

## **Cryptologic Corp. Announces Proposed Acquisition of Canadian Assets of Wayland Group**

TORONTO, Aug. 03, 2019 -- Cryptologic Corp., currently a leading cryptocurrency miner (CSE:CRY) (the "Company" or "Cryptologic") is pleased to announce that it has entered into a non-binding letter of intent with Wayland Group (CSE:WAYL) ("Wayland"), a vertically integrated cultivator and processor of cannabis, with production facilities in Langton, Ontario (the "Facilities") where it operates a cannabis cultivation, extraction, formulation and distribution business under federal licenses from the Government of Canada, relating to a proposed acquisition of Wayland's Canadian business, including its Langton, Ontario production facilities, and the assumption of liabilities related to Wayland's Canadian business. Wayland has agreed to a binding exclusivity period until September 15, 2019, or such later date as each of Wayland and Cryptologic mutually agree, during which time the parties will endeavor to negotiate and enter into a binding definitive agreement in connection with the proposed acquisition.

### **Proposed Acquisition Transaction**

Consideration for the proposed acquisition is expected to be satisfied through the issuance of approximately 57,500,000 common shares of Cryptologic at a deemed issue price of \$4.00 per share, subject to all necessary regulatory and securityholder approvals, which is expected to represent approximately 70% of the issued and outstanding common shares of Cryptologic upon closing. The transaction values Wayland's Canadian business at approximately Cdn\$230 million plus assumed liabilities.

It is expected that, prior to closing, Cryptologic will sell the business and assets comprising its existing cryptocurrency mining and other operations and that, subject to and following closing of the acquisition transaction, it will be a single-purpose cannabis company. The value of the consideration shares to be issued assumes that the Company will have, as of closing, cash on hand of not less than Cdn\$25 million (less amounts advanced pursuant to the Bridge Loan as discussed below and any other amounts advanced by the Company to Wayland (excluding interest)), which will be available for investment in Wayland's Canadian business subject to completion of the acquisition transaction. The value of the consideration shares also assumes that the Company will have no material debt outstanding or other material financial obligations other than those in connection with the proposed acquisition transaction. Subject to successful closing of the proposed transaction, it is expected that the Facilities will be the cornerstone of Cryptologic's business, which would allow Cryptologic to effectively supply the Canadian recreational and medical cannabis markets, and using the Facilities' EU-GMP certification, the international cannabis markets.

It is expected that, subject to and following closing of the proposed transaction, the Company will be led by a management team including Jordan Greenberg, the current Chief Financial Officer of the Corporation, acting as Chief Executive Officer, and Matthew McLeod, the current Chief Executive Officer of Wayland, acting as President of Cryptologic. Mr. Greenberg was the former CFO of Nuuvera Inc., which raised over Cdn\$100 million in equity financing then completed several cannabis-related acquisitions, both in Canada and in international markets. Nuuvera Inc. completed its go-public process through the reverse takeover of a publicly traded shell, then achieved a successful exit through a plan of arrangement with Aphria Inc., valued in excess of Cdn\$500 million. The management team is also expected to include other senior members of the existing management teams of Cryptologic and Wayland. It is proposed that, upon the successful completion of the proposed transaction, John Kennedy FitzGerald will step down as Chief Executive Officer of Cryptologic and transition leadership of the Company to Mr. Greenberg.

"The recent improvement in market conditions for crypto assets has allowed Cryptologic to improve its cash position. Based on future uncertainty faced by crypto miners, management believes this is an optimal time to divest its crypto assets and complete a pivot of the business into the cannabis sector", said John Kennedy FitzGerald, President and Chief Executive Officer of Cryptologic.

"The Company has undertaken initiatives over the past year to improve its balance sheet and streamline its capital structure, which, along with a healthy cash balance, renders Cryptologic well-positioned to complete this acquisition. I look forward to working with Matthew and his team at Wayland and maximizing value for all of our stakeholders", added Jordan Greenberg, Chief Financial Officer of Cryptologic.

The structure of the proposed acquisition transaction will be determined by the Company and Wayland in conjunction with their respective advisors, taking into account all applicable corporate, regulatory and securities law considerations, with a view to completing the proposed transaction in the most expedient and tax efficient manner as is reasonably practicable.

