



Symbols: JP - TSX Venture Exchange  
JP.WT - TSX Venture Exchange  
JPOTF - OTCQB  
LVH1 - Frankfurt & Berlin Stock Exchanges

**NEWS RELEASE**

**JACKPOT ENTERS INTO AN LOI FOR THE CREATION OF A CRYPTOCURRENCY AFFILIATE**

VANCOUVER, BRITISH COLUMBIA. January 4, 2018 – **Jackpot Digital Inc.** (the “Company” or “Jackpot”) (TSX-V: JP) (TSX-V: JP.WT) (US OTCQB: JPOTF) (Frankfurt & Berlin Exchanges: LVH1). Jackpot Digital Inc. (“Jackpot” or “the Company” or “JP”) is pleased to announce that through a newly incorporated and wholly owned subsidiary company, Electrium Mining Inc. (“Electrium”), it has entered into a binding LOI and a 90 day lock-up agreement with International Interactive Ventures of Ramat Gan Israel, and associated companies (“Seller Group”), as represented by Andrew Szabo, for the acquisition of all of the Seller Group’s assets associated with cryptocurrency mining, blockchain technology, software and associated IP (the “Assets”). The Assets include existing cryptocurrency mining operations located in a former NATO storage facility in Budapest, Hungary which have grown over the last year to over 180 cryptocurrency mining rigs.

It is understood that upon the closing of a definitive asset purchase agreement (the “Asset Purchase Agreement” or “APA”), and successful independent financing of Electrium, the Seller Group’s management and operating team will assume the direction of Electrium. Upon completion of the APA, and subject to customary regulatory approvals, Jackpot intends to spin out or distribute its shares in the capital of Electrium to the shareholders of Jackpot.

Upon conclusion of the Asset Purchase Agreement, Electrium will be a fully integrated, fully diversified cryptocurrency mining company with existing operations in one of Europe’s lowest cost electricity environments, Budapest, Hungary with plans to significantly scale-up and expand into new facilities in Quebec, Canada. The Seller Group has successfully built and managed profitable cryptocurrency mining facilities, and has also been developing proprietary cryptocurrency mining software, artificial intelligence (“A.I.”) and various software products to enhance cryptocurrency mining productivity and optimize equipment capacity. The Seller Group mines a diversified portfolio of cryptocurrencies, not just Bitcoin. The Seller Group uses sophisticated blockchain mining tools, software optimization, exchange rate analysis tools and hedging programs to ensure maximum performance. With expansion plans for significantly larger mining facilities in Quebec, Electrium will have access to lower cost electricity and a cooler year-round climate, further driving down production costs. Electrium plans to reinvest a significant portion of its revenues into new technology and new cryptocurrency mining hardware to ensure low operating costs and steady organic growth. It will also allocate a portion of its revenues into additional non-mining related cryptocurrency ventures, such as a Bitcoin ATM network, trading platforms and eventually launching, subject to appropriate regulatory approvals, a cryptocurrency collateralized lending platform and other non-traditional banking activities.

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**Transaction Highlights:**

-LOI/ 90 day lock up for final due diligence and financing.

**APA terms:**

-Electrium to be separately financed, managed and operated.

-Electrium plans to seek a listing on a recognized Canadian exchange.

-Electrium will issue to Seller Group, \$USD 920,000 Senior Note secured by crypto-mining equipment being acquired, and such Senior Note shall be non-recourse to Jackpot.

-Jackpot to obtain 10 million restricted seed shares of Electrium to be distributed, subject to customary regulatory approvals, to Jackpot shareholders.

-Jackpot to issue 2 million Jackpot Units to the Seller Group. (Units comprised of a share of Jackpot and a 2 year warrant to acquire an additional share of Jackpot at \$0.10 per share).

-Minimum net financing proceeds necessary to conclude the APA set at \$CAD5M, maximum target set at \$CAD15M.

-Electrium Management and Operating team's ownership to be mainly performance driven. Minimum of \$50M Ebitda required to earn 30%.

-Upon conclusion of APA, Seller Group will enter into 5 year exclusivity with Electrium.

-Transaction will have additional benefit of providing Jackpot with access to several exciting new blockchain technologies that will be beneficial to Jackpot's existing core business.

“We are incredibly excited about this transaction as it not only gives us access to North American capital markets, but is in harmony with our existing Canadian expansion plans to tap into low cost renewable energy in Quebec. We are looking forward to building up substantial cash flows and reinvesting it in both new mining hardware and ground-breaking blockchain technologies that will not require further shareholder dilution” said Andrew G. Szabo, who represents the Seller Group, and who is the founder and director of International Interactive Ventures.

Jackpot's President & CEO Jake Kalpakian stated, "I have been dealing with some of the principals of the Seller Group over the years in the Gaming industry. It was therefore natural when this new technology and software opportunity arose, that it be secured and initially incubated within Jackpot creating long term value to our existing shareholders while allowing this division to quickly flourish as a stand-alone entity.”

Mr. Kalpakian continued, "My duties and focus remain the core Jackpot business for which 2018 is shaping up to be an incredibly exciting year. My role in the Electrium transaction is to increase shareholder value by overseeing Jackpot's shareholders interests in the venture given its meaningful and strategic ownership interest. In addition to being a stakeholder, Jackpot will also gain immediate benefit through association with a team experienced in operating a diversified cryptocurrency business. This could prove to be a formidable extra value add for our shareholders providing them with exposure to this exploding industry".

Mr. Kalpakian also states "We expect our core Electronic Table Game business to continue to grow and gain momentum in 2018. We will however always entertain other technology and software related opportunities if we can do shareholder friendly deals like this one and equally importantly which do not take away resources and time from our objective of being the premiere Electronic Table Game manufacturer.”

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## **About Jackpot Digital Inc.**

Jackpot Digital Inc. is a leading electronic table games manufacturer and mobile gaming provider for the cruise ship industry and regulated casino industry. The Company specializes in multiplayer gaming products, including poker and casino games, which are complemented by a robust suite of backend tools for operators to efficiently control and optimize their gaming business.

For more information on the Company, please contact Jake H. Kalpakian, President and CEO, at (604) 681-0204 ext 6105, or visit the Company's website at [www.jackpotdigital.com](http://www.jackpotdigital.com).

On behalf of the Board of  
Jackpot Digital Inc.

*"Jake H. Kalpakian"*

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Jake H. Kalpakian  
President & CEO

*Trading in the securities of the Company should be considered speculative.*

*The TSX Venture Exchange has neither approved nor disapproved the contents of this news release.*

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