

INFORMATION CIRCULAR
TO THE ANNUAL & SPECIAL MEETING OF THE SHAREHOLDERS OF
CRYPTOLOGIC INC.
AND GENERAL PROXY INFORMATION

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF CRYPTOLOGIC INC. (“CryptoLogic” or the “Company”), of proxies to be used at the Annual and Special Shareholders Meeting of CryptoLogic Inc. to be held on May 25, 2000, at The Hockey Hall of Fame, BCE Place, 30 Yonge Street, Toronto, Ontario M5E 1X8 at the hour of 4:00 P.M (Toronto time) and at all adjournments thereof, for the purposes set forth in the accompanying Notice of Annual & Special Meeting of Shareholders of CryptoLogic Inc.

The solicitation of proxies for the CryptoLogic meeting will be made primarily by mail but proxies may also be solicited personally or by telephone on behalf of the Company. The solicitation of proxies by this circular is being made in respect of matters to be considered by shareholders of the Company by or on behalf of the management of the Company. The Company will bear the total cost in respect of the solicitation of proxies for the applicable meeting and will bear the legal, printing and other costs associated with the preparation of this management information circular. The information contained herein is given as at April 19, 2000 except where otherwise noted.

Appointment and Revocation of Proxies

Together with this circular, the shareholders of the Company will also be sent a form of proxy. The persons named in such proxy are representatives of management of the Company and are directors and officers of the Company. **A shareholder who wishes to appoint some other person to represent him at the meeting may do so by inserting such person's name in the blank space provided in the form of proxy. Such other person need not be a shareholder of the Company.**

To be valid, proxies given by shareholders of the Company must be deposited at the offices of Equity Transfer Services Inc., 120 Adelaide Street West, Suite 800, Toronto, Ontario, M5H 3V1 prior to the close of the last business day prior to the meeting, or, if the meeting is adjourned, 48 hours (excluding Saturdays and holidays) before any adjournment of the meeting.

Pursuant to Section 110(4) of the *Ontario Business Corporations Act*, a shareholder who has given a proxy may revoke the proxy: (a) by completing and signing a proxy bearing a later date and depositing it as aforesaid: or (b) by depositing an instrument in writing executed by him or by his attorney authorized in writing (i) at the registered office of the Company at any time up to and including the last business day preceding the day of the applicable meeting, or any adjournment thereof, at which the proxy is to be used, or (ii) with the chairman of the applicable meeting prior to the commencement of such meeting on the day of such meeting or any adjournment thereof; or (c) in any other manner permitted by law.

Voting of Proxies

The management representative designated in the form of proxy being provided with this circular to shareholders of the Company respecting the meeting, will vote or withhold from voting the shares in respect of which he is appointed by proxy on any ballot that may be called for in accordance with the instructions of the shareholder as indicated on the proxy. In the absence of such instructions, such shares will be voted by the management representative in favour of the matters proposed in this circular.

The enclosed form of proxy confers discretionary authority upon the management representatives designated therein with respect to amendments to or variations of matters identified in the applicable notice of meeting and with respect to other matters which may properly come before the applicable meeting. At the date of this circular, the management of the Company knows of no such amendments, variations or other matters of the Company.

Proxies received by management will be voted at the meeting of the Company or any adjournment thereof specified therein by the person giving the Proxy. **TO THE EXTENT NO CHOICE IS SPECIFIED, THE PROXY WILL BE VOTED FOR MANAGEMENT'S PROPOSALS AS STATED UNDER THE HEADINGS RELATING TO THESE MATTERS IN THIS INFORMATION CIRCULAR. ALL PROXIES SUBMITTED, REGARDLESS OF HOW VOTED, WILL BE INCLUDED FOR PURPOSES OF DETERMINING WHETHER A QUORUM IS PRESENT FOR THE MEETING.** Management's proposals have been approved by the Board of Directors. A quorum is required in order for the meeting to be properly constituted. One-quarter of the total outstanding shares of the Company must be present in person or represented by proxy at the meeting in order to form a quorum.

Voting Shares

On the date of this Information Circular, the Company had 11,222,462 common shares outstanding. Each holder of a common share of the Company at the close of business on April 19, 2000, will be entitled to one vote for each common share held, as applicable, on all matters proposed to come before the applicable meeting, except to the extent such shareholder has transferred any such shares after the record date and the transferee of such shares establishes ownership thereof and makes a written demand, not later than 10 days before the date of the meeting to be included in the list of shareholders entitled to vote at the applicable meeting, in which case the transferee will be entitled to vote such shares.

