



NEWS RELEASE

JACKPOT DIGITAL PROPOSES DEBENTURE FINANCING WITH BUYBACK PROVISION TO ACCELERATE LICENSING IN MULTIPLE JURISDICTIONS

Vancouver, British Columbia. January 9, 2023 - Jackpot Digital Inc. (the "Company or "Jackpot") (TSX-V: JJ) (TSX-V:JJ.WT.B) (TSX-V:JJ.WT.C) (US OTCQB: JPOTF) (Frankfurt Exchange: LVH3) wishes to announce that, further to the Company's news release dated December 16, 2022 which announced a Master Services Agreement with Penn Entertainment Inc. ("PENN"), Jackpot proposes to conduct an unsecured convertible debenture financing to raise C\$500,000 in gross proceeds (the "Debenture Financing"), in order to accelerate regulatory licensing in multiple jurisdictions, and to expedite the installations of Jackpot Blitz® ETGs.

The Debenture Financing will be convertible into 3,333,333 units at a conversion price of C\$0.15 per unit. Each unit will consist of one Jackpot common share and one share purchase warrant exercisable to purchase one Jackpot common share at the price of C\$0.25 per share for a period of four years from closing of the Debenture Financing (the "Share Purchase Warrant"). The Debenture Financing will pay 10% annual interest and will mature in four years from the Closing date of the Debenture Financing. The Company will have the option to repay all or part of the Debenture Financing in the first year. In the event the Company repays all or any part of the principal amount of the Debenture Financing at anytime during the first year, then the Debentureholders will be entitled to exercise the Share Purchase Warrants at the price of \$0.25 per Jackpot share during the balance of the term of the Share Purchase Warrants.

Proceeds from the Debenture Financing will be utilized towards regulatory licensing fees and related expenses in multiple jurisdictions to facilitate the widespread placement of Jackpot Blitz® ETGs, and for general working capital.

Jackpot Digital's President & CEO, Jake Kalpakian, states, "Demand for our dealerless table game platform continues to grow, as is evidenced by our deal with a major US casino operator and many similar deals in our pipeline. Our momentum is strong, and we are aiming for blanket licensing to create the biggest possible footprint for Jackpot Blitz® placements. When the new licensing is in place, new Jackpot Blitz® installations are expected to accelerate the growth of monthly recurring revenues from those installations. With labour shortages, wage inflation and a continuing macro trend toward automation in casino gaming, the time is now for Jackpot Blitz®."

The securities that may be issued in connection with the Debenture Financing shall include a hold period in accordance with applicable securities laws. There may be finder's fee payable in respect to the Debenture Financing in accordance with the policies of the TSX Venture Exchange (the "Exchange").

The Debenture Financing is subject to the approval of the Exchange.

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 complimented 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.

On behalf of the Board of
Jackpot Digital Inc.

"Jake H. Kalpakian"

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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Certain statements contained herein are "forward-looking". Forward-looking statements may include, among others, statements regarding Jackpot's future plans, the obtaining of customary regulatory approvals, projected or proposed financings, costs, objectives, economic or technical performance, or the assumptions underlying any of the foregoing. In this News Release, words such as "may", "would", "could", "will", "likely", "enable", "feel", "seek", "project", "predict", "potential", "should", "might", "objective", "believe", "expects", "propose", "anticipate", "intend", "plan", "plans", "estimate", and similar words are used to identify forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, projections and estimations, there can be no assurance that these assumptions, projections or estimations are accurate. Readers, shareholders and investors are therefore cautioned not to place reliance on any forward-looking statements as the plans, assumptions, intentions or expectations upon which they are based might not occur.