and Director

Selling Agent None.

Tax Consequences **There are important tax consequences to the purchase, ownership and disposition of the Shares.** You should consult your own professional advisors to obtain advice on the Canadian income tax consequences that may apply to you.

Use of Available Funds

1.1 Funds

The net proceeds of the offering and the funds that will be available to us after the offering will be as follows:

		Assuming min. offering	Assuming max. offering
A.	Amount to be raised by this offering	\$0	\$700,000
B.	Selling commissions and fees	\$0	\$0
C.	Estimated offering costs	\$30,000	\$30,000
D.	Available funds: $D = A - (B+C)$	(\$30,000)	\$670,000
E.	Additional sources of funding required	\$0	\$0
F.	Working capital deficiency	\$0	\$0
G.	Total: $G = (D+E) - F$	\$(30,000)	\$670,000

1.2 Use of Available Funds

The following table provides a detailed breakdown of how we intend to use the available funds:

Description of intended use of available funds listed in order of priority	Assuming min. offering	Assuming max. offering
Software development	\$0	\$240,000
Marketing	\$0	\$240,000
Professional fees	\$0	\$20,000
General and administrative expenses	\$0	\$90,000
Unallocated working capital	\$0	\$80,000
Total – Available Funds	\$0	\$670,000

1.3 Reallocation

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

Item 2 Our Business

2.1 Structure

Matoot was incorporated under the *Business Corporations Act* (British Columbia) on March 13, 2014 and does not currently have any subsidiaries in its corporate structure.

2.2 *Our Business*

Matoot is a gamified advertising company that will drive qualified and gamified traffic to website sponsors. Using our proprietary marketing platform, Checkpoint, we have designed a new model for delivering potential customers to online businesses.

Checkpoint

Checkpoint is an immersive marketing system designed to drive traffic to our sponsors in a way that is new and unique. It is a direct and highly effective approach that we expect users to enjoy, become engaged in and reap rewards from, while sponsors should benefit with increased traffic, revenues and profits. Checkpoint combines gamification and advertising technology techniques to achieve these goals.

Gamification

Gamification is applying game-design thinking to non-game applications to make them more fun and engaging. The goal is to provide people with an immersive experience that motivates them to participate in a desired task or behaviour while satisfying their natural desires for competition, achievement, status, rewards, community collaboration and more.

Gamified advertising

With over 100 billion ad impressions daily, websites are faced with the problem of how to effectively market to their target customers in an increasingly competitive environment. The solution? Matoot believes it's gamified advertising.

By using our technology to target, deliver, display and control online ads, firms will be able to test, track, and analyze data quickly to predict how consumers respond to certain products and services. Combining this with gamification, the user experience will be at a much higher engagement level where the user enjoys learning about advertisers' offerings.

MATOOT = GAMIFICATION + ADVERTISING TECHNOLOGY = GAMIFIED ADVERTISING = INCREASED WEB REVENUE POTENTIAL
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By combining gamification and advertising technology into our own unique Gamified Advertising System (“**GAS**”), Matoot believes it has the ultimate model to deliver traffic and sales to online businesses.

Gamified Advertising System (GAS)

Our “GAS” is designed to send players in a cycle from our game to our analytics then to our sponsors and back to our game. We attract players (traffic) via our online game competition, send them to our algorithms for match analysis and then redirect them to the appropriate sponsor websites. The sponsor receives traffic that has been qualified by our “GAS” without requiring them to go through first page search rankings or click an ad or link. The players will be delivered directly to our sponsors' full gamified websites where they will compete for real rewards. The players will be incentivized, making them more likely to purchase the sponsors' products or services.



The Market

There are over 175 million active websites that spend over \$121 billion in internet advertising to target over 1.2 billion online shoppers who will spend over \$1 trillion dollars this year.

It is our goal to deliver targeted web traffic to our participating companies' websites in whatever quantity and quality they request. For many website owners, it is challenging to attract traffic and particularly website that will be interested in their product or service. Many websites are completely reliant on search engine rankings, display ads, Twitter "Tweets" and Facebook posts for driving prospective customers to their sites.

Many companies focus on two online technologies to increase traffic to their website. The primary focus is on search engine placement where the goal is to get their company returned on the first page, preferably at the top, of a search when a prospect is looking for something related to their business. The second is to use a more traditional advertising approach, bidding on ad positioning or having display ads placed on third party websites.

Search Engine Optimization ("SEO") service costs is ongoing and does not guarantee traffic or revenue while paid click-through advertising can be very expensive and is influenced by a number of factors, with a very low probability of converting to a sale. Despite this, Google generates ad revenue of over \$100 million per day which accounts for roughly 50% of total online advertising dollars spent.

Marketing Plans

We have two very specific and distinct target markets. The first is the website owner / operator, who provides products and services through an online presence. The second is the online game population.

Our objective is to use outbound telemarketing to sign up between 1,500 and 2,000 website owners as sponsoring websites. However, we will only be charging a promotional rate to these websites for the traffic we deliver during the course of the first contest. For sponsors who choose our co-marketing option, there will be a larger discount initially. After the first contest, we will analyze the traffic we have delivered at a discount to determine an appropriate deposit level for the second and subsequent contests and to better target visitor demographics for each specific website.

We expect to start with a target list developed from the companies that have not been able to achieve high search engine rankings. With 175 million websites, there is little limit to how many we can approach.

The outbound telemarketing program will be combined with viral marketing strategies to further expand our participating website sponsors. We will need to manage a balance between delivering too much, or too little, traffic to any one sponsoring site.

The online game market is now over 1.2 billion players worldwide. It continues to grow and reaches all demographics which is ideal for sponsors. The average age is now 35 (54% male, 46% female) and average income is \$79,000. There is a lot of competition in games, however, we believe we have a distinct advantage to attract and retain players: gamification. People love their games and will play more often if they can compete socially, achieve status and earn real rewards.

Checkpoint will provide real rewards based on their interests and profile.

Current Sponsors

Matoot has spent limited funds on marketing to date as efforts have been primarily focused on development. Despite limited marketing to-date, Matoot has entered into agreements with a number of sponsors which entitles them to promotional traffic rates. Matoot expects to record sponsor revenue immediately upon launch of Checkpoint Challenge under the terms of these agreements. Some of Matoot's current sponsors include:

- Sheraton Vancouver Airport Hotel
- The Agency Real Estate Marketing Group
- Jugo Juice
- KIG Jewellery
- Cotton Carrier
- Winestain Club / Richmond Wine Lockers
- Yanrye Media
- Vancouver Electronics Depot
- Klever 1
- Metallis Resources
- Raymond Chan (Real Estate Advisor)
- Budget Hotels
- Xeline Media Management
- Pacific Gold Buyers
- Yaggers Restaurant & Sports Bar
- Compu-Sense Systems
- International Sports Corp.
- ERA Enterprises Ltd.

Matoot intends to allocate up to \$240,000 of funds raised pursuant to this offering to signing up additional sponsors and players prior to launch of Checkpoint Challenge and that its marketing efforts in this regard will begin to ramp up approximately 6 months prior to launching Checkpoint Challenge.

Competitors

The competitive landscape in gaming been evolving rapidly. Originally, the primary competitors were SEO companies and, to a lesser degree, search engines like Google, Yahoo, and Microsoft (Bing). As the

industry has grown, advertising technology companies (“**ad tech**”) like YuMe and Brightroll, social media sites like Facebook, Twitter and LinkedIn, daily deal sites like Groupon and LivingSocial and gamification companies like Dailybreak and Badgeville have entered the space.

Traditional marketing, SEO and search engine companies are finding it more difficult to compete with the emergence of ad tech and social media companies. Ad tech aims to gain a distinct marketing advantage by analyzing massive amounts of data to target the right audience at the right time. On the other hand, social media firms aim to leverage and monetize their massive user bases with ads.

The major competitors to Matoot are:

Company	Product/Service	Description
Dailybreak	Gamified advertising	gaming site that provides gamified experiences for various brands
Badgeville	Gamified Advertising	SaaS and gamification techniques to engage users of corporate websites
Perk.com	Mobile rewards platform	targeting consumers primarily by rewards for people’s every day mobile and internet activities
Kiip	Mobile rewards platform	help brands reward everyday moments in apps and games

Note: information provided about competitors is based on research and information that has been sourced by Matoot and may not be accurate and may be subject to change without notice.

Competitive Advantage

Matoot expects to compete favorably with the above competitors because:

- We can provide a specific demographic to a specific product or service page
- We can turn the traffic off, as well as turn it on, for any period or budget specification
- We can provide traffic from a specific geographical area or globally

But more importantly, are unique from our competitors in the following ways:

- We can guarantee a specific volume of traffic
- We can ensure that the prospect will return, predict how many times, and what they see when they get there
- We can ensure that the traffic we provide learns about the company’s offering

Matoot is not aware of any SEO service or click-through advertising company that provides the above.

Our competitive advantage is significant and unmatched. Not only will we be providing a better service to our sponsoring websites but as an incidental benefit the website’s search engine ranking will improve.

Revenue Model

Matoot does not currently generate revenue and at the current stage of development of the Company, the primary objectives are to complete the Checkpoint Challenge marketing system and to sign up players and sponsors prior to launch. Matoot believes that building future revenue and value means building the user base and capability of the Company to acquire and keep users.

In the future, Matoot expects to generate revenue from two sources: players and website owners.

A potential revenue stream may be from sponsors who will pay a fee for traffic driven to their website. Matoot will explore opportunities to increase our sponsor revenues through such means as targeted traffic, customized offerings and incentive promotions.

Another potential revenue stream may consist of a combination of in-app purchases and purchase of discounted goods or services. Players could be given the opportunity to purchase items such as extra turns or cards to avoid penalties and will be able to purchase discounted items directly through Matoot.

2.3 *Development of Business*

The main stages and timeline of development of the business have included the following:

March 2014 – Matoot was incorporated on March 13, 2014 and at that time issued 7 million shares at a price of \$0.005 per share to its founders.

July 2014 – Matoot entered into an intellectual property sale agreement with Robert A. Heller on July 7, 2014 (the “**Intellectual Purchase Agreement**”) to acquire the business plan, intellectual property, source code, executable object code and all other materials related to “Checkpoint Challenge” (the “**Checkpoint IP**”). In consideration for the purchase of the Checkpoint IP, Matoot agreed to issue 2.5 million common shares and pay US\$25,000 in cash to Mr. Heller. Matoot also completed private placement of 3 million common shares at \$0.025 per share to allow it to execute on its business plan.

August 2014 – Matoot completed a private placement of 250,000 common shares at \$0.10 per share on August 23, 2014.

November 2014 – Matoot completed a private placement of 921,000 common shares at \$0.25 per common share to fund Checkpoint Challenge with proceeds used for development costs and working capital.

December 2014 – the Intellectual Purchase Agreement was amended to revise the compensation payable to Mr. Heller to 1.75 common shares (from 2.5 million shares) and the Company paid US\$25,000 in cash to Mr. Heller. No other terms of the Intellectual Purchase Agreement were amended.

September 2015 – Matoot completed a private placement of 250,000 shares at \$0.25 per share for working capital on September 30, 2015. During the past 30 days, Matoot has also begun signing up pre-launch sponsors such as Sheraton Vancouver Airport Hotel, several media companies (who are large traffic buyers) and others.

2.4 *Long Term Objectives*

Matoot’s long-term objectives are to:

Objective	Time Period	Cost
Complete development of Checkpoint Challenge	Nov 2015 to Jun 2016	\$240,000
Continue to sign up sponsors for launch	Jan 2016 to Jun 2016	\$120,000
Market Checkpoint Challenge for launch	Apr 2016 to Jul 2016	\$120,000
Grow number of sponsors and players	Jul 2016 to Dec 2017	\$3,000,000
Expand game and product offerings onto other platforms	Oct 2016 to Dec 2017	\$500,000

2.5 *Short Term Objectives and How We Intend to Achieve Them*

Matoot’s short-term objectives for the next 12 months are to:

Short-term objects	Target completion date	Cost to complete
Expand development team to complete Checkpoint Challenge development	May 2016	\$240,000
Hire and train marketing team to sign up sponsors for launch	Jun 2016	\$120,000
Launch Checkpoint Challenge. Expand and prepare marketing team to execute marketing plan	Jul 2016	\$120,000
Complete next equity round	Jun 2016 to Sep 2016	\$30,000

2.6 *Insufficient Funds*

The funds available as a result of the offering will not be sufficient to accomplish all of our proposed objectives and there is no assurance that alternative financing will be available. See Item 8 “Risk Factors”.

2.7 *Material Agreements*

Matoot has entered into a material agreement with our Chief Technical Advisor (who is considered an “insider” of Matoot as a result of beneficially owning more than 10% of a company’s issued and outstanding common shares). Mr. Heller is also the inventor of the “Checkpoint Challenge” intellectual property which is the foundation of our business.

On July 7, 2014, Matoot entered into the Intellectual Purchase Agreement, as amended, to acquire the Checkpoint IP. In consideration for this purchase, Matoot issued 1.75 million common shares and paid US\$25,000 in cash Mr. Heller.

Item 3 **Interests of Directors, Management, Promoters and Principal Holders**

3.1 *Compensation and Securities Held*

The names, municipalities of residence, offices held, during the past five years, and shareholdings of the directors, officers, promoters, and persons holding directly or indirectly, more than 10% of any class of the voting securities of Matoot are:

Name and municipality of principal residence	Positions held and the date of obtaining that position	Compensation paid by Matoot (most recently completed financial year and the compensation anticipated to be paid in the current financial year)	Number, type and percentage of securities of Matoot held after completion of min. offering	Number, type and percentage of securities of Matoot held after completion of max. offering
Andrew J. Hay, (Coquitlam, BC)	President, Chief Executive Officer, and Director (since March 23, 2014)	\$55,000 (2014) \$60,000 (2015)	3,500,001 Shares (26.57%)	3,500,001 Shares (23.07%)
Gordon Lam, (Delta, BC)	Chief Financial Officer, Corporate Secretary and Director (since March 23, 2014)	\$55,000 (2014) \$60,000 (2015)	3,500,001 Shares (26.57%)	3,500,001 Shares (23.07%)
Robert A. Heller, Santa Clarita, CA, USA)	Chief Technical Advisor (since July 7, 2014)	\$1,500 (2014) \$18,000 (2015)	1,750,000 (13.29%)	1,750,000 (11.54%)
Kenneth Lam, ⁽¹⁾ Richmond, BC	N/A	n/a	1,400,000 (10.63%)	1,400,000 (9.23%)

(1) Kenneth Lam indirectly owns 50,000 shares through a holding company which he is a 25% owner of.