Principal Shareholders

To the knowledge of the directors and officers of the Company, no person beneficially owns or exercises control or direction over shares carrying more than 10% of the votes attached to the issued and outstanding common, same and except Weiss, Peck & Greer, L.L.C. holding 1,519,600 common shares, representing 13.5% of the outstanding common shares of the Company.

Class A Warrants entitling the holder to acquire 1.6 million common shares at an exercise price of Cdn.\$0.50 per share until January 2, 2001 as well as 175,000 common shares are owned by various corporations in which Andrew Rivkin owns all of the outstanding preference shares. Class A Warrants entitling the holder to acquire 1.7 million common shares at an exercise price of Cdn.\$0.50 per share until January 2, 2001 as well as 175,000 common shares are owned by various corporations in which Mark Rivkin owns all of the outstanding preference shares.

Description of Share Capital of the Company

The authorized capital of the Company consists of an unlimited number of common shares. On the date of this Information Circular the issued capital consists of 11,222,462 common shares. There are "Class A" Warrants entitling the purchase of 3.3 million shares at \$0.50 per share until January 2, 2001 and a "Class C" Warrant outstanding entitling the holder to acquire 160,000 common shares at \$5.00 per share until February 10, 2002.

Holders of common shares of the Company are entitled to dividends as and when declared by the board of directors, and are entitled to notice of and to one vote per common share at any meeting of the shareholders of the Company.

Financial Statements

The Annual Report, the Financial Statements of the Corporation for the year ended December 31, 1999 and the Auditors Report thereon accompanying this Management Information Circular will be placed before the shareholders at the Meeting for their consideration.

Under National Policy 41, adopted by the Canadian Securities Administrators, a person or Corporation who in the future wishes to receive interim financial statements from the Corporation must deliver a written request for such material to the Corporation, together with a signed statement that the person or Corporation is the owner of securities (other than debt instruments) of the Corporation. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice to the Corporation or its Transfer Agent.

OUTLINE OF MATTERS TO BE ACTED UPON

ELECTION OF DIRECTORS

The following persons are proposed as directors of CryptoLogic:

Name & Municipality of Residence	Position with the Corporation Present & Principal Occupation	Date Appointed as a Director	Common Shares of the Corporation beneficially owned, directly or indirectly or controlled or directed as at April 19, 2000	Number of Options Held as of April 19, 2000
Andrew Rivkin ⁽¹⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁸⁾⁽⁹⁾ Toronto, Ontario	Director, President and Chief Executive Officer	Nov-30-95	Nil ⁽³⁾	100,000
Mark Rivkin ⁽²⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁹⁾ Toronto, Ontario	Director, Executive Vice President and Chief Operating Officer	Nov-30-95	Nil ^(3a)	100,000
Austin Page ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁷⁾⁽⁸⁾⁽¹⁰⁾ Toronto, Ontario	Director, Chairman	Jun-16-97	5,000	75,000
David Cynamon ⁽²⁾⁽⁶⁾⁽¹⁰⁾ Concord, Ontario	Director	Feb-17-99	2,000	75,000
Edwin Cohen ⁽¹⁾⁽⁶⁾⁽⁷⁾⁽¹⁰⁾ Toronto, Ontario	Director	Dec-21-95	158,000	45,000
Dennis Wing ⁽⁴⁾⁽⁶⁾⁽⁸⁾⁽⁹⁾ Toronto, Ontario	Director	Jun-21-99	114,500	75,000

(1) Denotes member of Audit Committee.

(2) Denotes member of Compensation Committee

(3) Class A Warrants entitling the holder to acquire 1.6 million common shares at an exercise price of Cdn.\$0.50 per share until January 2, 2001 as well as 175,000 common shares are owned by various corporations in which Andrew Rivkin owns all of the outstanding preference shares.

(3a) Class A Warrants entitling the holder to acquire 1.7 million common shares at an exercise price of Cdn.\$0.50 per share until January 2, 2001 as well as 175,000 common shares are owned by various corporations in which Mark Rivkin owns all of the outstanding preference shares.

