



Symbols: JP.TSX Venture Exchange
JPOTF.OTC Pink
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JACKPOT DIGITAL ANNOUNCES DETAILS OF RIGHTS OFFERING

Vancouver, British Columbia – January 26, 2017 – **Jackpot Digital Inc.** (the "**Company**" or "**Jackpot**") (TSX-V: JP) (US OTC Pink: JPOTF) (Frankfurt & Berlin Exchanges: LVH) is pleased to announce that, further to its news release of January 18, 2017 with respect to the completion of its rights offering (the "**Rights Offering**"), the Rights Offering was fully subscribed and, as such, Jackpot has issued 155,996,550 units ("**Units**") comprised of 155,996,550 common shares and transferable share purchase warrants (the "**Warrants**") to purchase up to an additional 155,996,550 common shares, for total gross proceeds of \$1,559,965.50. Each Warrant entitles the holders to purchase one additional common share at a price of \$0.05 for five years until January 20, 2022.

A total of 147,556,892 common shares and Warrants were issued pursuant to the basic subscription privilege of the Rights Offering. Of these, 2,728,875 common shares and Warrants were issued to insiders of Jackpot and 144,828,017 common shares and Warrants were issued to all other persons. A total of 8,439,658 common shares and Warrants were issued pursuant to the additional subscription privilege of the Rights Offering. Of these, 239,601 common shares and Warrants were issued to insiders of Jackpot and 8,200,057 common shares and Warrants were issued to all other persons. Due to an overwhelming demand under the additional subscription privilege in the Rights Offering, shareholders wished to subscribe for an additional 155,954,900 Units which is effectively double the demand of the number of Units offered. Management believes this indicates there is significant support of Jackpot by its shareholders and interest in increasing their investment. Following completion of the Rights Offering, Jackpot has 311,993,100 common shares issued and outstanding. If all Warrants are exercised, including warrants issued to stand-by guarantors, the issued and outstanding shares will be 500,364,650 and the additional proceeds to the Company will be \$9,418,577.50.

President and CEO Mr. Jake Kalpakian states "due to the high demand in the Rights Offering, the Company is currently investigating other non-dilutive financing alternatives which it will report back in the near future".

To the knowledge of Jackpot, after reasonably inquiry, no persons became an insider of Jackpot from the distribution under the Rights Offering.

The stand-by guarantors of the Rights Offering were 30 Rock Management Inc. ("30 Rock"), which is owned by Jacob H. Kalpakian, Jackpot's President and Chief Executive Officer, and Mr. Kalpakian, as Trustee of the JHK Family Trust; Bedo Kalpakian and Neil Spellman, who are directors of the Company; 87 Capital Corp., the holder of the secured debenture in the principal amount of US\$2,250,000 owed by the Company; Maria Arenas, the Company's Corporate Secretary; and eight other persons who are at arm's length. The stand-by guarantors had agreed to purchase from Jackpot a total 129,500,000 Units available to be purchased, but not otherwise subscribed for, for total commitments of \$1,295,000. The

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stand-by guarantors were not required to fulfill their respective obligations under the stand-by commitments. However, to the Company's knowledge, the guarantors who held Rights did exercise their basic subscription privilege and, in some cases, their additional subscription privilege under the Rights Offering.

As compensation for providing the stand-by commitments, the stand-by guarantors received bonus warrants entitling them to purchase a total 32,375,000 common shares of the Company equal to 25% of the total number of Units the stand-by guarantors had agreed to purchase under the stand-by commitments, exercisable at a price of \$0.05 per share for a period of five years until January 20, 2022.

Jackpot intends to use the net proceeds raised in the Rights Offering for the purposes disclosed in Jackpot's rights offering circular dated December 9, 2016 available for review on SEDAR at www.sedar.com. The intended purposes include a payment to Everi Holdings, Inc. under the asset purchase agreement for the Company's purchase of the PokerTek assets; repayment of \$300,000 to 30 Rock for its advance under its stand-by commitment; development of Jackpot's second generation electronic poker table; and general working capital. Refer to the Company's rights offering circular for more details regarding the intended use of the net proceeds.

For more information on the Company, please contact Jake H. Kalpakian, President, 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.

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.

This news release contains forward-looking information that involve various risks and uncertainties regarding future events. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information. Actual results and future events could differ materially from those anticipated in such information.