

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 30, 2001, at The Sheraton Centre Toronto Hotel, 123 Queen Street West, Essex Ballroom, Toronto, Ontario at the hour of 4:30 P.M (Eastern 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 25, 2001 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 420, 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 13,081,559 common shares outstanding. Each holder of a common share of the Company at the close of business on April 25, 2001, 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 Andrew Rivkin who directs control over 1,600,000 common shares, and Mark Rivkin who directs control over 1,700,000 common shares each representing 12.2% and 13.0% respectively, of the outstanding common shares of the Company.

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 13,081,559 common shares.

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, 2000 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 25, 2001	Number of Options Held as of April 25, 2001
Jean B. Noelting ⁽²⁾⁽³⁾⁽⁴⁾ , Toronto, Ontario	President and Chief Executive Officer	-	Nil	600,000 ⁽⁶⁾
Andrew Rivkin ⁽¹⁾⁽²⁾⁽⁴⁾ Toronto, Ontario	Director	Nov-30-95	1,600,000	175,000
Mark Rivkin ⁽³⁾⁽⁴⁾⁽⁵⁾ Toronto, Ontario	Director	Nov-30-95	1,700,000	175,000
David Cynamon ⁽¹⁾⁽³⁾⁽⁴⁾ Concord, Ontario	Director	Feb-17-99	2,000	150,000
Dennis Wing ⁽²⁾⁽⁴⁾⁽⁵⁾ Toronto, Ontario	Director	Jun-21-99	114,500	150,000

- (1) Denotes member of Audit Committee.
- (2) Denotes member of Corporate Governance & Compliance Committee
- (3) Denotes member of Compensation Committee.
- (4) Denotes member of Investment Committee.
- (5) Denotes member of Nominating Committee.
- (6) These options are subject to shareholder approval.

Current and Present Occupation of Employment of New Director

Jean B. Noelting joined CryptoLogic on January 8, 2001 as President and Chief Executive Officer. He has experience with large public and private companies. In his 19-year career, he has played senior roles in operations, marketing, acquisitions, business development and international business.

Jean Noelting has held progressively senior positions at Westburne Inc., Parmalat Canada/Ault Foods Limited, and Campbell Soup Company. His immediate prior position was president and chief operating officer of Westburne Inc., a Cdn.\$3 billion, 6,000 employee organization and a leading Canadian distributor from 1995 to 2000. Noelting also held directorships on the boards of Videotron Group Inc., Videotron Communications, Oralife Inc. and LOOK Communications.

AMENDMENT TO STOCK OPTION PLAN

The Board of Directors considers that the ability to grant stock options to key employees is vital for attracting and retaining the most qualified personnel. Consequently, on April 12, 2001 the Board has adopted, subject to shareholder approval and approval of The Toronto Stock Exchange (the "TSE"), an amendment to the Company's Stock Option Plan (the "Plan") to increase the number of Common Shares issuable under the Plan to an amount which the Corporation believes is comparable with the number of shares, on a percentage of outstanding shares basis, of similar companies in the U.S. and Canada.

In the highly competitive software industry in which the Company competes, the success of a company is dependent on the skills of its personnel. To succeed, the Board believes that the Company needs to recruit and retain world-class employees. In the highly competitive marketplace for software industry employees, compensation packages, especially for U.S. software companies focus largely on stock option compensation as a principal inducement in the recruitment and retention of employees. It is common for software companies of the size of the Company to reserve an amount in excess of 20% of its outstanding shares for issuance under options to employees and, consequently, the Company is seeking to increase the number of shares reserved for grant under options to 20% of its outstanding Common Shares. In reaching its conclusion to adopt the increased size of the Stock Option Plan, the Board considered many factors including the following table which compares the size of stock option plans of select U.S. and Canadian software companies to the size of the Company's current plan and the proposed size of the Plan (the "ComparativeTable").

OPTIONS ANALYSIS OF SELECTED SOFTWARE COMPANIES ⁽¹⁾

(U.S. Dollars and share count in millions)