3.2 *Management Experience*

Name	Principal occupation and related experience
Andrew J. Hay	<p>Andrew J. Hay is the President, Chief Executive Officer and Director of Matoot Games Ltd.</p> <p>Andy has over 30 years' experience in management, marketing and sales working with both private and public companies in business development, investor relations, financing and marketing initiatives. After starting his first business venture at age 23, he moved on to manage an equipment supply company based out of Edmonton, Canada. He subsequently moved back to Vancouver, becoming an Investment Advisor and then a partner in a Vancouver-based venture capital/merchant bank where he was part of the team that advised two technology companies from start-up to their eventual listing on NASDAQ. For the past 14 years he has been an independent consultant to companies in the capital markets.</p>
Gordon Lam, BComm	<p>Gordon Lam is the Chief Financial Officer, Corporate Secretary and Director of Matoot Games Ltd.</p> <p>Gordon has over 18 years of experience in public markets as an Investment Advisor and independent consultant. He specializes in helping early stage companies with the public listing process, corporate and market development, financings, and advisory services. His entrepreneurship and understanding and competency in all components of a successful company make him a valuable asset for early stage companies.</p>

Name	Principal occupation and related experience
	<p>Having graduated with a Bachelor of Commerce finance degree from the University of British Columbia, Gordon has a strong balance of business knowledge, analytical skills and hands-on experience. Gordon used these assets to become an Investment Advisor for 16 years at 3 different brokerage firms. In 2013, he left PI Financial Corp. to start his own business/management consulting business. He has recently provided consulting services to firms in the technology, biotechnology, resource, automotive and oil services sectors</p>
Robert A. Heller	<p>Robert A. Heller is the Chief Technical Advisor for Matoot Games Ltd.</p> <p>A serial innovator and entrepreneur, Robert has been taking many of his ideas to development for more than 30 years. One problem he recognized as early as 1998 when he was President of a British Columbia based internet service provider was how to deliver meaningful traffic to websites. It was then that he began to investigate different methods for solving this problem. Years of fine-tuning led Robert to discovering the ultimate solution.</p> <p>Robert began his career in electronics and switched to software engineering in the late 1970s. Since then, he has been in marketing and business management for a number of technology companies both as an executive and as a founder and owner. Robert has been an active member of the British Columbia Advanced Systems Institute Business Advisory Board and provided guidance to a number of young innovators. At various points in his career he has provided consulting services to Xerox, NCR and Unisys Corporations.</p>

3.3 Penalties, Sanctions and Bankruptcy

None of our directors, executive officers or control persons has, within the past 10 years, been subject to any penalty or sanction, been declared bankrupt, made a voluntary assignment in bankruptcy, made a proposal under any bankruptcy or insolvency legislation, been subject to or instituted any proceeding, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

In addition, none of our directors, executive officers or control persons is, or within the past 10 years has been, a director, executive officer or control person of any issuer that, while that person was acting in such capacity, was subject to any penalty or sanction, been declared bankrupt, made a voluntary assignment in bankruptcy, made a proposal under any bankruptcy or insolvency legislation, been subject to or instituted any proceeding, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that issuer.

3.4 Loans

None.

Item 4 Capital Structure

4.1 Share Capital

The following table provides the required information about outstanding securities of Matoot (including options, warrants and other securities convertible into shares).

Description of security	Number authorized to be issued	Price per security	Number outstanding as at September 30, 2015]	Number outstanding after min. offering	Number outstanding after max. offering
Common Shares	Unlimited	Between \$0.005 and \$0.25 per share	13,171,002	13,171,002	15,171,002
Options	1,317,100	\$0.25 per share	730,000	730,000	730,000

4.2 Long Term Debt Securities

None

4.3 Prior Sales

Date of issuance	Type of security issued	Number of Common Shares	Price per Common Share	Total funds received
March 13, 2014	Common Shares	2 ⁽¹⁾	\$0.005	\$0.01
May 30, 2014	Common Shares	7,000,000	\$0.005	\$35,000
July 7, 2014 ⁽²⁾	Common Shares	1,750,000	\$0.025	\$43,750
July 31, 2014	Common Shares	3,000,000	\$0.025	\$75,000
August 23, 2014	Common Shares	250,000	\$0.10	\$25,000
November 10, 2014	Common Shares	921,000	\$0.25	\$230,250
September 30, 2015	Common Shares	250,000	\$0.25	\$62,500

(1) Issued on incorporation.

(2) On July 7, 2014, Matoot entered into an Intellectual Purchase Agreement, as amended to acquire the Checkpoint IP and agreed to issue 1.75 million common shares and to pay US\$25,000 US to Mr. Heller.

Item 5 Securities Offered

We are offering the Shares at a price of \$0.35 per Share with a minimum investment per subscriber of \$700 and no maximum other than the maximum size of the offering.

5.1 Terms of Securities

Each common share of the Company is equal to every other common share with respect to all rights and restrictions. Each Share will have one vote attached to it, rights to receive distributions from Matoot, no conversion or exercise price and date of expiry, no rights of redemption or retraction and no interest or

dividend rates. All Shares outstanding at the completion of this offering will be fully paid and non-assessable.

5.2 *Subscription Procedure*

The offering is made subject to, and subscriptions for Shares under the offering will only be accepted from, persons resident in British Columbia, Alberta and Ontario, and who qualify under relevant private placement exemptions from the registration and prospectus requirements of applicable securities law.

You may subscribe for Shares by returning the following documents to us at the address listed on the cover page of this offering memorandum:

1. a completed and executed subscription agreement in the form accompanying this Offering Memorandum (see Appendix 1 to this Offering Memorandum);
2. a completed and executed risk acknowledgement in the form attached to this offering memorandum (Form 45-106F4; see Schedule A to Subscription Agreement) – you must keep a signed copy of this document for your records; and
3. a bank draft, certified cheque, wire transfer or personal cheque in the amount of your investment payable to “Matoot Games Ltd.”

The subscription agreement, risk acknowledgement form and the subscription amount will be retained in the possession of the Company until closing. We will hold your subscription funds in trust until midnight on the second business day after the day on which we receive your signed subscription agreement. Thereafter, the subscription amount is not refundable and is available to Matoot Games Ltd. as herein provided. On the date of closing, the subscription agreement and the subscription price will be accepted by the Company and National Instrument 45-106 – *Prospectus Exemptions*.

The subscription agreement contains representations and warranties of the subscriber that we will be relying upon in order to determine the eligibility of the subscriber. The subscriber must read the subscription agreement in full prior to execution. It is strongly recommended that the subscriber obtain independent legal advice prior to execution. Subscriptions for Shares will be received subject to rejection or acceptance in whole or in part and we reserve the right to close the subscription book at any time without notice.

We have the right, in our sole discretion, to accept or to refuse to accept any subscription or to allot to a subscriber a number of Shares less than the number subscribed for by the subscriber. If, for any reason, we do not accept a subscription, we will promptly return it and any subscription funds we receive, to you, without interest, penalty or deduction. If a subscription is accepted in part, we will deliver to the subscriber a cheque in an amount equal to the subscription price for the number of Shares subscribed for but not accepted by us. Any subscription payment returned to subscribers will be without interest, penalty or deduction.

Subscriptions will be accepted from time to time at the discretion of Matoot as subscriptions are received up to and on the closing dates. We expect to have multiple closings of the Offering on several dates on or before **January 31, 2016**. We may end the Offering on an earlier or later date as we may determine. Share certificates will be issued to investors at or before **April 30, 2016** or on such later date as the Matoot may, in its sole discretion, determine.

Item 6 Income Tax Consequences and RRSP Eligibility

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities.

Item 7 Compensation Paid to Sellers and Finders

None.

Item 8 Risk Factors

AN INVESTMENT IN SECURITIES OF MATOOT IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Prior to making an investment decision, investors should consider the investment risks set forth below and those described elsewhere in this offering memorandum, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of Matoot consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of Matoot. If any of these risks materialize into actual events or circumstances or if other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with Matoot's business, actually occur, Matoot's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the value of Matoot's securities could decline and investors may lose all or part of their investment.

Issuer Risks

1. Matoot has not yet generated any revenue

Matoot is in the final stages of developing its Checkpoint Challenge marketing system and has therefore not yet commenced commercial operations or generated revenue. Matoot can give no assurance that its strategies to commercialize can or will be successful, or that Matoot will be able to attain significant sales and achieve profitability. In addition, Matoot cannot guarantee that it will be able to generate revenue in the future. If Matoot is unable to successfully commercialize its proposed products and achieve profitability, it could face cash-flow shortfalls and may need to engage in further rounds of financing. Any future financing could result in equity dilution for Matoot shareholders.

As at September 30, 2015, the Company has not yet generated any revenue and has an accumulated deficit of \$346,121 which may cast doubt regarding Matoot's ability to continue as a going concern.

2. Matoot's products are based on new and unproven technology

Matoot is an early stage technology company with a heavy dependence on new, emerging and/or unproven technologies. If these technologies do not produce satisfactory results, Matoot's business may be harmed.

3. *The market may not accept Matoot's products which will adversely affect its business, financial condition and results of operations*

The market acceptance of Matoot's products will depend upon the game and sponsor community accepting the products as useful, reliable, accurate, and cost-effective compared to existing and future products or services. Failure of these new products to achieve significant market share could have material adverse effects on Matoot's long-term business, financial condition, and results of operation.

4. *The loss or reduction of scope of any of Matoot's agreements.*

Matoot has entered into agreements with a number of sponsors which entitles them to promotional traffic rates. These agreements may never result in revenue and any agreements currently in existence may be terminated in the future, or may not be renewed or extended, and the loss of these customers may materially reduce Matoot's anticipated revenue and could have a material adverse effect on Matoot's business financial condition and results of operations.

Matoot's business plan is based on the assumption that it will generate future revenue from its products and services. Matoot cannot accurately predict whether its proposed products and services will achieve significant market acceptance or whether there will be a market for such products and services on terms Matoot deems acceptable.

5. *Matoot operates within the rapidly changing technology industry.*

The advertising technology industry is characterized by rapid technological change, evolving industry standards, frequent new product introductions and short product life cycles. To keep pace with the technological developments, achieve product acceptance and remain relevant to users and therefore attractive to advertisers, Matoot will need to continue developing new and upgraded functionality of its products and services and adapt to new business environments and competing technologies and products developed by its competitors. The process of developing new technology is complex and uncertain. To the extent Matoot is not able to adapt to new technologies and/or standards, experiences delays in implementing adaptive measures or fails to accurately predict emerging technological trends and the changing needs of end-users, Matoot may lose users and advertisers.

Matoot has developed and is continuing to develop a number of products and services and it will pursue those products and services that it expects to have the best chance for success.

Matoot's expectations of future market demand. The development and application of new technologies involve time, substantial costs and risks. There can be no certainty that Matoot will be able to develop new products, services and technologies to keep up-to-date with developments in the advertising technology industry and, in particular, to launch such products, services or technologies in a timely manner or at all. There can be no certainty that such products will be popular with end-users or that such products will be reliable, robust and not susceptible to failure. Any of these factors could have a material adverse effect on Matoot's prospects, business, financial condition or results of operations.

6. *Matoot's success depends on the successful commercialization of its technology.*

The successful commercialization of Matoot's technology is crucial for its success. Even if Matoot's technology is shown to be less costly and more effective, Matoot and its strategic partners may face unforeseen difficulties in marketing Matoot's products. These difficulties may only become apparent upon scaling up to commercial levels. In addition, there is no guarantee that market acceptance will come upon the successful sale of any product.

If Matoot's technology and products do not result in commercially successful products, Matoot's business could be adversely affected.

7. *Matoot's inability to protect its trade secrets and other proprietary rights could adversely affect its competitive position.*

Matoot does not have any registered trademarks or patents and is relying on a combination of trade secrets, copyright laws and other property rights to protect its intellectual property. These legal protections offer only limited protection and Matoot intends to pursue patenting and trade marking of intellectual property in the future. Matoot seeks to limit disclosure of its intellectual property by requiring employees, consultants, vendors and partners with access to our proprietary platform and information to execute confidentiality agreements and non-competition agreements and by restricting access to Matoot proprietary information. Matoot's actions, however, to establish and protect its intellectual property and other proprietary rights may be inadequate to prevent imitation of Matoot's products by others or to prevent others from claiming violations of their trademarks, patent and proprietary rights by Matoot. If Matoot's products are challenged as infringing upon patents of other parties, Matoot may be required to modify its business plan or litigate the issues, both of which may have an adverse business effect on Matoot.

Matoot may rely in the future on patent and trademark laws to limit the ability of others to compete with it using the same or similar technology in the U.S. and other countries. These laws, however, afford only limited protection and may not adequately protect Matoot's rights to the extent necessary to sustain any competitive advantage Matoot may have over its competitors. In addition, any pending and future patent applications may not result in the issuance of patents in the U.S. or foreign countries. The laws of some foreign countries do not protect proprietary rights to the same extent as the laws of the U.S., and many companies have encountered significant problems in protecting their proprietary rights abroad. These problems can be caused by the absence of adequate rules and methods for defending and enforcing intellectual property rights.

Matoot will be able to protect its technology from unauthorized use by third parties only to the extent that they are covered by valid and enforceable patents or are effectively maintained as trade secrets. Changes in either the patent laws or in interpretations of patent laws in the U.S. and other countries may therefore diminish the value of Matoot's intellectual property.

Matoot also faces the risk that others may independently develop similar or alternative technologies or design around its patented technologies.

8. *If Matoot infringes or is alleged to infringe intellectual property rights of third parties, it will adversely affect Matoot's business, financial condition and results of operations.*

Matoot's development and commercialization activities, including any products resulting from these activities, may infringe or be alleged to infringe patents owned by third parties and to which Matoot does not hold licenses or other rights. These third parties could bring claims against Matoot that would cause it to incur substantial expenses and, if successful against Matoot, could cause it to pay substantial damages. Further, if a patent infringement suit were brought against Matoot, this could restrict certain activities, including stopping or delaying development or sales activities related to the product that is the subject of the suit.

In order for Matoot to avoid potential infringement claims, it may choose or be required to seek a license from the third party. These licenses may not be available on acceptable terms, or at all. Should Matoot obtain a license, the license would likely obligate Matoot to pay license fees or royalties or both, and the

rights granted to it might be nonexclusive, which could result in Matoot's competitors gaining access to the same intellectual property. This may prevent Matoot from commercializing a product, or force it to cease some aspect of its business operations, if, as a result of actual or threatened patent infringement claims, Matoot is unable to enter into licenses on acceptable terms.

9. *Matoot's inability to protect the confidentiality of its trade secrets could affect its competitive position.*

Some aspects of Matoot's technology are not patentable and are therefore maintained by it as trade secrets. In an effort to protect these trade secrets, Matoot requires its employees, consultants, collaborators, advisors, customers, and vendors to execute non-disclosure agreements before the commencement of their relationship with Matoot. These agreements require that all confidential information developed by the individual or made known to the individual by Matoot during the course of the individual's relationship with it be kept confidential and not disclosed to third parties. These agreements may not, however, provide Matoot with adequate protection against improper use or disclosure of confidential information. A breach of confidentiality could affect Matoot's competitive position, and adequate remedies may not exist in the event of unauthorized use or disclosure of Matoot's confidential information.

The disclosure of Matoot's trade secrets would impair its competitive position and could have a material adverse effect on Matoot's business, financial condition, and results of operations.

10. *Protection of Matoot's intellectual property.*

Matoot's products and services utilize a variety of proprietary rights that are important to its competitive position and success. To-date, Matoot has been protecting its intellectual property through trade secrets and copyrights, but not through patenting or trademarking. Because the intellectual property associated with the Matoot's technology is evolving and rapidly changing, current intellectual property rights may not adequately protect Matoot. Matoot may not be successful in securing or maintaining proprietary or future patent protection for the technology used in its systems or services, and protection that is secured may be challenged and possibly lost. Matoot generally enters into confidentiality or license agreements, or has confidentiality provisions in agreements with employees, vendors, consultants, strategic partners and clients and controls access to and distribution of its technology, documentation and other proprietary information. Matoot's inability to protect its intellectual property adequately for these and other reasons could result in weakened demand for its systems or services, which would result in a decline in its revenues and profitability.