(4) Denotes member of Corporate Governance Committee.

(5) Denotes member of Electronic Commerce Committee.

(6) Denotes member of Investment Committee.

(7) Denotes member of Nominating Committee.

- (8) Denotes member of Corporate Compliance Committee
- (9) Denotes member of Strategic Investment Fund Committee.
- (10) Denotes member of Special Independent E-Cash Committee.

Edwin Cohen, of Toronto, Ontario, is presently a director of Knightcove Entertainment Corp. and Northhampton Group Inc. Mr. Cohen has served as a director of the Company since December, 1995.

David Cynamon resides in Toronto, Ontario and became Chairman and Chief Executive Officer of KIK Corporation in 1995. KIK Corporation is in the North American private label household products industry. Mr. Cynamon is also a founding partner and shareholder in Playdium Entertainment Corp. Throughout most of 1997, Mr. Cynamon was a member of the Executive Committee of Cott Corporation. From 1987 to 1995, he was the Chairman and Chief Executive Officer of a company he co-founded, NHC Communications (previously known as Hav-Info Communications Inc.), one of the first companies of its time to offer the non-professional investor real-time, on-line stock quotations and other information services. Later, the company became a leader in the networking communications manufacturing sector. Mr. Cynamon has served as a director of the Company since February 17, 1999.

Austin Page, of Toronto, Ontario, is President of Management Performance Inc. located in Kingston, Ontario. In 1990, he was elected a director of BCI Bank Canada where he chaired the Audit Committee. From 1992 to 1996, Mr. Page was President and Chief Executive Officer of Aluma Systems Corp. From 1982-1992, he was the Executive Vice-President and Chief Financial Officer of Tridel Corp., and from 1980-1982 he was the Vice-President of Corporate Development for V.S. Services Ltd. He has served as a director of the Company since June 1997 and is Chairman of the Board and Chairman of the audit committee.

Andrew Rivkin, of Toronto, Ontario, is a co-founder of the Company. He is the President, Chief Executive Officer and a director of the Company. Mr. Rivkin co-designed the software which forms the basis of the Company's software. From November 1992 to August 1994, he was Vice-President of HFAM Inc., a real estate company that acquired government property for private ownership. Mr. Rivkin has served as a director of the Company since November, 1995.

Mark Rivkin, of Toronto, Ontario, is a co-founder of the Company. He is the Executive Vice-President, Chief Operating Officer and a director of the Company. Mark Rivkin co-designed the software which forms the basis of the Company's software. While in university from 1993 to 1995, he was a co-owner of Campus Notes, a university notes exchange program. Mark Rivkin has served as a director of the Company since November, 1995.

Dennis Wing, of Toronto, Ontario, is currently Director of International Operations for Fahnestock & Co. Inc., a U.S. investment bank. From 1981-1998, Mr. Wing was a founding partner and Board member of First Marathon Securities Inc. of Toronto and was most recently Director of International Operations. His other Board memberships include WaveRider Communications Inc., Vengold Inc. and the University of Waterloo. Dennis Wing has served as a director of the Company since June, 1999.

Compensation of Directors

Each non-management director of the Company is entitled to receive an annual fee from the Company equal to Cdn.\$5,000. In addition, each non-management director of the Company is entitled to receive a fee equal to Cdn.\$500 for his or her attendance at each meeting of the board of directors of the Company or a committee thereof. Management officers of the Company who are directors are not entitled to receive any fees in their capacity as directors of the Company. During the year ended December 31, 1999, an aggregate of Cdn.\$21,685 in annual fees was paid to the non-management directors of the Company, either directly or to certain corporations controlled by such persons, in respect of annual directors' fees and an aggregate of Cdn.\$73,000 was paid to the Company's non-management directors in respect of meetings attended by them. An aggregate amount of \$12,000 was paid in retiring fees to the non-management directors in 1999. In addition to the foregoing, the directors of the Company are eligible to receive grants of stock options under the Company's stock option plan. See "Stock Options" below. Non-management directors are entitled to a retirement allowance of Cdn. \$3,000 for each year (or part thereof) during which they served.