Completion of the proposed transaction is subject to a number of conditions, including, without limitation, the completion of satisfactory due diligence by the Company and Wayland, the negotiation and entering into of a satisfactory definitive agreement and transaction structure, receipt of applicable securityholder approvals by Cryptologic and Wayland in accordance with applicable securities laws and stock exchange rules and securityholder documents to which they are party, together with any other applicable third party and regulatory consents and approvals, the completion of the sale by Cryptologic of its existing businesses and the availability of the minimum Cdn\$25 million cash balance, the potential completion of a reorganization of Wayland's Canadian business, the receipt by each of Wayland and Cryptologic of a fairness opinion from their respective

financial advisors, and other customary conditions to closing a transaction of this nature.

## **Bridge Loan**

In connection with the proposed transaction, the Company has committed to provide Wayland with a \$5 million subordinated bridge loan (the "Bridge Loan"), which shall not be subject to completion of the transaction and will be advanced by the Company prior to the entering into of a definitive agreement in connection with the acquisition transaction. In connection with the Bridge Loan, Wayland shall grant second-lien security over the assets to be purchased by Cryptologic, which will be subordinate to Wayland's existing secured convertible debentures in accordance with their terms.

For information or interview please contact:

Jordan Greenberg  
Chief Financial Officer  
(647) 715-3707

## **About Cryptologic Corp.**

Cryptologic Corp., currently a cryptocurrency mining company that is focused on divesting of its crypto mining assets and exploring acquisition opportunities in sectors outside of cryptocurrency mining.

## **About Wayland Group**

Wayland is a vertically integrated cultivator and processor of cannabis. The Company was founded in 2013 and is based in Oakville, Ontario, Canada and Munich, Germany, with production facilities in Langton, Ontario where it operates a cannabis cultivation, extraction, formulation, and distribution business under federal licenses from the Government of Canada. The Company also has production operations in Dresden, Saxony, Germany, Regensdorf, Switzerland and, Allessandria, Piedmont, Italy. Wayland will continue to pursue new opportunities globally, including in Argentina and Colombia, in its effort to enhance lives through cannabis.

## **Cautionary Note Regarding Forward-Looking Information**

*This news release includes forward-looking information and statements, which may generally be identified by the use of the words "will", "intention", "expects", "is expected to", "subject to", "anticipates" and variations or similar expressions and which include, but are not limited to, information and statements regarding or inferring the future business, operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs of the Company. Such statements include those relating to the terms of the proposed acquisition transaction with Wayland, the value of Wayland's Canadian business, the value of the consideration to be paid by Cryptologic in connection with the proposed acquisition, the sale by Cryptologic of its existing business and the divesting of its crypto mining assets and pursuit of acquisition opportunities in sectors outside of cryptocurrency mining, the establishment and maintenance of the required minimum Cdn\$25 million cash balance by the Company on closing of the proposed transaction, the advance of the bridge loan by the Company to Wayland, expected financial and other benefits of the proposed transaction between the Company and Wayland and its shareholders and other stakeholders, the nature and satisfaction of the conditions to completing the proposed transaction with Wayland, and the ability of Cryptologic and Wayland to secure the consent of the holders of their respective securities in connection with the proposed transaction.*

*Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. Such assumptions, risks, uncertainties and other factors include, but are not limited to, that any definitive transaction agreement will be entered into in connection with the potential acquisition of Wayland's Canadian business, that the potential transaction with Wayland will be completed on the terms and timelines anticipated by the Company or at all, that definitive agreement is successfully negotiated and entered into, that all conditions to closing outlined in any such definitive agreement are satisfied and/or waived on the terms and timelines anticipated by the Company or at all, that all necessary third party, regulatory, stock exchange, securityholder and other consents and approvals will be received in connection with the proposed transactions on the timelines anticipated or at all, that all other conditions to closing will be satisfied in the manner and on the timelines anticipated or at all, that the sale of Cryptologic's existing business and its establishment as a single-purpose cannabis company will proceed on the timelines and terms anticipated or at all and that it will establish and maintain the required minimum \$25 million cash balance on the timelines anticipated or at all.*

*Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. In particular, the completion of the proposed transaction with Wayland is subject to the satisfaction of a number of conditions and uncertainties (including those noted above) and the Company can offer no assurance that the proposed transaction will be completed on the terms, conditions and timelines anticipated by the Company or at all. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.*

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.