11. *Matoot may become involved in lawsuits to protect or enforce its patents, the patents of its collaborators or licensors, and other intellectual property rights.*

Litigation may be necessary to enforce patents issued or licensed to Matoot, in order to protect trade secrets or know-how, or to determine the scope and validity of its proprietary rights. Litigation can be expensive, time-consuming, and risky, as a court may decide that a patent relied on by Matoot is invalid or is unenforceable, or may refuse to prevent the other party from using the technology at issue. An adverse determination of any litigation or defense proceeding could put one or more of the patents relied on by Matoot at risk of being invalidated or interpreted narrowly.

Interference proceedings brought by the U.S. Patent and Trademark Office may be necessary to determine the priority of inventions with respect to the patent applications of Matoot's collaborators or licensors. Litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distraction to Matoot's management. Matoot may not be able, alone or with its collaborators and

licensors, to prevent misappropriation of Matoot's proprietary rights, particularly in countries where the laws may not protect such rights as fully as in the United States.

In addition, due to the substantial amount of discovery required in connection with intellectual property litigation, and the possibility of public announcements of the results of hearings, motions or other interim proceedings or developments, there is a risk that some of Matoot's confidential information could be compromised by disclosure during this type of litigation.

If Matoot is unable to protect its technology, trade secrets or know-how, it may be unable to operate profitably.

If investors perceive these results to be negative, the market price for Matoot's common stock could be significantly harmed.

12. Matoot may face problems resulting from rapid growth

Matoot will be pursuing, from the outset, a plan to market its platform throughout Canada and the United States and will require capital in order to meet these growth plans and there can be no assurances that proceeds from this financing will enable Matoot to meet these growth needs. The plan will place significant demands upon Matoot, management, and resources. Besides attracting and maintaining qualified personnel, employees or contractors, Matoot expects to require working capital and other financial resources to meet the needs of its planned growth. No assurance exists that the plans will be successful or that these items will be satisfactorily handled, and this may have material adverse consequence on the business of the Matoot.

13. Failure to retain or hire key personnel may adversely affect Matoot's ability to sustain or grow its business.

Matoot's success depends to a significant extent on the abilities and efforts of its senior management and technical personnel. The loss of, or inability to identify, attract, hire, retain, and motivate highly skilled management, technical, sales and marketing, corporate development and other key personnel could have a material effect on Matoot's business. Qualified personnel with experience relevant to Matoot's businesses are scarce and competition to recruit them is intense. If Matoot fails to successfully hire and retain a sufficient number of highly qualified employees, Matoot may have difficulties in supporting its customers or expanding its business. Matoot has noncompetition and non-disclosure agreements with all its executive officers and senior managers, any loss of key personnel could have an adverse effect on Matoot's business. The loss of the services of any member of Matoot's senior management team, or of any other key employees, could divert management's time and attention, increase Matoot's expenses and adversely affect its ability to conduct its business efficiently.

Like many technology companies, Matoot uses equity-based awards to recruit technology professionals and senior level employees. With respect to those employees to whom Matoot issues equity based awards, it faces a significant challenge in retaining them if the value of these equity based awards is either not substantial enough or so substantial that the employee leaves after their equity based awards have vested. If Matoot's share price does not increase significantly above the exercise prices of its equity based awards, Matoot may need to issue new awards, in order to motivate and retain its executives; or if such award programs become impracticable, Matoot may need to issue other equity incentives or increase other forms of compensation. Matoot may undertake or seek shareholder approval to undertake other equity-based programs to retain its employees, which may be viewed as dilutive to its shareholders or may increase its compensation costs. Additionally, there can be no assurance that any such programs undertaken by Matoot will be successful in motivating and retaining its employees.

14. *Growth may cause pressure on Matoot's management and systems.*

Matoot's future growth may cause significant pressure on its management, and its operational, financial and other resources and systems. Matoot's ability to manage its growth effectively will require Matoot to implement and improve its operational, financial, and management information systems, hire new personnel and then train, manage and motivate these new employees. These demands may require the hiring of additional management personnel and the development of additional expertise within the existing management team. Any increase in resources devoted to product development and sales, marketing and distribution efforts without a corresponding increase in Matoot's operational, financial and management information systems could have a material adverse effect on Matoot's business, financial condition, and results of operations.

15. *Matoot has a limited operating history on which investors may evaluate its operations and prospects for profitable operations.*

Matoot's prospects must be considered speculative in light of the risks, expenses and difficulties frequently encountered by companies in their early stages of development, particularly in light of the uncertainties relating to the new, competitive and rapidly evolving markets in which Matoot anticipates it will operate. To attempt to address these risks, Matoot must, among other things, further develop its technologies, products and services, successfully implement its development, marketing and commercialization strategies, respond to competitive developments and attract, retain and motivate qualified personnel. A substantial risk is involved in investing in Matoot because, as an early stage commercial enterprise it has fewer resources than an established company, Matoot's management may be more likely to make mistakes at such an early stage, and Matoot may be more vulnerable operationally and financially to any mistakes that may be made, as well as to external factors beyond Matoot's control.

16. *Matoot currently has negative operating cash flow.*

For the period from incorporation, on March 13, 2014 to September 30, 2015, Matoot had negative operating cash flow. There can be no certainty that Matoot will ever achieve or sustain profitability or positive cash flow from its operating activities. In addition, Matoot's working capital and funding needs may vary significantly depending upon a number of factors including, but not limited to:

- progress of Matoot's software development;
- opportunities to in-license complementary technologies or potential acquisitions;
- technological and market developments that affect Matoot's potential revenue levels or competitive position in the market place;
- the level of sales and gross profit;
- fluctuations in certain working capital items such as accounts receivable, that may be necessary to support the growth of Matoot's business or new product introductions; and
- expenses associated with litigation;

17. *Matoot incurs expenditures in foreign currency and does not hedge against foreign currency risks.*

A portion of Matoot's expenditures are in United States dollars and, therefore, Matoot is subject to foreign currency fluctuations which may, from time to time, affect its financial position and results of operations.

18. *Conflicts of Interest*

Our directors and officers are not in any way limited or affected in their ability to carry on other transactions or business ventures for their own account or for the account of others, and may be engaged in the ownership, acquisition and operation of businesses which compete with our proposed business. An investment in the Shares will not carry with it the right for either us or any investor to invest in any other property or venture of our current or future directors and officers or receive any interest therein or profit therefrom.

To the extent that an opportunity arises to enter into such an arrangement, our current or future directors and officers have the discretion to determine whether we will avail ourselves of the investment opportunity and, if we do not, any such individuals will be able to decide amongst themselves whether to pursue the opportunity for their respective accounts. If the investment opportunity did not arise solely from their activities on our behalf, our directors and officers have no obligation to offer the opportunity to us. We plan to deal with all future conflicts of interest in accordance with applicable laws, statutes and regulations.

19. *Competition*

The online games and advertising technology industries are rapidly evolving and intensely competitive, and is subject to changing technology, shifting user needs, and frequent introductions of new products and services. Matoot's current and potential competitors include large and established companies, as well as start-up companies. Certain competitors have more established relationships and greater financial resources and they can use their resources in a variety of competitive ways, including by making acquisitions, investing aggressively in research and development, and competing aggressively for advertisers, technologies, digital media rights, websites and applications. Emerging start-ups may be able to innovate and provide products and services faster than Matoot. If competitors are more successful than Matoot in developing compelling products and engaging content or in attracting and retaining users and advertisers, Matoot's revenues and growth rates and the value of the capitalized digital assets could be negatively affected. There is no assurance that Matoot will be able to maintain its position in the marketplace.

The market for advertising technology and related products and services is highly competitive. Matoot expects this competition to continue to increase, in part because there are no significant barriers to entry to the digital advertising industry. Increased competition may result in price reductions for advertising space, reduced margins for Matoot and loss of market share by Matoot.

In addition, newer technology may render Matoot's technology obsolete which would have a material, adverse effect on its business and results of operations. Matoot will be competing with others offering similar products. If Matoot's systems and technology fail to achieve or maintain market acceptance, or if new technologies are introduced by competitors that are more favorably received than Matoot's technology, or are more cost-effective or provide legal exclusivity through patents or are otherwise able to render Matoot's technology obsolete, Matoot may experience lower than expected sales performance.

20. *Dependence on Key Suppliers*

Matoot relies on third party web hosting providers to enable users to access content through its website. If any or all of these web hosting providers elect not to renew their contracts at the expiration of their current terms, cease operations or do not meet their contractual obligations, Matoot may be unable to deliver users to its website or find substitute providers in a timely manner. Matoot's inability to retain

website providers or web hosting providers to provide timely content to Matoot's website could have a material adverse effect on Matoot's prospects, business, financial condition and results of operations.

21. *Brand Development*

The brand identity that Matoot has developed has significantly contributed to the success of its business. Maintaining and enhancing "Matoot" brands is critical to expanding Matoot's base of users, website sponsors and partners. Matoot believes that the importance of brand recognition will increase due to the relatively low barriers to entry in the industry for online products. The "Matoot" brand may be negatively impacted by a number of factors, including product malfunctions, data privacy and security issues. If Matoot fails to maintain and enhance the "Matoot" brand, or if Matoot incurs excessive expenses in this effort, it could have a material adverse effect on Matoot's prospects, business, financial condition and results of operations. Maintaining and enhancing the "Matoot" brand will depend largely on Matoot's ability to be a technology leader and to continue to provide high-quality products and services, which Matoot may not be able to do successfully

22. *Defects in Products and Services*

Matoot's products and services are complex and may contain design defects or errors that are difficult to detect and correct. Defects, errors or bugs found in Matoot's new products or services could delay commercial release for an extended period of time. Errors or defects may be found in new products or services after launch and, even if discovered, Matoot may not be able to successfully correct such errors or defects in a timely manner or at all. The occurrence of errors and failures in Matoot's products or services could result in loss of or delay in end user acceptance of its products or services and may harm Matoot's reputation and the "Matoot" brand. Correcting such errors and failures in its products or services could require significant expenditures by Matoot, involving cost or time and effort of personnel.

The consequences of such errors, failures and claims could have a material adverse effect on

Matoot's prospects, business, financial condition or results of operations.

23. *User Data*

Matoot requires the registration of its users prior to accessing its products or services or certain features of its products or services and its rewards platform and it may be subject to increased legislation and regulations on the collection, storage, retention, transmission and use of user-data that is collected. Matoot's efforts to protect the personal information of its users may be unsuccessful due to the actions of third parties, software bugs or technical malfunctions, employee error or malfeasance, or other factors. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to Matoot's data or its users' data. If any of these events occur, users' information could be accessed or disclosed improperly. Any incidents involving the unauthorized access to or improper use of the information of users or incidents involving violation of Matoot's terms of service or policies could damage Matoot's reputation and the "Matoot" brand and diminish its competitive position. In addition, the affected users or governmental authorities could initiate legal or regulatory action against Matoot in connection with such incidents, which could cause Matoot to incur significant expense and liability or result in orders or consent decrees forcing Matoot to modify its business practices and remediate the effects of any such incidents of unauthorized access or use. Any of these events could have a material adverse effect on Matoot's prospects, business, financial condition or results of operations.

Matoot transmits and stores a large volume of data in the course of supporting its websites and mobile applications. The interpretation of privacy and data protection laws and their application to the Internet is unclear and subject to rapid change in numerous jurisdictions. There is a risk

that these laws may be interpreted and applied in a manner that is not consistent with Matoot's data protection practices and results in additional compliance or changes in Matoot's business practices, or both, and liability or sanction under these laws. In addition, because its websites and mobile applications are accessible in many jurisdictions, certain foreign jurisdictions may claim that Matoot is required to comply with local laws, even where Matoot has no local operating entity, employees, infrastructure or other physical presence in those jurisdictions.

24. *Lack of Control in Transactions*

Management of the Matoot intends to retain other companies to perform various services, but may not be in a position to control or direct the activities of the parties with whom it transacts business. Success of Matoot may be subject to, among other things, the success of such other parties, with each being subject to their own risks.

25. *No Guarantee of Success*

Matoot, as well as those companies with which it intends to transact business, have significant business purchases, advertising, and operational plans pending and is/are, therefore, subject to various risks and uncertainties as to the outcome of these plans. No guarantee exists that the Matoot, or any company with which it transacts business, will be successful.

26. *Reliance on Collaborative Partners*

Matoot may rely on collaborative arrangements to provide services and to develop and commercialize some of its products or services in the future. There can be no assurance that Matoot will be able to negotiate acceptable collaborative arrangements, that such collaborative arrangements will be successful or that Matoot would not be required to relinquish certain material rights to its products or services. In addition, there can be no assurance that Matoot's collaborative partners will not pursue alternative technologies or develop alternative products or services either on their own or in collaboration with others, including Matoot's competitors. To the extent that Matoot decides to enter into collaborative arrangements, it may become dependent on the efforts of third parties for the continued development of certain services or products.

27. *New Business Areas and Geographic Markets*

Matoot's growth strategy is partially dependent upon expanding its product and service offerings into new business areas or new geographic markets. There can be no assurance that these new business areas and geographic markets will generate the anticipated volume of users or traffic revenue. In addition, any expansion into new business areas or geographic markets could expose Matoot to new risks, including compliance with applicable laws and regulations, changes in the regulatory or legal environment; different customer preferences or habits; adverse exchange rate fluctuations; adverse tax consequences; differing technology standards or end-user requirements and capabilities; difficulties staffing and managing foreign operations; infringement of third party intellectual property rights; the cost of localising software (including translations) or otherwise adapting its products and services for new markets; difficulties collecting accounts receivable; or difficulties associated with repatriating cash generated or held abroad in a tax-efficient manner. These factors could cause Matoot's expansion into new business areas or geographic markets to be unsuccessful or less profitable than its existing markets, or could cause

Matoot's operating costs to increase unexpectedly or its sales to decrease, any of which could have a material adverse effect on Matoot's prospects, business, financial condition or results of operations.

28. *Information Technology, Network and Data Security Risks*

The business of the Matoot faces security risks. Any failure to adequately address these risks could have an adverse effect on the business and reputation of the Matoot. Computer viruses, break-ins, or other security problems could lead to misappropriation of proprietary information and interruptions, delays, or cessation in service to clients.

29. *Information Technology Defects*

The integrity, reliability and operational performance of Matoot's content aggregation and distribution and other operational information technology ("IT") systems are critical to Matoot's ability to serve its users and website sponsors. Matoot's IT systems may be damaged or interrupted by increases in usage, human error, unauthorised access, natural hazards or disasters or similarly disruptive events. Any failure of these IT systems or the telecommunications and/or other third party infrastructure on which such systems rely, as described in "Reliance on Third-Party Owned Communication Networks" could lead to significant costs and disruptions that could reduce Matoot's revenue, harm Matoot's business reputation and have a material adverse effect on Matoot's prospects, business, financial condition or results of operations.