AMENDMENT TO STOCK OPTION PLAN

The Board of Directors and the Shareholders of CryptoLogic have adopted a stock option plan (the "Plan") in order to provide an incentive for key directors, officers and employees. The Plan provides that the Board of Directors of CryptoLogic may, from time to time in its discretion, grant to key directors, officers and employees of CryptoLogic or the registered retirement savings plan or holding companies of them, the option to purchase common shares. The board of directors will determine the price per common share and the number of common shares which may be allotted to each such person or plan and all other terms and conditions of the option, in accordance with the applicable policies of any relevant regulatory authority or stock exchange. These options will be exercisable for a period not exceeding five years from the date of grant. The shareholders have authorized the granting of up to 1,500,000 options by the directors. Currently there are 1,120,000 outstanding options which have been granted by the directors at the following exercise prices of: 32,650 at \$5.50 per share, 74,200 at \$7.00 per share, 360,200 at \$8.00 per share, 9,100 at \$8.25 per share, 600 at \$13.75 per share, 1,900 at \$14.50 per share, 20,000 at \$15.50 per share, 150,000 at \$16.00 per share, 12,000 at \$16.75 per share, 97,500 at \$17.00 per share, 75,000 at \$18.00 per share, 3,000 at \$18.80 per share, 15,000 at \$19.25 per share, 23,800 at 21.00, 45,000 at \$21.50, 15,000 at \$29.00, 9,000 at \$34.97, 6,000 at \$35.62, 24,000 at \$39.95, 125,050 at \$40.20 and 21,000 at \$64.30 per share.

Management proposes to increase the number of shares that may be issued under the Stock Option Plan by 800,000 from 1,500,000 to 2,300,000. Approval of the increase in the number of shares that may be issued shall be by the holders of a simple majority of all common shares, other than the shareholder's that are directors and officers of the Company, in the form attached as Schedule "A" hereto.

RE-APPOINTMENT OF AUDITOR

It is proposed that KPMG, Chartered Accountants, of Toronto be re-appointed as the Company's auditors and that their remuneration be fixed by the directors.

INFORMATION CONCERNING THE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Toronto Stock Exchange (“TSE”) has adopted the recommendations of the Toronto Stock Exchange Committee on Corporate Governance in Canada (the "TSE Committee") to require the annual disclosure by each listed corporation of its approach to corporate governance with reference to the proposed guidelines of the TSE Committee. These proposed guidelines are set out in section 474 of its Company Manual.

Mandate of the Board of Directors

The Board of Directors is responsible for the stewardship of the Corporation through consultation with the management of the Corporation. The Board of Directors adopted a mandate on July 22, 1998. Generally the Board meets a minimum of four times each year. In addition, the Board meets more often when non-routine matters requiring its approval are raised. The Board met 9 times during calendar 1999.

The Board of Director’s is responsible for managing and supervising the Management of the Corporation on behalf of the shareholders.

Specifically, the Board is responsible for the following:

- a) Regular review and approval of general business strategy and direction
- b) Annual review of and approval of business plans
- c) Quarterly review and approval of financial statements
- d) Regular review of senior management performance (C.E.O., C.O.O., and C.F.O.)
- e) Regular review of Corporate Governance practices
- f) Regular review of compensation plans and their application
- g) Specific approval changes to corporate by-laws
- h) Approval of the issuance of securities
- i) Declaration of Dividends
- j) Purchase or redemption of the shares
- k) Review stock option plan and allocation of same
- l) Annual disclosure of the composition of the Board, specifically the number of unrelated and related Directors

The Board is further responsible to ensure that the following are in place and operating effectively:

- a) A strategic and operational planning process
- b) A risk identification and management process
- c) A management development and successor planning process including appointing, training and monitoring senior management
- d) A corporate communication policy and full disclosure practices
- e) Annual review of internal and systems contracts, management organization and management information systems

It is expected that members of the Board of Directors of CryptoLogic will:

- a) Act in the best interests of the corporation to maximize shareholder value
- b) Actively promote business opportunities and business relationships to the benefit of the corporation
- c) Carry out their duties proactively as directors to assist management with corporate governance and management concerns
- d) Devote sufficient time to stay current on the corporation's plans and activities in order to knowledgeably contribute to its development
- e) Avoid conflicts of interest and personal or business dealings with the corporation for their own account or any business with which they are associated

Composition of the Board

Four of the six directors are unrelated directors. An unrelated director is defined as one who is independent of management and is free from any interests or any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from shareholdings. A related director is one who is not an unrelated director.

