

CRYPTOLOGIC

CRYPTOLOGIC PROVIDES SUPPLEMENTAL DISCLOSURE REGARDING PROPOSED ASSET SALE

TORONTO, Ontario, March [6], 2020 – Cryptologic Corp. (“**Cryptologic**” or the “**Company**”) (CSE:CRY) wishes to provide an update with respect to the proposed sale of all or substantially all of the Company’s assets (the “**Asset Sale**”). This update is supplemental to the disclosure with respect to the Asset Sale in the Company’s management information circular (the “**Circular**”) dated February 10, 2020 in respect of the annual and special meeting of shareholders of the Company (the “**Shareholders**”) to be held at the Company’s offices at 5 Hazelton Avenue, Suite 300, Toronto Ontario, M5R 2E1 at 1:30 p.m. (Toronto time) on March 13, 2020 (the “**Shareholders’ Meeting**”). All references to dollar amounts or “\$” in this press release are to Canadian dollars.

The Company’s cryptocurrency assets consist of two components: (i) the cryptocurrency mining machines (“**Miners**”); and (ii) the purpose-built cryptocurrency data centres, including HVAC and electrical infrastructure that is unique to cryptocurrency mining (the “**Facilities**”). The Company has two Facilities: (i) one in Lachute, Quebec (the “**828 Assets**”), which includes access to 30 MW of power and (ii) one in Pointe-Claire, Quebec (the “**Crypto 205 Assets**”), which includes access to 6 MW of power.

Asset Sale Process

In August 2019, the Company announced that it intended to sell its cryptocurrency mining assets and complete a strategic pivot of the business. As a result, the Company contacted potential strategic purchasers globally to sell the highly specialized 828 Assets and the Crypto 205 Assets, and in October engaged a broker to source additional potential purchasers.

Between August and September 2019, Cryptologic sold approximately 8,500 Miners at an average price of \$352 per Miner. Although the selling price of Miners was falling, the Board made a strategic decision to suspend the sale of Miners as it was expected that the decrease in the value of the Miners over time would be offset by the profits earned from continuing cryptocurrency mining and having operational Facilities would support the sales process.

The Letters of Intent

Cryptologic currently has a letter of intent for the sale of each Facility to separate third parties (one for the 828 Assets, the “**828 LOI**” and one for the Crypto 205 Assets, the “**205 LOI**”). The letter of intent with respect to the Crypto 205 Assets that was disclosed in the Circular has expired.

The purchase price contemplated in the 205 LOI for the 6 MW Facility is \$0.9 million and the purchase price contemplated in the 828 LOI for the 30 MW Facility is approximately \$5.0 million.

Although the sales would include the remaining Miners owned by the Company, the value of each Facility is based primarily on the hydro capacity and is approximately \$150,000 per MW.

Value of the Assets

The Company, consistent with many of its cryptocurrency mining comparables, incurred a significant write down of its asset value as at the date of its most recent audited financial statements, December 31, 2018. Furthermore, Cryptologic expects to incur a further write down of the value its cryptocurrency mining assets for the year ended December 31, 2019 based on the net realizable value of those assets.

If the sales under the 828 LOI and the 205 LOI are completed as currently contemplated, the gross proceeds from the Asset Sale would be approximately \$5,900,000. As at market close on March 5, 2020, the Company's market capitalization was approximately \$3.9 million. Accordingly, the Company believes the proposed consideration under the 828 LOI and the 205 LOI is consistent with the market price for the 828 Assets and the Crypto 205 Assets, respectively.

Approval Sought from Shareholders

At the Shareholders' Meeting, Shareholders will be asked to consider and vote on, among other things, the Asset Sale pursuant to Section 184(4) of the *Business Corporations Act* (Ontario). The terms of each element of the Asset Sale are to be finalized by management and approved by the board of directors of the Company.

In the event the Company receives approval for the Asset Sale from the Shareholders at the Shareholders' Meeting and the Company subsequently does not proceed with either or both of the transactions contemplated by the 828 LOI and/or the 205 LOI, the Company intends to enter into the best possible transaction (each, a "**Subsequent Transaction**") with respect to the sale of the 828 Assets or the Crypto 205 Assets, as applicable. In such an event, the Company would not seek re-approval from Shareholders with respect to such Subsequent Transaction. It is possible that a Subsequent Transaction may not provide for similar consideration and it is also possible that the Company may not be able to complete a Subsequent Transaction.

For information or interview please contact:

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About Cryptologic Corp.

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

Cautionary Note Regarding Forward-Looking Information

Certain statements in this press release, including statements with respect to: the Company's ability to obtain the requisite Shareholder approvals to proceed with the Asset Sale; the Company's ability to complete the transaction contemplated in the 828 LOI on the terms described herein or at all; the proposed price of the 828 Assets under the 828 LOI and the proposed price of the Crypto 205 Assets under the 205 LOI; the Company's ability to complete the transaction contemplated in the 205 LOI on the terms described herein or at all; and the Company incurring a further write-down of the value of its cryptocurrency mining assets for the year ended December 31, 2019 based on the net realizable value of those assets, contain forward-looking information which can be identified by the use of forward looking terminology such as "believes", "expects", "may", "desires", "will", "should", "projects", "estimates", "contemplates", "anticipates", "intends", or any negative such as "does not believe" or other variations thereof or comparable terminology.

No assurance can be given that potential future results or circumstances described in the forward-looking statements will be achieved or will occur. By their nature, these forward-looking statements necessarily involve risks and uncertainties, including the risk that the Shareholders do not approve the Asset Sale, the risk that the Company will not be able to proceed with either the transaction contemplated in the 828 LOI or the 205 LOI, on the terms described herein, at the price described herein, or at all, the potential purchasers of either the 828 Assets, the Crypto 205 Assets, or both, not being satisfied in the course of their respective due diligence processes, there being significant adjustments in the purchase price, either working capital or otherwise, for either the 828 Assets, the Crypto 205 Assets, or both, the market for cryptocurrency assets becoming materially worse than as described herein, new cryptocurrency assets being introduced, other than as described in the Circular, which would accelerate the depreciation of either the 828 Assets or the Crypto 205 Assets, or both, the Asset Sale not being completed expeditiously and the 828 Assets and/or the Crypto 205 Assets being materially devalued, and the Company incurring a more significant write-down of the value of its cryptocurrency mining assets for the year ended December 31, 2019 based on the net realizable value of those assets, and other risks and uncertainties discussed herein, that could cause actual results to significantly differ from those contemplated by these forward-looking statements. Such statements reflect the view of the Company with respect to future events, and are based on information currently available to the Company and on assumptions, which it considers reasonable. Management cautions readers that the assumptions relative to the future events, several of which are beyond management's control, could prove to be incorrect, given that they are subject to certain risk and uncertainties, and that actual results may differ materially from those projected. Other factors which could cause results or events to differ from current expectations include, among other things, the impact of general economic, industry and market conditions. Management disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information. The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.