Matoot has procedures and measures in place to protect against network or IT system failure or disruption. However, those procedures and measures may not be effective to ensure that Matoot is able to carry on its business in the ordinary course if they fail or are disrupted. In addition, Matoot's IT systems may not be effective in detecting any intrusion or other security breaches, or safeguarding against sabotage, hackers, denial of service attacks, viruses or cybercrime. Any failure in these protections could harm Matoot's business reputation and have a material adverse effect on Matoot's prospects, business, financial condition or results of operations.

30. *Reliance on Third-Party Owned Communication Networks*

The delivery of Matoot's products and services and a significant portion of Matoot's revenues are dependent on the continued use and expansion of third-party-owned communication networks, including wireless networks and the Internet. No assurance can be given of the continued use and expansion of these networks as a medium of communications for Matoot.

Effective delivery of Matoot's products and services through the Internet is dependent on Internet service providers continuing to expand high-speed Internet access, maintaining reliable networks with the necessary speeds, data capacity and security, and developing complementary products and services for providing reliable and timely access and services. Changes in access fees (for example, revising the application of bandwidth caps or other metered usage schemes) to users may adversely affect the ability or willingness of users to access Matoot's content. Changes in access fees to distributors, such as Matoot or its service providers, or a departure from "net neutrality" (the principle that all forms of Internet traffic (including video, voice, and text) are subject to equal treatment in transmission speed and quality) or its governing regulations, as described in "Risk Factors Related to Matoot's Industry and its Regulation – Governmental Regulation of the Internet" could result in increased costs to Matoot. All of these factors are out of Matoot's control and the manifestation of any of them could ultimately have a material adverse effect on Matoot's prospects, business, financial condition or results of operations.

In addition, increasing traffic, user numbers or bandwidth requirements may result in a decline in Internet (or a subset thereof, including in particular mobile Internet) performance and/or Internet reliability. Internet outages or delays or loss of network connectivity may result in partial or total failure of Matoot's services, additional and unexpected expenses to fund further product development or to add programming personnel to complete a development project, loss of

revenue because of the inability of users or subscribers to use Matoot's services, or the cancellation by users or subscribers of their service with Matoot, any of which could have a material adverse effect on Matoot's prospects, business, financial condition or results of operations.

31. Trade Credit to its Customers

Matoot extends trade credit to most of its customers to facilitate the purchase of its services. Matoot relies on the creditworthiness of such customers. Some of Matoot's customers operate in a highly competitive, cyclical or low margin business. Some are highly levered financially or experiencing negative cash flows such that they may need to refinance, restructure, file for bankruptcy protection or go bankrupt. The failure of such customers to pay Matoot promptly and in full under the terms of the trade credit Matoot extends to them could have a material adverse effect on its business, financial condition, results of operations and cash flow.

32. System Failures

Matoot's success depends on the continuing and uninterrupted performance of our systems.

Sustained or repeated system failures that interrupt its ability to provide services to customers, including failures affecting Matoot's ability to deliver websites quickly and accurately and to process consumers' responses to websites, would significantly reduce the attractiveness of Matoot's services to advertisers. Matoot's business, results of operations and financial condition could also be materially and adversely affected by any systems damage or failure that impacts data integrity or interrupts or delays its operations. Matoot's computer systems are vulnerable to damage from a variety of sources, including telecommunications failures, power outages, malicious or accidental human acts, and natural disasters. Moreover, despite network security measures, Matoot's servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems in part because Matoot cannot control the maintenance and operation of Matoot's third-party data centers. Despite the precautions taken, unanticipated problems affecting Matoot's systems could cause interruptions in the delivery of its solutions in the future and its ability to provide a record of past transactions. Matoot's insurance policies may not adequately compensate it for any losses that may occur due to any failures in its systems.

33. Content

Matoot may be subject to third-party claims relating to content in the advertising Matoot delivers as it relates to violations of copyright, trademark or other intellectual property rights of third-parties or if the content is defamatory. Any claims or counterclaims could be time-consuming, could result in costly litigation and could divert management's attention.

34. Periodic Litigation

Matoot may from time to time become party to claims and litigation proceedings, which are generally related to contract disputes. Such matters are subject to many uncertainties and Matoot cannot predict with assurances the outcome and ultimate financial impact from them. There can be no guarantee that actions that may be brought against Matoot in the future will be resolved in its favour or that the

insurance Matoot carries will be available or paid to cover any litigation exposure. Any losses from settlements or adverse judgments arising out of these claims could be materially adverse to Matoot.

35. *Acquisitions and Investments*

Matoot expects to acquire and or make strategic investments in other companies in the future. Such transactions may result in dilutive issuances of Matoot's equity securities, use of its cash resources, and incurrence of debt and amortization expenses related to intangible assets. Integration challenges include finance, information technology, facilities and customer support. The diversion of management attention and any difficulties encountered in the integration process could harm its business. Some of the risks that could be associated with future acquisitions or strategic investments include:

- the difficulty of assimilating the operations and personnel of its acquired companies into its operations;
- the potential disruption of Matoot's ongoing business and distraction of management;
- the incurrence of additional operating losses and expenses of the businesses Matoot acquired or in which it invested;
- the difficulty of integrating acquired technology and rights into Matoot's services and unanticipated expenses related to such integration;
- the failure to successfully further develop acquired technology resulting in the impairment of amounts currently capitalized as intangible assets;
- litigation or other claims in connection with acquisitions, acquired companies, or companies in which Matoot has invested;
- the impairment of relationships with, or failure to retain, employees of acquired companies or Matoot's existing employees as a result of integration of new personnel;
- the difficulty of integrating operations, systems, and controls as a result of cultural, regulatory, systems, and operational differences;
- the impact of known potential liabilities or liabilities that may be unknown, including as a result of inadequate internal controls, associated with the companies Matoot acquired or in which Matoot invested.

Matoot's failure to be successful in addressing these risks or other problems encountered in connection with any future acquisitions and strategic investments could cause it to fail to realize the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities, and harm its business generally.

36. *Possibility of Significant Fluctuations in Operating Results*

Matoot's revenues and operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors, including, but not limited to: access to funds for working capital, including, but not limited to, the funds raised pursuant to this offering memorandum and market acceptance of its services.

Revenues and operating results may also fluctuate based upon the number and extent of potential financing activities in the future. Thus, there can be no assurance that Matoot will be able to reach profitability on a quarterly or annual basis.

Matoot has not arranged for any independent market studies to validate the business plan and no outside party has made available results of market research with respect to the extent to which clients are likely to utilize its service or the probable market demand for its services. Plans of the Matoot for implementing its business strategy and achieving profitability are based upon the experience, judgment and assumptions of our key management personnel, and upon available information concerning the communications and technology industries. If management's assumptions prove to be incorrect, the Matoot will not be successful in establishing its technology business.

Industry Risks

37. *Competition in Matoot's industry is intense and will likely involve commercial rivals with greater resources.*

Matoot is seeking to develop a competitive advantage in gamified advertising, but there are many competitors that are substantially larger and that possess greater financial resources and more personnel than Matoot. These larger and better-financed online marketing firms may choose to enter this market as it develops. Matoot expects advertisers' inertia and skepticism to also be a significant barrier as Matoot attempts to gain market penetration with its future products. Matoot may need to finance marketing studies in order to overcome this inertia and skepticism.

Larger, better financed industry competitors entering the market and advertiser inertia and skepticism may adversely affect Matoot's business, financial condition, prospects or results of operations.

38. *New and Developing Industry*

Nearly 100% of Matoot's revenues are derived from traffic and advertising sales. This is a relatively new and rapidly evolving industry and as such it is difficult to predict the prospects for growth in the industry. There is no assurance that traffic buyers and advertisers will continue to increase their purchases of online and mobile advertising, that the supply of advertising inventory will not exceed demand or that smart phone penetration in the United States and Canada will continue to grow. If the industry grows more slowly than anticipated or Matoot's existing products and services lose, or its new products and services fail to achieve, market acceptance, Matoot may be unable to achieve its strategic objectives, which could have a material adverse effect on Matoot's prospects, business, financial condition or results of operations.

39. *Dependence on the Internet*

The sales of Matoot's products and services depend on the growth in the use of the Internet and rely, in large part, on the industry and infrastructure that has developed around Internet access and traffic. Inadequate development of a reliable network backbone or the lack of timely delivery of complementary products could affect the overall commercial viability of the Internet marketplace. Interruptions in Internet availability could affect the performance of Matoot's websites and mobile apps. Global e-commerce and information exchange is constantly changing and evolving and it is difficult to predict with any assurance its long-term commercial success.

40. *Government Regulation of the Internet*

Companies engaging in commerce and related businesses face uncertainty related to possible future government regulation of the Internet. Due to the rapid growth and widespread use of the Internet, federal, state and provincial governments are enacting and considering various laws and regulations relating to the Internet. Furthermore, the application of existing laws and regulations to Internet

companies remains somewhat unclear. Matoot's business and operating results may be negatively affected by new laws, and such existing or new regulations may expose it to substantial compliance costs and liabilities and may impede the growth in use of the Internet. Additionally, Matoot's third party data partners may be adversely affected by any new or existing laws.

As a company that provides services over the Internet, Matoot may be subject to an action brought under any or future laws governing online services. Matoot may also be subject to costs and liabilities with respect to privacy issues. Several Internet companies have incurred costs and paid penalties for violating privacy policies and laws. Further, it is anticipated that new legislation may be adopted by federal, state and provincial governments with respect to user privacy. Additionally, foreign governments may pass laws which could negatively impact Matoot's business or may prosecute Matoot for its products and services based upon existing laws. The restrictions imposed by and cost of complying with, current and possible future laws and regulations related to Matoot's business could harm its business and operating results. Further, any such laws that affect its third party data partners could indirectly harm its business and operating results.

Investment Risks

41. Speculative Nature of Investment

This is a highly speculative offering. There is no assurance of a positive, or any, return on an investment in the Shares. The purchase of Shares involves a number of significant risk factors and is suitable only for investors who are able to risk a total loss of their investment and who have no immediate need for liquidity. We strongly recommends that, prior to purchasing any Shares, you review this offering memorandum in its entirety and consult with your own independent legal, tax, investment and financial advisors to assess the appropriateness of an investment in the Shares given your particular financial circumstances and investment objectives.

42. No Market for Shares

There is no market in which the Shares may be sold and there is no assurance that any market for the Shares will develop in the future. It may be difficult or impossible to resell your Shares or to pledge the Shares as collateral for a loan. Accordingly, an investment in the Shares should only be considered by investors who are able to bear the economic risk of a long-term investment and do not require liquidity. The Shares are also subject to resale restrictions under applicable securities legislation. See Item 10, "Resale Restrictions".

43. No Review by Regulatory Authorities

This offering memorandum constitutes a private offering of Shares by us only in those jurisdictions where, and to those persons to whom, they may be lawfully offered for sale under exemptions for the requirements of applicable securities legislation. This offering memorandum is not, and under no circumstances should it be construed as, a prospectus, advertisement or a public offering of the Shares.

44. Arbitrary Determination of Price

The offering price for the Shares was arbitrarily determined by management and is not based on any specific recognized criteria of value or other practices. In particular, you should recognize that since there is no market for the Shares it is impossible to determine the price, if any, at which the Shares would sell if a market did exist. In addition, the price per Share paid by an investor may be less or greater than our per Share net asset value at the time of purchase.

45. *Risk of No Return on Investment*

There is no assurance that our business will succeed, or that our business will generate sufficient income to allow you to recoup your investment through the distribution of dividends. There is also no assurance that an investment in the Shares will earn a specified rate of return or any return at all.

Management intends to retain any future earnings to support the development of the business of the Matoot and does not anticipate paying cash dividends in the foreseeable future.

Payment of any future dividends will be at the discretion of the board of directors of the

Matoot after taking into account various factors, including but not limited to the financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that the Matoot may be a party to at the time. Investors seeking cash dividends should not purchase Matoot Shares.

46. *Uncertainty of Additional Financing*

This offering is not subject to any minimum subscription level and there are no assurances that the funds raised under this offering memorandum will be sufficient to permit us to execute our business plan or objectives as contemplated herein. In addition, our ability to commercialize this technology is dependent upon our ability to obtain additional financing. We have not received any firm commitments regarding any such additional financing and there is no assurance that we will be able to arrange for such financing, or that such financing will be available to us on commercially reasonable terms. Our failure to obtain such financing on a timely basis or at all could result in, among other things, missed opportunities and reduced or terminated operations.

Sources of additional funding include collaborations and licensing arrangements, public or private equity or debt financing.

If Matoot's research and development, or commercialization activities do not show positive results, or if capital market conditions in general, or with respect to online marketing or development stage companies in particular, are unfavorable, Matoot may be unable to raise funds when needed or on acceptable terms.

Any additional equity financings may be dilutive to Matoot's existing stockholders. In addition, we may choose to raise additional capital due to market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our shareholders.

If sufficient capital is not available, Matoot may be required to delay, reduce the scope of, eliminate or divest one or more of its development projects, any of which could have a material adverse effect on Matoot's business, financial condition, prospects, or results of operations.

47. *Tax Matters*

Regardless of any tax benefits that you may obtain, your decision to purchase Shares should be based primarily on an appraisal of the merits of the investment and on your ability to bear the loss of your investment. If you are acquiring Shares with a view to obtaining potential tax advantages you should obtain independent tax advice from an advisor who is knowledgeable in the relevant areas of income tax law. Federal and provincial income tax legislation may be amended, or its interpretation changed.

Item 9 Reporting Obligations

The Company is not a “reporting issuer” as such term is defined in applicable securities legislation and accordingly is not subject to most of the continuous disclosure reporting obligations imposed on reporting issuers by such securities legislation. However, as a shareholder you would receive audited financial statements at each annual general meeting in accordance with the *Business Corporations Act* (British Columbia). Further, you will be given notice of, be entitled to attend and vote your Shares at general meetings of the Company.

Item 10 Resale Restrictions

10.1 General Statement

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date we become a reporting issuer in any province or territory of Canada. The Company will not become a reporting issuer upon completion of this Offering, and does not currently anticipate becoming a reporting issuer.

Item 11 Purchasers’ Rights

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

11.1 Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Matoot to cancel your agreement to buy these Shares, or
- (b) for damages against Matoot, every person who was a director of Matoot at the date of this offering memorandum and every other person who signed this offering memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. In British Columbia, Alberta and Ontario, no action shall be commenced to enforce these rights more than (i) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action, or (ii) in the case of any action, other than an action for rescission, the

earlier of (A) 180 days after a subscriber first had knowledge of the fact giving rise to the cause of action, or (B) three years after the date of the transaction that gave rise to the cause of action.

Each director of Matoot at the date hereof and each other person who signed the offering memorandum is not liable for damages if the person proves that:

- (a) the offering memorandum was sent to such subscriber without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to Matoot that it was sent or delivered without the person's or company's knowledge or consent;
- (b) on becoming aware of any misrepresentation in the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to Matoot of the withdrawal and the reason for it;
- (c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or
- (d) with respect to any part of the offering memorandum not purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation.

The amount such a subscriber may recover will not exceed the price at which the Shares were sold to such subscriber, and in an action for damages will not include any part of the damages that the defendant proves does not represent the depreciation in value of the Shares resulting from the misrepresentation.

The liability of all defendants in an action for damages is joint and several as between themselves with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

A statutory right of action for rescission or damages is in addition to and not in derogation from any other right such a subscriber may have at law.