Mr. Andrew Rivkin President is a related director, as is Mr. Mark Rivkin, Executive Vice President of the Corporation, by virtue of their holding management positions. While these two Directors may by definition be related directors, they, like all directors, continue to be legally obligated to act in good faith with a view to the best interests of the Corporation and its shareholders. The remainder of the Directors are unrelated in that they have not worked for the Corporation nor do they have material contracts with the Corporation.

The Corporation has a no "significant shareholders", which is defined by the guidelines as a shareholder with the ability to exercise a majority of votes for the election of directors.

Board Approvals and Structure

The Board responds to and if it considers appropriate approves, with such revisions as it may require, corporate objectives and recommended courses of action which have been brought forward by management. The Board retains plenary power for those functions not specifically delegated by it to management. In addition to maintaining the powers it must retain by statute, significant business activities, actions and communications proposed to be taken or submitted by the Corporation are subject to Board approval.

Annual capital and operating budgets and significant changes, the Annual Information Form, annual and quarterly financial statements, Shareholder's Information Circular, major changes in the organizational structure of the Corporation, major acquisition and disposition transactions, major financing transactions involving the issuance of shares, debt securities and the like, major banking relationships, dividends, appointment of officers, stock option plans, and the issuance of stock options, are all subject to Board approval.

Board Committees - Size and Compensation

There are nine Board Committees, the Audit Committee, comprised of three members, two of whom are unrelated Directors, and the Compensation Committee comprised of three members, two of whom are unrelated Directors, the Investment Committee comprised of four members, three of whom are unrelated Directors, the Governance Committee comprised of three members, all of whom are unrelated Directors and the E-Cash Committee comprised of four members, two of whom are unrelated Directors, the Nominating Committee comprised of three members, two of whom are unrelated Directors, E-Cash Advisory Committee comprised of three members, one of whom is an unrelated Director, the Strategic Investment Fund Committee, one of whom is an unrelated Director and the Corporate Compliance Committee, two of whom are unrelated Directors.

The Audit Committee has direct communications channels with internal personnel responsible for financial statement preparation and with the Corporation's external auditors. The Committee monitors audit functions and the preparation of financial statements and meets with outside auditors independent of management. Additional responsibilities include the review of any auditor's reports to management and review of internal controls and transactions between officers and the Company. The Audit Committee met four times between January and December 31, 1999.

The Compensation Committee reviews the executive officers compensation and management's recommendations on stock option grants to employees.

The Nominating Committee consists of three members, two of which are unrelated Directors. This committee recommends the appointment of new Directors to the Company's Board, following interviews with candidates. The Nominating Committee also assesses the effectiveness of the Board as a whole, the committees of the Board, and the contribution of individual directors.

The Corporation has a formal process of orientation and education for new members of the Board. When relevant, this process is supplemented informally by members of the Board.

The Board has not yet developed position descriptions for the Board and the Chief Executive Officer. As the Board has plenary power, any responsibility which is not delegated to management or a Board committee remains with the Board.

The Board has not adopted a formal system which would enable an individual director to engage an outside advisor at the expense of the Corporation in appropriate circumstances, however, the Chairman of the Audit Committee has been authorized to retain advice in matters relating to the affairs of the Audit Committee. If such an engagement were appropriate it would be subject to the approval of the Board.

EXECUTIVE COMPENSATION

As at December 31, 1999, the Company had seven executive officers. The aggregate cash compensation paid to these executive officers during the year ended December 31, 1999 was Cdn.\$681,859.77.

The following table presented in accordance with the regulations of the Securities Act (Ontario) sets forth all compensation paid in respect of the Chief Executive Officer and those executive officers who received in salary and bonus in excess of Cdn.\$100,000 per year (“Named Executive Officers”).

