



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

## **NEWS RELEASE**

### **JACKPOT DIGITAL ANNOUNCES RIGHTS OFFERING**

**Vancouver, British Columbia – May 17, 2018 – Jackpot Digital Inc.** (the “**Company**” or “**Jackpot**”) (TSX-V: JP) (TSX-V: JP.WT) (US OTCQB: JPOTF) (Frankfurt & Berlin Exchanges: LVH1) is pleased to announce that it will be making a rights offering (the “**Rights Offering**”) in which holders of record of the Company's common shares, as at the record date of May 24, 2018, will receive rights to subscribe for units of the Company.

#### **Description of Rights Offering**

Each shareholder of record on May 24, 2018 (the “**Record Date**”) will receive one right (a “**Right**”) for every three Jackpot common shares held. One Right will permit the shareholder to purchase one unit (a “**Unit**”) at a price of \$0.15 per Unit. The Rights will expire at 5:00 p.m. (Toronto, ON time) on June 18, 2018. Each Unit will consist of one common share and one transferable share purchase warrant (a “**Warrant**”). Each Warrant will entitle the holder to purchase one additional common share at a price of \$0.50 until January 20, 2022. The Warrants will have the same terms and conditions as the warrants that were issued by the Company pursuant to the rights offering, which completed on January 20, 2017. The Rights will be transferable and listed for trading on the TSX Venture Exchange (the “**Exchange**”). The Warrants, when issued, are also expected to be listed on the Exchange, subject to Jackpot satisfying the distribution requirements of the Exchange.

Holders of Rights that fully exercise their Rights will be entitled to subscribe for additional Units, if available, that were not subscribed for by other holders of Rights.

The Rights Offering is not subject to any minimum subscription level. If the Rights Offering is fully subscribed, Jackpot will issue up to 12,266,058 new common shares and Warrants to purchase up to an additional 12,266,058 common shares, for total gross proceeds of approximately \$1,839,908.70. If all the Warrants covered by this Rights Offering are exercised, the additional proceeds to the Company will be \$6,133,029. There are currently 36,798,174 common shares issued and outstanding. If all Rights are exercised, the Company's issued and outstanding shares will increase to 49,064,232 and if all Warrants covered by this Rights Offering are exercised the issued and outstanding shares will be 61,330,290.

The Company understands that certain directors and officers of the Company who own common shares intend to exercise their Rights to purchase common shares under the Rights Offering.

The terms of the Rights Offering and the procedures for exercising Rights will be explained in a rights offering circular (the “**Rights Offering Circular**”). The Rights Offering Circular will be available on the SEDAR website at [www.sedar.com](http://www.sedar.com) on May 24, 2018. To subscribe for common shares, a completed rights certificate, together with payment in full of the subscription amount for each Unit subscribed for, must be received by the subscription agent

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for the Rights Offering, Computershare Investor Services Inc. (the “**Rights Agent**”), before the expiry date of June 18, 2018.

The Rights Offering is not being made in any jurisdiction other than the applicable jurisdictions in Canada (the “**Qualified Jurisdictions**”), and is not, and under no circumstances is to be construed as an offering of any securities for sale in, or to a resident of any jurisdiction, other than the Qualified Jurisdictions, or a solicitation therein or an offer to buy or sell securities.

The Rights Offering is subject to regulatory approval, including the approval of the Exchange. The Company has obtained conditional approval from the Exchange.

### **Stand-by Guarantees**

Jacob H. Kalpakian, Jackpot's President and Chief Executive Officer will act as a stand-by guarantor for up to 2,000,000 Units of the Rights Offering, for subscription funds of up to \$300,000. Christopher Kape, Cindy Cheer and Carol Vorberg will also act as stand-by guarantors for up to 4,000,000 Units of the Rights Offering, for subscription funds of up to \$600,000. The stand-by-by guarantees total up to \$900,000.

As consideration for acting as stand-by guarantors, the Company will issue bonus warrants to each of Jacob Kalpakian, Christopher Kape, Cindy Cheer and Carol Vorberg entitling them to acquire up to a total 1,500,000 common shares of the Company equal to 25% of the total number of Units each stand-by guarantor has agreed to purchase under the stand-by commitment, at a price of \$0.50 per share for a period of five years after the date on which performance under the guarantees could be required. The stand-by guarantors who receive Rights as shareholders on the Record Date will not however receive bonus warrants for exercising their basic subscription privilege. If a stand-by guarantor exercises none of its Rights or exercises only a portion of its Rights, then the number of bonus warrants that will be issued to the stand-by guarantor will be reduced in accordance with the Exchange's policy.

### **Use of Net Proceeds of Rights Offering**

Jackpot intends to use the net proceeds raised from the Rights Offering for costs relating to the production of electronic gaming tables. Any balance of the net proceeds of the Rights Offering will be used for general working capital.

### **No U.S. Offering or Registration**

This news release does not constitute an offer to sell, or the solicitation of an offer to buy securities in any jurisdiction, including the United States. The securities offered under the Rights Offering will not be or have not been registered under the *Securities Act of 1933*, as amended (the “**Securities Act**”), or the securities laws of any state of the United States. Such securities may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S of the Securities Act) or person in the United States except in transaction exempt from or not subject to the registration requirements of the Securities Act and applicable state securities laws.

### **Jackpot Blitz™ Deployment and GLI Update**

Early feedback of the seven Jackpot Blitz™ tables have been positive and the Company has recently deployed three more Jackpot Blitz™ tables bringing the total active installations of the new Jackpot Blitz™ tables to ten.

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Furthermore, this Rights Offering will allow the Company to manufacture and deploy even a larger quantity of the new Jackpot Blitz™ tables which will strengthen the Company further.

President & CEO Mr. Jake Kalpakian states, “There is no question our new Jackpot Blitz™ tables are proving to be popular and by continuing to add more tables in the marketplace, we should experience even greater momentum and benefits”.

In regards to GLI certification, we have been working to enhance specific gameplay and reporting features on Jackpot Blitz™, including Bad Beat Jackpots and other vital elements essential for the product’s broad success in regulated markets. Many of these features have been requested by prospective land-based casino customers, and with these additional features completed we expect to see even greater interest from regulated markets in the near future. We will be giving a further update on the company’s GLI status in June.

### **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.*

*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 future plans, 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”, “feel”, “seek”, “project”, “predict”, “potential”, “should”, “might”, “objective”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “no question”, 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, including, but not limited to: (i) the inability of the Company to obtain TSX Venture Exchange approval of this Rights Offering; ii) the inability of any or all shareholders or stand-by guarantors to exercise and subscribe for this Rights Offering; and (iii) other factors beyond the Company’s control. 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.*

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