Item 12 Financial Statements

(attached – this page left intentionally blank)

MATOOT GAMES LTD.

Condensed Financial Statements

Three and nine months ended September 30, 2015 and 2014

(Expressed in Canadian dollars)

(unaudited)

MATOOT GAMES LTD.

Statement of Financial Position
(Expressed in Canadian dollars)
(unaudited)

	September 30, 2015 \$	December 31, 2014 \$
Assets		
Current assets		
Cash	57,539	255,338
Amounts receivable	1,338	1,415
Due from related party (Note 6)	–	959
Prepaid expenses and deposits	2,400	–
Total current assets	61,277	257,712
Non-current assets		
Property and equipment (Note 3)	2,446	639
Website development costs (Notes 4 and 6)	130,660	71,873
Total non-current assets	133,106	72,512
Total assets	194,383	330,224
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	23,059	48,486
Loan payable (Note 5)	–	19,750
Due to related party (Note 6)	400	–
Total liabilities	23,459	68,236
Shareholders' equity		
Share capital	471,500	409,000
Share-based payment reserve (Note 8)	45,545	–
Deficit	(346,121)	(147,012)
Total shareholders' equity	170,924	261,988
Total liabilities and shareholders' equity	194,383	330,224

Nature of operations and continuance of business (Note 1)
Commitment (Note 9)

Approved and authorized for issuance on behalf of the Board of Directors on December 9, 2015:

/s/ "Andrew Hay"
Andrew Hay, Director

/s/ "Gordon Lam"
Gordon Lam, Director

(The accompanying notes are an integral part of these condensed financial statements)

MATOOT GAMES LTD.

Statement of Operations and Comprehensive Loss
(Expressed in Canadian dollars)
(unaudited)

	Three months ended September 30, 2015 \$	Three months ended September 30, 2014 \$	Nine months ended September 30, 2015 \$	Period from March 13, 2014 (date of incorporation) to September 30, 2014 \$
Expenses				
Advertising and promotion	486	480	2,284	623
Consulting fees (Note 6)	10,000	–	25,000	–
Depreciation	151	64	279	64
Foreign exchange loss	105	1,365	1,033	1,365
Management fees (Note 6)	30,000	30,000	90,000	80,000
Office and miscellaneous	11,630	2,599	20,243	4,403
Rent (Note 6)	6,300	3,000	14,500	8,000
Share-based compensation (Note 8)	45,545	–	45,545	–
Travel	225	1,176	225	1,176
Total expenses	104,442	38,684	199,109	95,631
Net loss and comprehensive loss for the period	(104,442)	(38,684)	(199,109)	(95,631)
Loss per share, basic and diluted	(0.01)	(0.01)	(0.02)	(0.02)
Weighted average shares outstanding	12,923,719	7,002,719	12,921,918	6,298,509

(The accompanying notes are an integral part of these condensed financial statements)

MATOOT GAMES LTD.Statement of Changes in Equity
(Expressed in Canadian dollars)
(unaudited)

	Share capital		Share-based payment reserve	Deficit	Total
	#	\$	\$	\$	\$
Balance, December 31, 2014	12,921,002	409,000	–	(147,012)	261,988
Shares issued for cash	250,000	62,500	–	–	62,500
Fair value of stock options granted	–	–	45,545	–	45,545
Net loss for the period	–	–	–	(199,109)	(199,109)
Balance, September 30, 2015	13,171,002	471,500	45,545	(346,121)	170,924

	Share capital		Share-based payment reserve	Deficit	Total
	#	\$	\$	\$	\$
Balance, incorporation on March 13, 2014	–	–	–	–	–
Shares issued on incorporation	2	–	–	–	–
Shares issued for cash	10,250,000	135,000	–	–	135,000
Shares issued for website development costs	1,750,000	43,750	–	–	43,750
Net loss for the period	–	–	–	(95,631)	(95,631)
Balance, September 30, 2014	12,000,002	178,750	–	(95,631)	83,119

(The accompanying notes are an integral part of these condensed financial statements)

MATOOT GAMES LTD.Statement of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Nine months ended September 30, 2015 \$	Nine months ended September 30, 2014 \$
Operating activities:		
Net loss for the period	(199,109)	(95,631)
Items not involving cash:		
Depreciation	279	64
Share-based compensation	45,545	–
Changes in non-cash operating working capital items:		
Amounts receivable	77	(266)
Prepaid expenses and deposits	(2,400)	–
Accounts payable and accrued liabilities	(25,427)	12,722
Due to/from related party	1,359	–
Net cash used in operating activities	(179,676)	(83,111)
Investing activities:		
Purchase of property and equipment	(2,086)	(767)
Website development costs	(58,787)	–
Net cash used in investing activities	(60,873)	(767)
Financing activities:		
Repayment of loan payable	(19,750)	–
Proceeds from issuance of shares	62,500	135,000
Net cash provided by financing activities	42,750	135,000
Increase (decrease) in cash	(197,799)	51,122
Cash, beginning of period	255,338	–
Cash, end of period	57,539	51,122
Supplemental disclosures:		
Income taxes paid	–	–
Interest paid	–	–

(The accompanying notes are an integral part of these condensed financial statements)

MATOOT GAMES LTD.

Notes to the condensed financial statements

September 30, 2015

(Expressed in Canadian dollars)

(unaudited)

1. Nature of Operations and Continuance of Business

Matoot Games Ltd. (the “Company”) was incorporated under the Business Corporation Act of British Columbia on March 13, 2014. The Company is focusing on developing and branding its proprietary marketing platform, Checkpoint, which will drive qualified and gamified traffic to website sponsors. The Company’s registered office is located at 2971 Viking Way, Richmond, BC, V6V 1Y1.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2015, the Company has not yet generated any revenue and has an accumulated deficit of \$346,121. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

These unaudited interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards applicable to interim financial information, as outlined in International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” and using the accounting policies consistent with those in the audited financial statements as at and for the period ended December 31, 2014.

These unaudited interim condensed financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the annual financial statements as at and for the period ended December 31, 2014. Interim results are not necessarily indicative of the results expected for the fiscal year.

(b) Recent Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2014, and have not been applied in preparing these financial statements:

New standard IFRS 9, “Financial Instruments”

Amendments to IAS 1, “Presentation of Financial Statements”

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the Company’s financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

MATOOT GAMES LTD.

Notes to the condensed financial statements
September 30, 2015
(Expressed in Canadian dollars)
(unaudited)

3. Property and Equipment

	Computer hardware \$
Cost:	
Balance, December 31, 2014	767
Additions	2,086
<u>Balance, September 30, 2015</u>	<u>2,853</u>
Accumulated depreciation:	
Balance, December 31, 2014	128
Additions	279
<u>Balance, September 30, 2014</u>	<u>407</u>
Carrying amounts:	
As at December 31, 2014	639
<u>As at September 30, 2015</u>	<u>2,446</u>

4. Website Development Costs

	\$
Cost:	
Balance, December 31, 2014	71,873
Additions	58,787
<u>Balance, September 30, 2015</u>	<u>130,660</u>

5. Loan Payable

As at September 30, 2015, the Company owed \$nil (December 31, 2014 - 19,750) to an unrelated party for a share subscription that was rescinded.

6. Related Party Transactions

- (a) As at September 30, 2015, the Company owed \$400 to (December 31, 2014 – was owed \$959 from) the Chief Executive Officer of the Company which is non-interest bearing, unsecured, and due on demand.
- (b) As at September 30, 2015, the Company owed \$1,068 (US\$798) (December 31, 2014 - \$30,470 (US\$26,265)) to a significant shareholder of the Company for website costs, which has been included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and due on demand.
- (c) As at September 30, 2015, the amount of \$nil (December 31, 2014 - \$5,000) was owed to a company controlled by the Chief Executive Officer of the Company for management fees, which has been included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and due on demand.
- (d) As at September 30, 2015, the amount of \$5,775 (December 31, 2014 - \$6,300) was owed to a company controlled by the Chief Financial Officer of the Company for management fees, which has been included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and due on demand.

MATOOT GAMES LTD.

Notes to the condensed financial statements

September 30, 2015

(Expressed in Canadian dollars)

(unaudited)

6. Related Party Transactions (continued)

- (e) As at December 31, 2014, the Company owed \$10,500 (December 31, 2014 - \$5,250) to the Company controlled by the brother of the Chief Financial Officer of the Company, which has been included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and due on demand.
- (f) For the period ended September 30, 2015, the Company incurred management fees of \$45,000 (2014 - \$40,000) to a company controlled by the Chief Executive Officer of the Company.
- (g) For the period ended September 30, 2015, the Company incurred management fees \$nil of (2014 - \$40,000) and rent of \$nil (2014 - \$8,000) to the Chief Financial Officer of the Company. For the period ended September 30, 2015, the Company incurred management fees of \$45,000 (2014 - \$nil) and rent of \$6,500 (2014 - \$nil) to a company controlled by the Chief Financial Officer of the Company.
- (h) For the period ended September 30, 2015 the Company incurred consulting fees of \$25,000 (2014 - \$nil) to a company controlled by the brother of the Chief Financial Officer of the Company.
- (i) For the period ended September 30, 2015, the Company incurred website development costs of \$9,182 (2014 - \$70,405) to a significant shareholder of the Company.
- (j) For the period ended September 30, 2015, the Company incurred share-based compensation of \$37,443 (2014 - \$nil) for stock options vested to the President and the Chief Financial Officer of the Company.

7. Share Capital

On September 30, 2015, the Company issued 250,000 common shares at a price of \$0.25 per share for proceeds of \$62,500.

8. Stock Options

On June 15, 2015, the Company adopted a stock option plan pursuant to which stock options may be granted to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common shares at the time of the grant. Unless otherwise provided for in the option certificate, the stock options shall vest over a period of two years as follows: 25% vest six months subsequent to the grant date and 25% of the stock options will vest every six months thereafter. The term of stock options are fixed by the Board of Directors, but is not to exceed ten years.

On July 1, 2015, the Company granted 730,000 stock options to officers, an employee and a consultant. 25% of the stock options vest six months subsequent to the grant date, and an additional 25% of the options will vest every six months thereafter. The stock options have an exercise price of \$0.25 per common share and expire on July 1, 2025.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, December 31, 2014	–	–
Granted	730,000	0.25
Outstanding, September 30, 2015	730,000	0.25

MATOOT GAMES LTD.

Notes to the condensed financial statements

September 30, 2015

(Expressed in Canadian dollars)

(unaudited)

8. Stock Options (continued)

Additional information regarding stock options as of September 30, 2015, is as follows:

Range of exercise prices \$	Number of shares	Outstanding and exercisable	
		Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.25	730,000	9.8	0.25

During the period ended September 30, 2015, the Company recorded share-based compensation of \$45,545 (2014 - \$nil). The weighted average grant date fair value of stock options granted during the period ended September 30, 2015 was \$0.24 (2014 - \$nil) per share.

The weighted average assumptions used for the period ended September 30, 2015 are as follows:

	2015	2014
Expected dividend yield	0%	—
Risk-free interest rate	1.7%	—
Expected volatility	125%	—
Expected option life (in years)	10	—

A summary of the changes of the Company's non-vested stock options is presented below:

	Number of options	Weighted average exercise price \$
Non-vested, December 31, 2014	—	—
Granted	730,000	0.25
Non-vested, September 30, 2015	730,000	0.25

9. Commitment

On April 29, 2015, the Company entered into a premises lease for a monthly usage fee of \$1,600 plus GST all inclusive, for the period May 1, 2015 to December 31, 2015. The Company has the option to extend the agreement on a month to month basis at the same amount upon providing one month of notice prior to the extension start date. The rental agreement cannot be terminated without the written approval of both parties.

MATOOT GAMES LTD.

Financial Statements

December 31, 2014

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Matoot Games Ltd.

We have audited the accompanying financial statements of Matoot Games Ltd., which comprise the statement of financial position as at December 31, 2014 and the statements of operations and comprehensive loss, changes in equity, and cash flows for the period from March 13, 2014 (date of incorporation) to December 31, 2014, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Matoot Games Ltd. as at December 31, 2014 and its financial performance and its cash flows for the period from March 13, 2014 (date of incorporation) to December 31, 2014, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Matoot Games Ltd. to continue as a going concern.

/s/ SATURNA GROUP CHARTERED ACCOUNTANTS LLP

Chartered Professional Accountants

Vancouver, Canada

December 2, 2015

MATOOT GAMES LTD.
Statement of Financial Position
(Expressed in Canadian dollars)

	December 31, 2014 \$
Assets	
Current assets	
Cash	255,338
Amounts receivable	1,415
Due from related party (Note 6)	959
Total current assets	257,712
Non-current assets	
Property and equipment (Note 3)	639
Website development costs (Note 4)	71,873
Total assets	330,224
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities (Note 6)	48,486
Loan payable (Note 5)	19,750
Total liabilities	68,236
Shareholders' equity	
Share capital	409,000
Deficit	(147,012)
Total shareholders' equity	261,988
Total liabilities and shareholders' equity	330,224

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 11)

Approved and authorized for issuance on behalf of the Board of Directors on December 2, 2015:

/s/ "Andrew Hay"
Andrew Hay, Director

/s/ "Gordon Lam"
Gordon Lam, Director

(The accompanying notes are an integral part of these financial statements)

MATOOT GAMES LTD.Statement of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Period from March 13, 2014 (date of incorporation) to December 31, 2014 \$
Expenses	
Advertising and promotion	1,555
Consulting fees (Note 6)	15,000
Depreciation	128
Foreign exchange loss	2,348
Management fees (Note 6)	110,000
Office and miscellaneous	5,766
Rent (Note 6)	11,000
Travel	1,215
Total operating expenses	147,012
Net loss and comprehensive loss for the period	(147,012)
Loss per share, basic and diluted	(0.02)
Weighted average shares outstanding	8,471,746

MATOOT GAMES LTD.Statement of Changes in Equity
(Expressed in Canadian dollars)

	Share capital		Deficit \$	Total \$
	#	\$		
Balance, March 13, 2014 (date of incorporation)	–	–	–	–
Incorporator shares	2	–	–	–
Shares issued for private placements	11,171,000	365,250	–	365,250
Shares issued for consulting services	1,750,000	43,750	–	43,750
Net loss for the period	–	–	(147,012)	(147,012)
Balance, December 31, 2014	12,921,002	409,000	(147,012)	261,988

MATOOT GAMES LTD.
Statement of Cash Flows
(Expressed in Canadian dollars)

	Period from May 13, 2014 (date of incorporation) to December 31, 2014 \$
Operating activities:	
Net loss for the period	(147,012)
Items not involving cash:	
Depreciation	128
Changes in non-cash operating working capital items:	
Amounts receivable	(1,415)
Due from related party	(959)
Accounts payable and accrued liabilities	20,363
Net cash used in operating activities	(128,895)
Investing activities:	
Purchase of property and equipment	(767)
Net cash used in investing activities	(767)
Financing activities:	
Proceeds from loan payable	19,750
Proceeds from issuance of shares	365,250
Net cash provided by financing activities	385,000
Increase in cash	255,338
Cash, beginning of period	–
Cash, end of period	255,338
Non-cash investing and financing activities:	
Shares issued for acquisition of website development costs	43,750
Website development costs in accounts payable	28,123
Supplemental disclosures:	
Income taxes paid	–
Interest paid	–

MATOOT GAMES LTD.