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All Other Compensation
		Salary (\$)	Bonus (\$)	Other Annual Compensation	Securities Under Options/SARs Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Pay-outs (\$)	
Andrew Rivkin President & CEO	1999	120,861	-	-	100,000	Nil	Nil	Nil
	1998	114,231	-	-	100,000	Nil	Nil	Nil
	1997	73,498	-	-	100,000	Nil	Nil	Nil
Mark Rivkin, Executive Vice- President & COO	1999	110,856	-	-	100,000	Nil	Nil	Nil
	1998	103,846	-	-	100,000	Nil	Nil	Nil
	1997	54,427	-	-	100,000	Nil	Nil	Nil
Anatoly Plotkin ⁽¹⁾ Chief Technology Officer	1999	126,791	-	-	160,000	Nil	Nil	Nil
	1998	101,538	-	-	160,000	Nil	Nil	Nil
	1997	76,457	-	-	160,000	Nil	Nil	Nil
Barry Shafran ⁽²⁾ Chief Financial Officer	1999	73,231	-	-	87,500	Nil	Nil	Nil
	1998	71,077	-	-	87,500	Nil	Nil	Nil
Harvey Solursh ⁽³⁾ Chief Financial Officer	1999	204,000	-	-	87,500	Nil	Nil	Nil
	1998	36,600	-	-	87,500	Nil	Nil	Nil

Notes:

(1) Mr. Plotkin holds 160,000 Class C Warrants entitling him to acquire one common share at Cdn.\$5.00 per share until February 10, 2002.

(2) Mr. Shafran was employed for 6 months in fiscal 1999. Mr. Shafran’s options were cancelled in June, 1999.

(3) Mr. Solursh commenced receiving compensation from the Company in October, 1998.

Long Term Incentive Plans

There were no such plans awarded in the last completed fiscal year.

**Options/SAR Granted During The Most Recently Completed Financial Year
Ended December 31, 1999 to Named Executive Officers**

Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees in Financial Year	Exercise Price (Cdn.\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (Cdn.\$/Security)	Expiration Date
Anatoly Plotkin	Nil	Nil	Nil	Nil	Nil
Andrew Rivkin	Nil	Nil	Nil	Nil	Nil
Mark Rivkin	Nil	Nil	Nil	Nil	Nil
Barry Shafran	Nil	Nil	Nil	Nil	Nil
Harvey Solursh	Nil	Nil	Nil	Nil	Nil

Stock Options Exercised and Held

The following information concerns each exercise of options during the most recently completed financial year ended December 31, 1999 by the Company's Named Executive Officers and the financial year end value of unexercised options held, on an aggregate basis.

**Aggregated/SAR Option Exercises During the Most Recently Completed Financial Year
and Financial Year-End Option Values**

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Year End (#)		Value of Unexercised in the Money Options at Year End(1) Exercisable/ Non-exercisable Cdn. \$	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Anatoly Plotkin ⁽²⁾	Nil	Nil	160,000	-	3,264,000	-
Andrew Rivkin ⁽³⁾	Nil	Nil	100,000	-	1,790,000	-
Mark Rivkin ⁽⁴⁾	Nil	Nil	100,000	-	1,790,000	-
Barry Shafran	12,500	\$150,000	Nil	-	-	-
Harvey Solursh	Nil	Nil	37,500	50,000	452,500	395,000

Note:

- (1) Based on the closing price of the common shares on the Toronto Stock Exchange on December 31, 1999 of Cdn.\$25.90.
- (2) Mr. Plotkin holds 160,000 Class C Warrants entitling him to acquire one common share at Cdn.\$5.00 per share until February 10, 2002.
- (3) Class A Warrants entitling the holder to acquire 1.6 million common shares at an exercise price of Cdn.\$0.50 per share until January 2, 2001 as well as 175,000 common shares are owned by various corporations in which Andrew Rivkin owns all of the outstanding preference shares.
- (4) Class A Warrants entitling the holder to acquire 1.7 million common shares at an exercise price of Cdn.\$0.50 per share until January 2, 2001 as well as 175,000 common shares are owned by various corporations in which Mark Rivkin owns all of the outstanding preference shares.

Compensation Committee

The compensation committee of the Board of Directors (the “Committee”) is composed of three directors, two non-management directors and one management director. The current members of the committee are Mark Rivkin, Austin Page and David Cynamon. The Committee meets as required to make recommendations to the Board of Directors with respect to senior executive compensation.

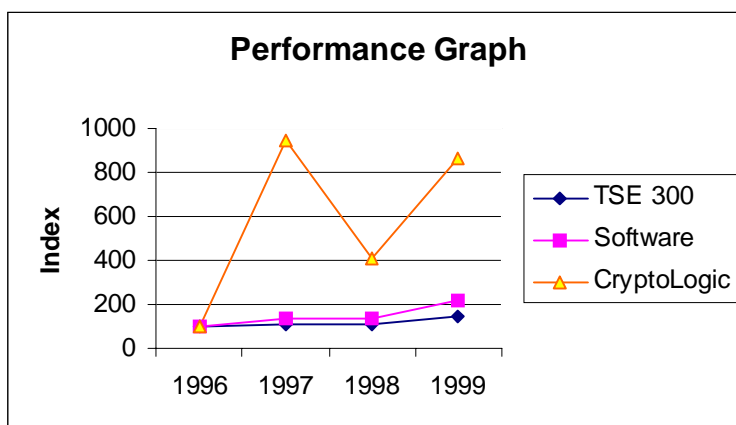
The compensation of the Company’s executive officers including those named in the Summary Compensation Table above (the “Named Executive Officers”) is determined by the Board of Directors based on recommendations made by the Committee.

Compensation for executive officers, including each of the Named Executive Officers, consists of a base salary and long-term share-based incentives, all of which are administered by the Committee.

The Committee establishes salary ranges for the positions held by executive officers following an annual review of the responsibilities of the officer, the officer’s performance, experience and years of service and the salary levels for comparable positions in other comparable companies.

Performance Graph

The following graph compares the yearly percentage changes over the last three years, since the shares became publicly trading, in the cumulative total return of the Toronto Stock Exchange 300 Stock Index and the Toronto Stock Exchange Software Technology Index:



CryptoLogic’s Closing Price as at December 31:

1996 = \$3.00

1997 = \$28.50

1998 = \$12.30

1999 = \$25.90

Shareholder Communications

The Board has generally delegated the communications policy to the senior management of the Corporation. Shareholder communications are generally handled by the President, Executive Vice-President, Chief Financial Officer, Senior Vice-President or the Director of Communications.

Expectations of Executive Officers

The Board is involved in monitoring and assessing executive officers through its regular contact with the executive management team, most of whom participate in presentations to the Board at its meetings.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the current directors or officers of CryptoLogic is or has been indebted to CryptoLogic at any time during the most recently completed fiscal year ended December 31, 1999 other than Anatoly Plotkin, Chief Technology Officer. Mr. Plotkin is indebted to the Company in the amount of \$32,000, being the purchase price for 160,000 Class C Warrants issued and sold by the Company to Mr. Plotkin at a price of Cdn.\$0.20 per Warrant on February 5, 1997. Each Series C Warrant entitles Mr. Plotkin to acquire one common share of the Company at Cdn.\$5.00 per share at any time prior to February 10, 2002. The indebtedness by Mr. Plotkin was repaid subsequent to year-end.

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

No insider of CryptoLogic has any interest, direct or indirect, in any material transactions involving CryptoLogic during the fiscal year ended December 31, 1999.

AUDITORS, REGISTRARS AND TRANSFER AGENTS

KPMG, Chartered Accountants of Toronto, are the Company's auditors.

Equity Transfer Services Inc. of Toronto is the Company's transfer agent and registrar.

NORMAL COURSE ISSUER BID

In May, 1999 the Company gave notice of its intent to issue a normal course Issuer Bid for up to 5% of the outstanding shares over a 12 month period commencing May 13, 1999 and ending May 12, 2000 in accordance with the Toronto Stock Exchange By-Laws. The Company will not offer to purchase the shares above market price. During 1999, 48,000 shares were so purchased. During the period of January 2000 through the date hereof, an aggregate amount of 20,500 shares have been purchased by the Company.

LEGAL PROCEEDINGS

There are no legal proceedings involving CryptoLogic or its property as at the date of this circular.

DIRECTORS' APPROVAL

The contents and the sending of this Information Circular have been approved by the Directors of the Company and the Information Circular has been sent to the Company's directors, shareholders and auditors.

Toronto, Ontario
April 25, 2000

CRYPTOLOGIC INC.

*Per: "Robert Stikeman", signed
Robert Stikeman,
Secretary*

CRYPTOLOGIC INC.

SHAREHOLDER’S RESOLUTION

BE IT RESOLVED THAT the Company amend the Stock Option Plan so that the number of shares that may be issued under the Company Stock Option Plan be increased by 800,000 from 1,500,000 to 2,300,000 shares.

This resolution requires a majority vote of the shareholders other than those who are directors or officers of the company, defined as “Disinterested Shareholder Approval” under the Plan.