Notes to the financial statements

December 31, 2014

(Expressed in Canadian dollars)

1. Nature of Operations and Continuance of Business

Matoot Games Ltd. (the "Company") was incorporated under the Business Corporation Act of British Columbia on March 13, 2014. The Company is focusing on developing and branding its proprietary marketing platform, Checkpoint, which drives qualified and gamified traffic to website sponsors. The Company's registered office is located at 2971 Viking Way, Richmond, BC, V6V 1Y1.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2014, the Company has not yet generated any revenue and has an accumulated deficit of \$147,012. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Presentation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at fair value. These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(b) Use of Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The impacts of such estimates and judgments are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates and judgments are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. Actual results could differ from these estimates.

Significant areas requiring the use of accounting estimates and assumptions include the recoverability of website development costs, fair value of share-based payments, and unrecognized deferred income tax assets.

The assessment of whether the going concern assumption is appropriate requires management to make judgments regarding all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

MATOOT GAMES LTD.

Notes to the financial statements

December 31, 2014

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Property and Equipment

Equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets. The estimated useful life of the Company's equipment, consisting of computer hardware, is three years.

(e) Website Development Costs

Website development costs consist of costs incurred to develop internet websites to earn revenue with respect to the Company's business operations. Costs are capitalized in accordance with SIC Interpretation 32, *Intangible Assets – Web Site Cost*, and are amortized under IAS 38, *Intangible Assets*, over its estimated useful life commencing when the internet website has been completed.

(f) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company's cash and cash equivalents are classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

MATOOT GAMES LTD.

Notes to the financial statements

December 31, 2014

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the statement of operations. The Company does not have any assets classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of amounts receivable.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

MATOOT GAMES LTD.

Notes to the financial statements

December 31, 2014

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Impairment of financial asset

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, and loan payable.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(g) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

MATOOT GAMES LTD.

Notes to the financial statements

December 31, 2014

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(h) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(i) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled, share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The fair value of the options is measured at the grant date using the Black-Scholes option pricing model. The fair value is recognized as an expense over the vesting period, which is the period over which all of the specified vesting conditions are satisfied with a corresponding increase in equity. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. Non-market vesting conditions are considered in making assumptions about the number of awards that are expected to vest. When the options are exercised, any proceeds received are credited to share capital along with the amount reflected in share-based payment reserve.

MATOOT GAMES LTD.

Notes to the financial statements

December 31, 2014

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(j) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at December 31, 2014, the Company had no potentially dilutive shares outstanding.

(k) Comprehensive Loss

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the statement of operations.

(l) Recent Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2014, and have not been applied in preparing these financial statements:

New standard IFRS 9, “Financial Instruments”

Amendments to IAS 1, “Presentation of Financial Statements”

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

3. Property and Equipment

	Computer Hardware \$
Cost:	
Balance, March 13, 2014 (date of incorporation)	–
Additions	767
Balance, December 31, 2014	767
Accumulated depreciation:	
Balance, March 13, 2014 (date of incorporation)	–
Depreciation	128
Balance, December 31, 2014	128
Carrying amounts:	
As at March 13, 2014 (date of incorporation)	–
As at December 31, 2014	639

MATOOT GAMES LTD.

Notes to the financial statements

December 31, 2014

(Expressed in Canadian dollars)

4. Website Development Costs

	\$
Cost:	
Balance, March 13, 2014 (date of incorporation)	–
Additions	71,893
<u>Balance, December 31, 2014</u>	<u>71,893</u>

5. Loan Payable

As at December 31, 2014, the Company owed \$19,750 to an unrelated party for a share subscription that was rescinded. Refer to Note 11(a).

6. Related Party Transactions

- (a) As at December 31, 2014, the Company had \$959 due from the Chief Executive Officer of the Company which is non-interest bearing, unsecured, and due on demand.
- (b) As at December 31, 2014, the Company owed \$30,470 (US\$26,265) to a significant shareholder of the Company for unpaid consulting fees, which has been included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and due on demand.
- (c) As at December 31, 2014, the amount of \$5,000 was owed to a company controlled by the Chief Executive Officer of the Company for unpaid management fees, which has been included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and due on demand.
- (d) As at December 31, 2014, the amount of \$6,300 was owed to a company controlled by the Chief Financial Officer of the Company for unpaid management fees, which has been included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and due on demand.
- (e) As at December 31, 2014, the Company owed \$5,250 to the Company controlled by the brother of the Chief Financial Officer of the Company, which has been included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and due on demand.
- (f) For the period ended December 31, 2014, the Company incurred \$55,000 of management fees to a company controlled by the Chief Executive Officer of the Company.
- (g) For the period ended December 31, 2014, the Company incurred management fees of \$45,000 and rent of \$9,000 to the Chief Financial Officer of the Company. For the period ended December 31, 2014, the Company incurred management fees of \$10,000 and rent of \$2,000 to a company controlled by the Chief Financial Officer of the Company.
- (h) For the period ended December 31, 2014, the Company incurred consulting fees of \$15,000 to a company controlled by the brother of the Chief Financial Officer of the Company.

7. Share Capital

Authorized: Unlimited number of common shares without par value

- (a) On March 13, 2014, the Company issued two shares upon incorporation to the Chief Executive Officer and Chief Financial Officer of the Company.
- (b) On May 30, 2014, the Company issued 7,000,000 common shares at a price of \$0.005 per share for proceeds of \$35,000 to the Chief Executive Officer and Chief Financial Officer of the Company.
- (c) On July 31, 2014, the Company issued 3,000,000 common shares at a price of \$0.025 per share for proceeds of \$75,000. This includes 1,950,000 common shares for proceeds of \$48,750 issued to the brothers and sister of the Chief Financial Officer of the Company.

MATOOT GAMES LTD.

Notes to the financial statements

December 31, 2014

(Expressed in Canadian dollars)

7. Share Capital (continued)

- (d) On August 23, 2014, the Company issued 250,000 common shares at a price of \$0.10 per share for proceeds of \$25,000. This includes 150,000 common shares for proceeds of \$15,000 and 50,000 common shares for proceeds of \$5,000 issued, respectively, to the brother and mother of the Chief Financial Officer of the Company.
- (e) On November 10, 2014, the Company issued 921,000 common shares at a price of \$0.25 per share for proceeds of \$230,250.
- (f) On December 26, 2014, the Company issued 1,750,000 common shares at a fair value of \$43,750 as share-based payment for website costs.

8. Financial Instruments

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2014 as follows:

	Fair Value Measurements Using			Balance, December 31, 2014 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash and cash equivalents	255,338	–	–	255,338

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, and loan payable approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and amounts receivable. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. Amounts receivable consists of GST receivable from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not subject to significant interest rate risk.

(d) Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company expects to satisfy obligations under accounts payable and accrued liabilities. Management intends to continue to finance its activities by raising funds through equity investments and debt.

(e) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from purchase transactions as well as financial assets and liabilities denominated in a foreign currency. The Company does not have any significant exposure to foreign currency fluctuations.

MATOOT GAMES LTD.

Notes to the financial statements

December 31, 2014

(Expressed in Canadian dollars)

9. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

10. Income Taxes

The differences between the effective tax rate in the provision for income taxes and the Canadian statutory income tax rate are as follows:

	2014 \$
Canadian statutory income tax rate	26%
Income tax recovery at statutory rate	(38,223)
Tax effect of:	
Permanent differences and other	92
Change in unrecognized deferred income tax assets	38,131
Income tax provision	—

The significant components of the Company's deferred income tax assets and liabilities are as follows:

	2014 \$
Deferred income tax assets	
Non-capital losses carried forward	38,131
Unrecognized deferred income tax asset	(38,131)
Net deferred income tax asset	—

As at December 31, 2014, the Company has a non-capital loss carried forward of \$146,658, which is available to offset future years' taxable income and expires in 2034.

11. Subsequent Events

- (a) Subsequent to December 31, 2014, the Company repaid the loan payable described in Note 4.
- (b) On April 29, 2015, the Company entered into a premises lease for a monthly usage fee of \$1,600 plus GST all inclusive, for the period May 1, 2015 to December 31, 2015. The Company has the option to extend the agreement on a month to month basis at the same amount upon providing one month of notice prior to the extension start date. The rental agreement cannot be terminated without the written approval of both parties.
- (c) On July 1, 2015, the Company granted 730,000 stock options exercisable at \$0.25 per share expiring on July 1, 2025 to officers, an employee and a consultant. 25% of the stock options vest on January 1, 2016 and an additional 25% of the stock options vests every six months thereafter.
- (d) On September 30, 2015, the Company issued 250,000 common shares at a price of \$0.25 per share for proceeds of \$62,500.

Item 13 Date and Certificate

Dated December 22, 2015

This offering memorandum does not contain a misrepresentation.

MATOOT GAMES LTD.

(signed) "*Andrew J. Hay*"

Andrew J. Hay
Chief Executive Officer, Director

MATOOT GAMES LTD.

(signed) "*Gordon Lam*"

Gordon Lam
Chief Financial Officer, Director

Appendix 1 – Subscription Agreement
(attached – this page left intentionally blank)

MATOOT GAMES LTD.

SUBSCRIPTION AGREEMENT

(FOR SUBSCRIBERS IN BRITISH COLUMBIA, ALBERTA AND ONTARIO)

Name of Subscriber

INSTRUCTIONS

- 1. Complete and sign the **first page** of the Subscription Agreement.
- 2. Complete and sign the Risk Acknowledgement Form (Schedule A to the Subscription Agreement).
- 3. If you reside in Ontario and are an “Accredited Investor”:
 - (a) complete and sign the Accredited Investor Certificate – Schedule B and,
 - (b) if you are an individual relying on category (j), (k) or (l) of the Accredited Investor Certificate (and do not meet the higher financial asset threshold set out in paragraph (j.1) of the Accredited Investor Certificate), complete and sign the Form 45-106F9—Form for Individual Accredited Investors – Exhibit 1 to Schedule B.
- 4. If you reside in Alberta and are subscribing for common shares with an aggregate subscription price of more than \$10,000, complete and sign the Eligible Investor Certificate – Schedule C.

Please deliver your completed and signed Subscription Agreement (along with any other documents required to be delivered at Closing) and full payment of the aggregate subscription price for the common shares (by certified cheque or bank draft payable to “**Matoot Games Ltd.**”) to Matoot Games Ltd. at 105 – 2971 Viking Way, Richmond, British Columbia, V6V 1Y1, Attention: Gordon Lam.

If payment by wire transfer:

ACCOUNT NAME:	Matoot Games Ltd.
BANK:	TD Bank (004)
ACCOUNT NO.:	5256889
SWIFT CODE:	TDOMCATTOR
TRANSIT/INSTITUTION:	96560

Your subscription is made on the terms and conditions set out in the Subscription Agreement. Ensure that you read the entire agreement carefully, and seek independent investment, legal, tax and other professional advice as you consider necessary.

The securities for which you are subscribing are securities of a private company and are subject to an indefinite hold period.

MATOOT GAMES LTD.

SUBSCRIPTION AGREEMENT

TO: Matoot Games Ltd. (the “Corporation”)

The Subscriber named below subscribes for and agrees to purchase from the Corporation that number of common shares in the capital of the Corporation (the “Shares”) set out below, for the aggregate subscription price set out below (representing a subscription price of \$0.35 per Share), on and subject to the attached “Terms and Conditions of the Offering” (together with this page and the attached Schedules, the “Agreement”).

Number of Shares	Subscriber’s Aggregate Subscription Price (at \$0.35 per Common Share)
	\$

Signed by the Subscriber as of _____, 2016.

Please complete this entire Agreement, including all applicable Schedules. Please print, except in the case of signatures.

Name of Subscriber

Signature of Subscriber (or authorized signatory / agent on behalf of Subscriber)

Residential or head office address of Subscriber

Name and official capacity or title of authorized signatory / agent (if applicable)

Telephone number of Subscriber

Email address of Subscriber

Facsimile number of Subscriber

The Corporation accepts this subscription on the terms and conditions contained in this Agreement as of _____, 2016.

MATOOT GAMES LTD.

Per: _____
Authorized signatory

This is the first page of an agreement composed of 12 pages (not including Schedule A and B).

TERMS AND CONDITIONS OF THE OFFERING

The terms and conditions of the Subscriber's purchase of common shares from the Corporation are as follows:

1. Definitions

In this Agreement, the following terms have the following meanings:

- 1.1 “**Agreement**” means this Subscription Agreement, including all Schedules, as it may be amended or supplemented by written agreement between the parties.
- 1.2 “**Business Day**” means any day excluding a Saturday, Sunday or statutory holiday in the province of British Columbia.
- 1.3 “**Closing**” means the closing of the purchase and sale of the Purchased Shares.
- 1.4 “**Closing Time**” means the time of the Closing and as determined by the Corporation;
- 1.5 “**Shares**” means the common shares in the capital of the Corporation.
- 1.6 “**Communication**” is defined in Section 7.2.
- 1.7 “**Corporation**” means Matoot Games Ltd., a company incorporated under the *Business Corporations Act* (British Columbia) and includes any successor corporation to it.
- 1.8 “**NI 45-106**” means National Instrument 45-106—*Prospectus Exemptions*.
- 1.9 “**Offering Memorandum**” means the offering memorandum of the Corporation dated December 21, 2015.
- 1.10 “**PCMLTF Act**” is defined in Section 4.1.13.
- 1.11 “**person**” will be broadly interpreted and includes:
 - 1.11.1 an individual;
 - 1.11.2 a corporation;
 - 1.11.3 a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and
 - 1.11.4 an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative.
- 1.12 “**Personal Information**” is defined in Section 7.11.
- 1.13 “**Purchased Shares**” means the Shares purchased by the Subscriber under this Agreement.
- 1.14 “**Subscriber**” means the person named as the “Subscriber” on the execution page of this Agreement.

- 1.15 “**United States Securities Act**” means the United States *Securities Act of 1933*.
- 1.16 “**U.S. Person**” means a “U.S. person” as defined in Regulation S under the United States Securities Act.

2. Terms and Conditions of Purchase

2.1 **Offer and Acceptance:** By signing this Agreement, the Subscriber irrevocably offers to subscribe for the number of Shares set out on the first page of this Agreement. The Corporation may, in its absolute discretion, accept or reject the Subscriber’s subscription for Shares set out in this Agreement, in whole or in part, and the Corporation reserves the right to allot to the Subscriber less than the amount of Shares subscribed for under this Agreement. This Agreement is not enforceable against the Corporation unless (and except to the extent to which) it has been accepted by the Corporation. The Subscriber waives any requirement of the Corporation to communicate its acceptance of the subscription (in whole or in part) to the Subscriber.

2.2 **Return of Funds:** If this Agreement is rejected in whole, any payment delivered by the Subscriber to the Corporation on account of the subscription price for the Purchased Shares will be promptly returned to the Subscriber, without interest. If this Agreement is accepted only in part, payment in the amount of any excess payment delivered by the Subscriber to the Corporation on account of the subscription price for the Purchased Shares will be promptly delivered to the Subscriber, without interest.

2.3 **Deliveries by Subscriber:** In connection with the purchase of the Purchased Shares, the Subscriber agrees to deliver to the Corporation at 105 – 2971 Viking Way, Richmond, British Columbia, V6V 1Y1, Attention: Gordon Lam, the following items:

- 2.3.1 this Agreement, completed and signed (including Schedule A and, if applicable, Schedule B, Exhibit I to Schedule B and Schedule C);
- 2.3.2 a certified cheque or bank draft (payable to “Matoot Games Ltd.”) or wire for the aggregate subscription price for the Purchased Shares;
- 2.3.3 if this Agreement is being signed by an authorized signatory or agent, any documentation requested by the Corporation to establish the relevant authority and capacity of the authorized signatory or agent; and
- 2.3.4 any further documentation required under applicable securities laws or by any regulatory authority, or otherwise contemplated by this Agreement.

2.4 **Conditions in Favour of the Corporation:** The obligation of the Corporation to complete the sale of the Purchased Shares is subject to the satisfaction (or waiver by the Corporation other than with respect to Section 2.4.3) of the following conditions at or before the Closing Time:

- 2.4.1 the Subscriber will have delivered the items set out in Section 2.3;
- 2.4.2 the representations and warranties made by the Subscriber in this Agreement will have been true and correct when made and will be true and correct at the Closing

Time with the same force and effect as if they had been made as of the Closing Time;

- 2.4.3 no notice has been received from the Subscriber canceling this Agreement within the timeframe prescribed by NI 45-106;
 - 2.4.4 all covenants contained in this Agreement to be performed by the Subscriber at or before the Closing Time will have been performed in all material respects;
 - 2.4.5 any necessary regulatory approvals will have been obtained; and
 - 2.4.6 the sale of the Purchased Shares to the Subscriber will be exempt from prospectus requirements under applicable securities laws.
- 2.5 **Compliance with Laws:** The Subscriber agrees to comply with applicable securities laws concerning the purchase of, the holding of, and the resale restrictions applicable to, the Purchased Shares.
- 2.6 **Expenses:** All costs incurred by the Subscriber (including any fees and disbursements of any legal counsel or other advisors retained by the Subscriber) relating to the purchase of the Purchased Shares will be borne by the Subscriber.

3. The Closing

- 3.1 **Closing:** The Closing will take place at the offices of Gowling Lafleur Henderson LLP at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, V6V 2B5 or at the offices of the Corporation at 105 – 2971 Viking Way, Richmond, British Columbia, V6V 1Y1, at the Closing Time.
- 3.2 **Share Certificates:** Certificates representing the Purchased Shares will be available for delivery to the Subscriber against payment to the Corporation of the aggregate subscription price for the Purchased Shares.

4. Representations, Warranties and Covenants of the Subscriber

- 4.1 **Representations, Warranties and Covenants:** The Subscriber represents and warrants to, and covenants with, the Corporation, as at the date this Agreement is executed by the Subscriber and at the Closing Time, as follows, and acknowledges that the Corporation is relying on the representations and warranties given by the Subscriber in this Agreement, despite any investigation made by or on behalf of the Corporation.
- 4.1.1 **Residence:** The Subscriber is resident in the place identified as the Subscriber's residential or head office address on the first page of this Agreement, and that address is the Subscriber's residential or head office address and is not being used solely for the purpose of acquiring the Purchased Shares.
 - 4.1.2 **Purchasing as Principal:** The Subscriber is purchasing the Purchased Shares as principal for the Subscriber's own account and not for the benefit of any other person. The Subscriber is purchasing the Purchased Shares for investment only and not with a view to the resale or distribution of any of the Purchased Shares.

- 4.1.3 **Applicable Private Placement Exemptions:**
- 4.1.3.1 if the Subscriber is resident in British Columbia or Alberta, the Subscriber is purchasing the Shares as principal and has received the Offering Memorandum; or
- 4.1.3.2 if the Subscriber is resident in Ontario, the Subscriber is an “accredited investor” as defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario) and the Subscriber is delivering with this Agreement a completed and signed Accredited Investor Certificate (attached as Schedule B) and if the Subscriber is an individual relying on category (j), (k) or (l) of the Accredited Investor Certificate (and does not meet the higher financial asset threshold set out in paragraph (j.1) of the Accredited Investor Certificate), the Subscriber is delivering with this Agreement a completed and signed Form 45-106F9 — Form for Individual Accredited Investors (attached as Exhibit 1 to Schedule B);
- 4.1.4 **Other Representations in Subscription Agreement:** The representations made by the Subscriber on the first page of this Agreement and in all Schedules and other documents delivered by the Subscriber under this Agreement are true and correct.
- 4.1.5 **Purchase by Private Placement:** The Subscriber is aware that the Corporation is relying on exemptions from the requirements under securities laws to provide the Subscriber with a prospectus, and no prospectus has been filed by the Corporation with any stock exchange or regulatory authority in connection with the issuance of the Purchased Shares, and as a consequence:
- 4.1.5.1 other than as disclosed in the Offering Memorandum, the Subscriber is restricted from using some of the civil remedies otherwise available under securities laws and certain protections, rights and remedies provided by securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber; and
- 4.1.5.2 the Subscriber may not receive information that would otherwise be required to be provided to the Subscriber under securities laws.
- 4.1.6 **Resale Restrictions:** The Subscriber is aware that there are restrictions on the Subscriber’s ability to transfer (in accordance with the constating documents of the Corporation) and to resell the Purchased Shares (in accordance with applicable securities laws) and it is the Subscriber’s responsibility to consult the Subscriber’s own advisors to find out what those restrictions are and to comply with them before selling the Purchased Shares. The Subscriber is aware that the Subscriber may not be able to resell the Purchased Shares except in accordance with limited exemptions under applicable securities laws and agrees that certificates representing the Shares may bear a legend indicating that the resale of those securities is restricted.

- 4.1.7 **Private Issuer Securities:** The Subscriber is aware that:
- 4.1.7.1 the Corporation is not a “reporting issuer” or the equivalent in any jurisdiction and, accordingly, the Purchased Shares will be subject to an indefinite hold period under applicable securities laws;
 - 4.1.7.2 the Shares are not listed on any stock exchange and no public market exists for the Common Shares; and
 - 4.1.7.3 the Shares are subject to transfer restrictions contained in the Corporation’s constating documents.

- 4.1.8 **Risks of Investment:** The Subscriber is aware that:
- 4.1.8.1 no stock exchange, governmental agency, securities commission or similar regulatory authority has reviewed or passed on or made any finding or determination as to the merits of, or made any recommendation or endorsement with respect to, the Purchased Shares;
 - 4.1.8.2 there is no government or other insurance covering the Purchased Shares;
 - 4.1.8.3 the Subscriber has two business days from the date of signing the subscription agreement to cancel the Agreement to purchase the Shares; and
 - 4.1.8.4 there are risks associated with the purchase of the Purchased Shares and that the Subscriber has considered the risk factors disclosed in the Offering Memorandum and acknowledges that they have received a copy of the Offering Memorandum.

The Subscriber is aware of the characteristics of the Purchased Shares (which are highly speculative in nature) and the risks relating to an investment in the Purchased Shares, and has the sophistication and experience in business and financial matters (or has received appropriate independent advice) to be capable of evaluating the merits and risks of the investment in the Purchased Shares. The Subscriber is able, without impairing the Subscriber’s financial condition, to bear the economic risk of, and withstand a complete loss of, the investment in the Purchased Shares.

- 4.1.9 **Capacity and Authority:** If the Subscriber is:
- 4.1.9.1 a corporation, the Subscriber is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement;
 - 4.1.9.2 a partnership, syndicate or other form of unincorporated organization, the Subscriber has the necessary legal capacity and

authority to execute and deliver this Agreement and to perform its obligations under this Agreement, and the Subscriber has obtained all approvals necessary in order to do so; or

- 4.1.9.3 an individual, the Subscriber is of full age of majority and has the legal capacity and competence to enter into and execute this Agreement and to perform the Subscriber's obligations under this Agreement.
- 4.1.10 **Due Execution and Delivery:** This Agreement has been duly executed and delivered by the Subscriber, and constitutes a legal, valid and binding obligation of the Subscriber, enforceable against the Subscriber in accordance with its terms.
- 4.1.11 **No Breach:** The entering into of this Agreement by the Subscriber and the performance by the Subscriber of the transactions contemplated by this Agreement do not and will not result in the violation of any of the terms and provisions of any law, judgment or order applicable to the Subscriber, or (if applicable) the constating documents of the Subscriber, or any agreement, written or oral, to which the Subscriber may be a party or by which the Subscriber is or may be bound.
- 4.1.12 **United States Laws:**
- 4.1.12.1 The Subscriber is not a U.S. Person and the Purchased Shares were not offered to the Subscriber in the United States. At the time the buy order for the Purchased Shares originated, the Subscriber was outside the United States. This Agreement was executed and delivered by the Subscriber outside the United States.
- 4.1.12.2 The Subscriber understands that the Purchased Shares have not been registered under the United States Securities Act or the securities laws of any state of the United States, the Purchased Shares may not be offered or sold, directly or indirectly, in the United States or to a U.S. Person unless registered (or exempt from registration) under the United States Securities Act and the securities laws of all applicable states, and the Corporation has no obligation or present intention of filing a registration statement under the United States Securities Act in respect of any of the Purchased Shares.
- 4.1.13 **Proceeds of Crime:** The funds representing the aggregate subscription price for the Purchased Shares which will be advanced to the Corporation under this Agreement will not represent proceeds of crime for the purpose of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (the "**PCMLTF Act**"). The Subscriber is aware that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Agreement, on a confidential basis, under the PCMLTF Act. To the best of the Subscriber's knowledge, none of the subscription funds to be provided under this Agreement (i) have been or will be obtained or derived, directly or indirectly, from or related to any activity that is deemed illegal under the laws of Canada or the United States or any other jurisdiction, or (ii) are being

tendered on behalf of a person who has not been identified to the Subscriber. The Subscriber will promptly notify the Corporation if the Subscriber discovers that any representation in this Section 4.1.13 ceases to be true, and will provide the Corporation with appropriate information in connection with that discovery.

- 4.1.14 **Independent Advice:** In connection with this Agreement and the investment in the Purchased Shares, the Subscriber has not relied upon the Corporation (or any of the Corporation's directors, officers, employees, agents or representatives) for investment, legal, tax or other professional advice, and the Subscriber has sought or elected not to seek the advice of the Subscriber's own personal investment advisers, legal counsel and tax advisers. The Subscriber is aware that legal counsel retained by the Corporation are acting as counsel to the Corporation, and not as counsel to the Subscriber and the Subscriber may not rely upon that legal counsel in any respect. The Subscriber has had the opportunity to seek, and was not prevented or discouraged by the Corporation from seeking, any independent advice which the Subscriber considered necessary before the execution and delivery of this Agreement.
- 4.1.15 **Representations Relied On:** No person (including the Corporation) has made to the Subscriber any written or oral representations:
- 4.1.15.1 that any person will resell or repurchase any of the Purchased Shares;
 - 4.1.15.2 that any person will refund the purchase price for the Purchased Shares (other than any statutory or contractual rights of rescissions provided for under applicable securities laws);
 - 4.1.15.3 as to the future price or value of any of the Purchased Shares; or
 - 4.1.15.4 that any of the Purchased Shares will be listed and posted for trading on a stock exchange.
- 4.1.16 **Offering Document or Advertisement:** Other than the Offering Memorandum, the Subscriber has not received (and has no need to receive) any other disclosure document in respect of the Purchased Shares or the Corporation describing the business and affairs of the Corporation in order to assist the Subscriber in making an investment decision in respect of the Purchased Shares. The Subscriber has not become aware of any sales literature or advertisement (including in printed public media, or on radio, television or the internet) with respect to the distribution of the Purchased Shares.
- 4.1.17 **Future Financings:** The Subscriber is aware that the Corporation may complete additional financings concurrently with this financing or in the future to develop the proposed business of the Corporation and to fund its ongoing development; that there is no assurance that any financings will be available or, if available, that the financings will be available on reasonable terms; that any future financings may have a dilutive effect on current securityholders, including the Subscriber; and that, if future financings are not available, the Corporation may be unable to fund its ongoing development and the lack of capital resources may result in the failure of its business venture.

- 4.2 **Notification of Change:** The Subscriber will notify the Corporation immediately (and, in any event, before the Closing Time) of any changes in any representation, warranty or other information relating to the Subscriber set out in this Agreement which takes place before the Closing Time.
- 4.3 **Indemnity:** The Subscriber acknowledges and agrees that its representations, warranties and covenants in this Agreement are made with the intent that they may be relied upon in determining the Subscriber's eligibility as a purchaser of the Purchased Shares. The Subscriber agrees to indemnify and hold harmless the Corporation and its representatives, directors, officers, employees, legal counsel and agents from and against all losses, liability, claims, costs, expenses and damages (including all fees, costs and expenses reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based on any representation or warranty of the Subscriber in this Agreement being untrue in any material respect or any material breach of a covenant in this Agreement by the Subscriber. The rights to indemnification provided in this Section 4.3 will be in addition to, and not in derogation of, any other rights or remedies which any indemnified party may have. To the extent that any person entitled to be indemnified under this Section 4.3 is not a party to this Agreement, the Corporation is acting as agent for that person with respect to those indemnities, and the Corporation will hold the rights and benefits of this Agreement in trust for, and on behalf of, that person.

5. Representations, Warranties and Covenants of the Corporation

- 5.1 **Representations and Warranties:** The Corporation represents and warrants to the Subscriber, as at the date this Agreement is executed by the Corporation and at the Closing Time, as follows:
- 5.1.1 **Corporate Existence:** The Corporation is a corporation duly incorporated and validly existing under the laws of the province of British Columbia.
- 5.1.2 **Capacity and Power:** The Corporation has all necessary corporate power, authority and capacity to own or lease its assets and to carry on its business as currently being conducted.
- 5.1.3 **Jurisdictions:** The Corporation is duly registered to do business and is in good standing in each jurisdiction in which the location or character of its assets or the nature of its activities make registration necessary.
- 5.1.4 **Capacity to Enter Agreement:** The Corporation has all necessary corporate power, authority and capacity to enter into and perform its obligations under this Agreement.
- 5.1.5 **Due Execution and Delivery:** This Agreement has been duly executed and delivered by the Corporation, and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms.
- 5.1.6 **Purchased Shares:** The Purchased Shares have been or will be on issuance duly and validly authorized and, upon receiving full payment for the Purchased

Shares, the Purchased Shares will be validly issued as fully paid and non-assessable shares of the Corporation.

5.1.7 **No Cease Trade Orders:** No securities commission or comparable authority has issued any order preventing or suspending the distribution of the Shares or the trading of securities of the Corporation generally and, to the Corporation's knowledge, there is no investigation, inquiry or proceeding for this purpose that has been commenced or which is pending, contemplated or threatened.

5.2 **Notification of Change:** The Corporation will notify the Subscriber immediately (and, in any event, before the Closing Time) of any changes in any representation, warranty or other information relating to the Corporation set out in this Agreement which takes place before the Closing Time.

6. Interpretation

6.1 **Extended Meanings:** In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words "**including**" or "**includes**" in this Agreement is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.

6.2 **Sections and Headings:** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

6.3 **References:** References in this Agreement to a Section or Schedule are to be construed as references to a Section or Schedule of or to this Agreement unless otherwise specified.

6.4 **Statutory Instruments:** Unless otherwise specified, any reference in this Agreement to any statute includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.

6.5 **Knowledge:** References to the "**knowledge**" of a party mean the knowledge that the party either has, or would have obtained, after having made or caused to be made all reasonable inquiries necessary to obtain informed knowledge, including inquiries of the records of the party and management employees of the party who are reasonably likely to have knowledge of the relevant matter.

6.6 **Entire Agreement:** This Agreement constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no representations, warranties or other agreements between the parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement. No party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement.

7. General

7.1 **Time of Essence:** Time is of the essence in all respects of this Agreement.

7.2 **Notices:** Any notice or other communication required or permitted to be delivered under this Agreement (a “**Communication**”) must be in writing and either:

7.2.1 personally delivered;

7.2.2 sent by prepaid registered mail; or

7.2.3 sent by facsimile or email.

Any Communication to the Corporation must be sent as follows:

Matoot Games Ltd.
105 – 2971 Viking Way
Richmond, British Columbia, V6V 1Y1

Any Communication to the Subscriber will be addressed to the address, facsimile number or email address of the Subscriber as provided in this Agreement.

Either party may change its address for delivery of Communications by sending the other party a Communication given in accordance with this Section 7.2. A Communication will, if personally delivered or sent by facsimile or email before 4:00 p.m. (local time at the place of delivery or receipt) on a Business Day, be deemed to be given and received on that day and will otherwise be deemed to be given and received on the next Business Day.

7.3 **Severability:** Each Section of this Agreement is distinct and severable, and if any Section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect the legality, validity or enforceability of the remaining Sections of this Agreement, in whole or in part, or the legality, validity or unenforceability of that Section, in whole or in part, in any other jurisdiction.

7.4 **Governing Law, Submission to Jurisdiction:** This Agreement will be governed by, and is to be construed and interpreted in accordance with, the laws of the province of British Columbia and the laws of Canada applicable in that province. Each of the parties to this Agreement irrevocably and unconditionally submits and attorns to the exclusive jurisdiction of the courts of the province of British Columbia to determine all issues, whether at law or in equity, arising from this Agreement.

7.5 **Amendments:** The provisions of this Agreement may only be amended with the written consent of each of the parties to this Agreement.

7.6 **Further Assurances:** Each party to this Agreement will, at the request of the other party to this Agreement, perform any further acts and execute and deliver any further documents as may be reasonably required to fully give effect to this Agreement. The Subscriber will promptly execute, deliver and file (or assist the Corporation in filing) any reports, undertakings or other documents, and will promptly provide any assurances, undertakings

and information, as may be required by law or by any securities commission or other regulatory authority in connection with the transactions contemplated by this Agreement.

- 7.7 **Assignment and Enurement:** Neither this Agreement nor any right or obligation under this Agreement may be assigned by either party without the prior written consent of the other party to this Agreement. This Agreement enures to the benefit of and is binding upon the parties to this Agreement and their respective heirs, executors, administrators, estate trustees, trustees, personal or legal representatives, successors and permitted assigns.
- 7.8 **Counterparts and Electronic Delivery:** This Agreement may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, email or other functionally equivalent electronic means of transmission and those counterparts will together constitute one and the same instrument.
- 7.9 **Survival:** The representations, warranties, consents, covenants and indemnities contained in this Agreement or in any certificate, document or instrument delivered under this Agreement will survive the completion of the transactions contemplated by this Agreement.
- 7.10 **Currency:** Unless otherwise specified, all currency amounts in this Agreement are expressed in Canadian dollars.
- 7.11 **Personal Information:** The Subscriber consents to the collection by the Corporation of personal information about the Subscriber (as defined under applicable privacy laws, the “**Personal Information**”) for the purpose of completing the transactions contemplated by this Agreement. The Subscriber consents to the Corporation retaining the Personal Information for as long as permitted or required by law or business practices. The Subscriber acknowledges that the Corporation may use the Personal Information: (i) internally (for the purpose of managing the relationship between and contractual obligations of the Corporation and the Subscriber); (ii) for income tax-related purposes; (iii) to demonstrate compliance with securities laws; and (iv) in record books prepared in respect of the offering of the securities contemplated in this Agreement. The Subscriber acknowledges that the Corporation may disclose the Personal Information: (i) to the Canada Revenue Agency; (ii) to professional advisers of the Corporation in connection with the performance of their professional services; (iii) as required by securities regulatory authorities, stock exchanges and other regulatory bodies; (iv) to a governmental or other authority to which the disclosure is required by court order or subpoena compelling that disclosure (if there is no reasonable alternative to that disclosure); (v) to a court determining the rights of the parties under this Agreement; (vi) to any other parties involved in the offering of the securities contemplated in this Agreement, including legal counsel; (vii) to the Corporation’s registrar and transfer agent (if applicable); and (viii) as otherwise required or permitted by law. The Subscriber consents to the use and disclosure of the Personal Information set out in this Section 7.11.
- 7.12 **Language:** The parties have expressly required that this Agreement and all other documents and notices relating to this Agreement be drafted in the English language only. Les parties ont expressément exigé que la présente convention, et tous les autres documents et avis qui s’y rapportent soient rédigés en anglais seulement.

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SCHEDULE A

Form 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities regulatory authority or regulator and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$ _____ [total consideration] in total; this includes any amount I am obliged to pay in future. Matoot Games Ltd. will pay nil [amount of fee or commission] of this to N/A [name of person selling the securities] as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

**W
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You have 2 business days to cancel your purchase

To do so, send a notice to Matoot Games Ltd. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Matoot Games Ltd. at its business address. Keep a copy of the notice for your records.

Issuer Name and Address: Matoot Games Ltd.
105 – 2971 Viking Way, Richmond, British Columbia, V6V 1Y1
Tel: (604) 303-8783
E-mail: glam@matoot.com

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or registered dealer. In Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator.

British Columbia Securities Commission
Phone: 604-899-6500
Website: <http://www.bsc.bc.ca>

The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.

SCHEDULE B

Accredited Investor Certificate

{This Schedule B must be completed by each accredited investor identified in Schedule A.}

{The categories listed in this certificate contain certain specifically defined terms. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your investment advisor and/or independent legal counsel before completing this certificate.}

TO: Matoot Games Ltd. (the “Corporation”)

You (the undersigned accredited investor) represent and warrant to the Corporation that you are an “accredited investor” as defined in NI 45-106, on the basis that you fit within the category of accredited investor which you have indicated below.

You represent and warrant that you are: *{please initial the applicable item, complete the relevant information and sign this certificate}*

- _____ (a) a Schedule I, II or III bank, or a Canadian financial institution
- _____ (b) the Business Development Bank of Canada
- _____ (c) a subsidiary of any person referred to in paragraph (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
- _____ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer
- _____ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d)
- _____ (e.1) an individual formerly registered under the securities legislation of a 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)
- _____ (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
- _____ (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
- _____ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government
- _____ (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

- _____ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000
- {Note: Financial assets include cash and securities, but do not include a personal residence – see the definition of “financial assets” later in this certificate. Financial assets are generally liquid or relatively easy to liquidate. You must subtract any liabilities related to your financial assets to calculate your net financial assets—see the definition of “related liabilities”. Financial assets held in a group RRSP under which you do not have the ability to acquire the financial assets and deal with them directly are not considered to be beneficially owned by you.}*
- _____ (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
- {Note: The financial assets of your spouse (including financial assets in a spousal RRSP) cannot be included in the calculation of net financial assets under this paragraph (j.1).}*
- _____ (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
- _____ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000
- {Note: To calculate net assets, take the value of your total assets (which may include a personal residence) and subtract your total liabilities (which may include a mortgage). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the subscription.}*
- _____ (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
- _____ (n) an investment fund that distributes or has distributed its securities only to:
- (i) a person that is or was an accredited investor at the time of the distribution;
 - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 (*Minimum amount investment*), or 2.19 (*Additional investment in investment funds*) of NI 45-106; or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 (*Investment fund reinvestment*) of NI 45-106
- _____ (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
- _____ (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

- _____ (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
- _____ (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
- _____ (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
- _____ (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

{Note: If you have initialled this paragraph (t), name each owner of an interest, and indicate the category of accredited investor into which that person fits (by reference to the paragraph numbers in this Schedule B). If a person named below is a director required by law to own a voting security, and that person is not an accredited investor, indicate “director” under Category.}

Name	Category
_____	_____
_____	_____
_____	_____
_____	_____

- _____ (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
- _____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor
- _____ (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

{Note: If you have initialled this paragraph (w), name the person who established the trust and each trustee, and indicate the category of accredited investor into which that person fits (by reference to the paragraph numbers in this Schedule B). If a person named below is not an accredited investor, indicate “N/A” under Category.}

	Name	Category
Person who established trust:	_____	_____
Trustee:	_____	_____
Trustee:	_____	_____
Trustee:	_____	_____

Signature block	
Name of accredited investor:	_____
Signature of accredited investor (or authorized signatory/agent on behalf of accredited investor):	_____
Name and official capacity or title of authorized signatory/agent, if applicable:	_____
Date:	_____

As used in this certificate, the following terms have the following meanings.

“**Canadian financial institution**” means:

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; and
- (b) in Ontario, also means a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be; and
- (c) outside of Ontario, also means a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada.

“**eligibility adviser**” means:

- (a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed; and
- (b) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or

certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:

- (i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders or control persons; and
- (ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months.

“**executive officer**” means, for an issuer, an individual who is:

- (a) a chair, vice-chair or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the issuer.

“**financial assets**” means:

- (a) cash;
- (b) securities; or
- (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.

“**foreign jurisdiction**” means a country other than Canada or a political subdivision of a country other than Canada.

“**founder**” means, in respect of an issuer, a person who:

- (a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer; and
- (b) at the time of the distribution or trade is actively involved in the business of the issuer.

“**fully managed account**” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction.

“**investment fund**” has the same meaning as in National Instrument 81-106 — *Investment Fund Continuous Disclosure* and means a mutual fund or a non-redeemable investment fund.

“**jurisdiction of Canada**” means a province or territory of Canada.

“**non-redeemable investment fund**” means an issuer:

- (a) whose primary purpose is to invest money provided by its securityholders;

(b) that does not invest:

- (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund; or
- (ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and

(c) that is not a mutual fund.

“**person**” includes:

- (a) an individual;
- (b) a corporation;
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and
- (d) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative.

“**related liabilities**” means:

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or
- (b) liabilities that are secured by financial assets.

“**spouse**” means an individual who:

- (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual;
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or
- (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

“**subsidiary**” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

EXHIBIT 1 TO SCHEDULE B

{This Exhibit 1 to Schedule B must be completed if the Subscriber:

- *is subscribing under the “accredited investor” exemption set out in Section 5(d)(i) of the Agreement; and*
- *is an individual relying on category (j), (k) or (l) of the Accredited Investor Certificate Appendix A); and*
- *does not meet the higher financial asset threshold set out in paragraph (j.1) of the Accredited Investor Certificate.}*

**Form 45-106F9
Form for Individual Accredited Investors**

WARNING!
This investment is risky. Don’t invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Common shares	Issuer: Matoot Games Ltd.
Purchased from: Matoot Games Ltd.	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE INVESTOR	
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 salesperson 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 salesperson 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	
<i>{Instruction: The salesperson is the person who meets with, or provides information to, the Investor 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.}</i>	
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**

Matoot Games Ltd.
105 – 2971 Viking Way
Richmond, British Columbia, V6V 1Y1

Attention: Gordon Lam
Phone: 604-303-8783
Email: glam@matoot.com
Website: www.matoot.com

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

{The Subscriber should keep one copy of this form (signed by the Subscriber) for the Subscriber's records.}

SCHEDULE C

ELIGIBLE INVESTOR FORM

(To be completed by Purchasers resident in Alberta that are subscribing in excess of \$10,000)

The Subscriber represents and warrants that the Subscriber and, if applicable, each person for whose account it is purchasing the Shares, satisfies one or more of the categories of Eligible Investor (as that term is defined in NI 45-106) indicated below.

PLEASE INDICATE EACH CATEGORY OF ELIGIBLE INVESTOR THAT YOU, THE PURCHASER, AND IF APPLICABLE, EACH PERSON FOR WHOSE ACCOUNT YOU ARE PURCHASING SECURITIES, SATISFY, BY PLACING AN "X" BESIDE THE APPROPRIATE CATEGORY BELOW.

- _____ (a) a person whose net assets, alone or with a spouse, in the case of an individual, exceed \$400,000;
- _____ (b) a person whose net income before taxes exceeded \$75,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year;
- _____ (c) a person whose net income before taxes, alone or with a spouse, in the case of an individual, exceeded \$125,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year;
- _____ (d) a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors;
- _____ (e) a general partnership of which all of the partners are eligible investors;
- _____ (f) a limited partnership of which the majority of the general partners are eligible investors;
- _____ (g) a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors;
- _____ (h) an accredited investor (as that term is defined in National Instrument 45-106) **[Please also complete Schedule "B" and, if applicable, Exhibit 1 to Schedule "B".];**
- _____ (i) a director, executive officer or control person of the Company, or of an affiliate of the Company;
- _____ (j) a spouse, parent, grandparent, brother, sister or child of a director, executive officer or control person of the Company, or of an affiliate of the Company;
- _____ (k) a parent, grandparent, brother, sister or child of the spouse of a director, executive officer or control person of the Company, or of an affiliate of the Company;
- _____ (l) a close personal friend of a director, executive officer or control person of the Company, or of an affiliate of the Company;

- _____ (m) a close business associate of a director, executive officer or control person of the Company, or of an affiliate of the Company;
- _____ (n) a founder of the Company or a spouse, parent, grandparent, brother, sister, child, close personal friend or close business associate of a founder of the Company;
- _____ (o) a parent, grandparent, brother, sister or child of the spouse of a founder of the Company;
- _____ (p) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in any of paragraphs (i) to (o) above;
- _____ (q) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in any of paragraphs (i) to (o) above; or
- _____ (r) a person that has obtained advice regarding the suitability of the investment in the Securities and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of the Purchaser and authorized to give advice with respect to the Securities.

ADDITIONAL DEFINITIONS:

In the above categories applicable to a Purchaser resident in Alberta (including all of the Schedules), the following words have the following meanings unless otherwise indicated:

“**control person**” has the same meaning as in securities legislation;

“**director**” means

- (a) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

“**eligibility adviser**” means a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed;

“**executive officer**” means, for an issuer, an individual who is

- (a) a chair, vice-chair or president,
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production,
- (c) an officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer, or
- (d) performing a policy-making function in respect of the issuer;

“**founder**” means, in respect of an issuer, a person who,

- (a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (b) at the time of the trade is actively involved in the business of the issuer;

“**jurisdiction**” or “**jurisdiction of Canada**” means a province or territory of Canada except when used in the term foreign jurisdiction;

“**person**” includes

- (a) an individual,
- (b) a corporation,
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (d) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative;

“**securities legislation**” means the applicable securities legislation of a jurisdiction of Canada.

“**spouse**” means, an individual who,

- (a) is married to another individual and is not living separate and apart within the meaning of the Divorce Act (Canada), from the other individual,
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (c) is an adult interdependent partner within the meaning of the Adult Interdependent Relationships Act (Alberta);

For the purpose hereof, an issuer is an **affiliate** of another issuer if

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same person.