		Stock	Market	Shares	Options	% of	Options	% of
		Price ⁽²⁾	Cap.	o/s	o/s	total	Reserved	total
i2 Technologies	(ITWO)	\$93.31	\$14,683.3	157.356	36.667	23.3	126.000	80.1
Siebel Systems	(SEBL)	125.38	24,569.7	195.970	87.705	44.8	100.000	51.0
Freemarket	(FMKT)	58.00	2,159.7	37.237	11.607	31.2	15.450	41.5
Webmethods	(WEBM)	75.75	2,281.5	30.119	6.427	21.3	10.731	35.6
Interworld	(INTW)	13.56	371.4	27.388	5.846	21.3	9.600	35.1
Openmarket	(OMKT)	10.44	481.7	46.148	8.259	17.9	15.322	33.2
Broadvision	(BVSN)	41.50	10,306.9	248.359	39.978	16.1	70.875	28.5
Commerce One	(CMRC)	45.94	7,110.0	154.775	27.196	17.6	42.340	27.4
Pcorder.com	(PCOR)	11.00	183.8	16.710	3.551	21.3	4.207	25.2
Open Text	(OTEX)	22.69	451.5	19.900	4.415	22.2	4.804	24.1
Manugistics	(MANU)	29.88	830.5	27.800	4.423	15.9	6.660	24.0
PurchasePro	(PPRO)	24.25	755.7	31.164	5.214	16.7	6.750	21.7
Ariba	(ARBA) ⁽³⁾	67.63	16,129.7	238.517	41.351	17.3	50.094	21.0
Microsoft	(MSFT)	66.19	344,496.2	5,204.853	766.000	14.7	1,068.900	20.5
CryptoLogic (Proposed)	(CRYP)	15.75	206.0	13.082	2.343	17.9	2.675	20.4
Oracle	(ORCL)	67.63	191,947.4	2,838.409	240.191	8.5	484.275	17.1
Cognos	(COGN)	32.38	2,751.7	84.994	6.770	8.0	14.000	16.5
Research in Motion	(RIMM)	36.31	2,185.5	60.186	6.482	10.8	9.596	15.9
CryptoLogic (Current)	(CRYP)	15.75	206.0	13.082	2.343	17.9	1.860	14.2
Descartes	(DSGX)	29.75	1,287.4	43.274	3.710	8.6	6.000	13.9
Median		--	--	--	--	22.2		24.1
Mean		--	--	--	--	18.7		28.3
High		--	--	--	--	44.8		80.1
Low		--	--	--	--	8.0		13.9

(1) Source: Salomon Smith Barney. Data based on recent 10-K and is adjusted for stock splits.

(2) In USD as at the date of May 10, 2000, except CryptoLogic which is based on information as at April 25, 2001.

(3) Excludes options associated with the acquisitions of Tradex and Trading Dynamics.

	<i>Options</i>	<i>Shares</i>	<i>Grand Total</i>
Shares previously issued under options from September 30, 1998 to April 25, 2001		440,217	440,217
Unexercised options as at April 25, 2001	2,343,325		2,343,325
New options issuable under proposed amended plan	331,458		<u>331,458</u>
Totals:			3,115,000

It is the Board's belief that the proposed amendments to the Plan will position the Company to compete with other software companies for key employees while at the same time providing an appropriate incentive mechanism for its key personnel to maximize shareholders' value as reflected in the market price of the Company's Common Shares. The proposed increase in the number of shares issuable under the Plan also reflects the Board's attempt to account for the potential growth in the number of employees of the Company and to provide the Company with the ability to sustain such growth. Consequently, at the Meeting, the shareholders will be asked to consider and, if thought advisable, to pass, with or without amendment, a resolution (the "Plan Resolution") authorizing an amendment to the Plan to increase the maximum number of Common Shares which may be issued under options granted under the Plan from 2,300,000 Common Shares to 3,115,000 Common Shares. This will provide the ability to issue shares under options of 2,674,783, including existing options after deducting 440,217 shares issued in the past under previously granted options. The text of the Plan Resolution is attached as Schedule "A" hereto. Copies of the Plan are available for inspection at the registered office of the Company and will be available upon request at the Meeting.

As noted under the heading "Voting Shares", the Company has 13,081,559 Common Shares outstanding as at the date of this Circular. If the shareholders approve the Plan Resolution, 2,674,783 Common Shares will be available for issuance under the Plan, equal to approximately 20% of the total number of Common Shares outstanding as of the date hereof, which number as set out in the Comparative Table, is consistent with the size of stock option plans of a number of North American software corporations. To date, 440,217 Common Shares have been issued under the Plan.

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 8 times during calendar 2000.

The Board of Directors 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

Compensation of Directors

Each non-management director of the Company is entitled to receive an annual fee from the Company equal to Cdn.\$7,500. In addition, each non-management director of the Company is entitled to receive a fee equal to Cdn.\$750 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, 2000, an aggregate of Cdn.\$19,368 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.\$34,750 was paid to the Company's non-management directors in respect of meetings attended by them. An aggregate amount of Cdn.\$12,000 was paid in retiring fees to the non-management directors in 2000. 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.

Composition of the Board

Four of the five directors nominated 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. Jean Noelting, President and Chief Executive Officer is a related director by virtue of his holding management positions. While this Director may by definition be a related director, he, like all directors, continues 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 that 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 five Board Committees, the Audit Committee, comprised of three members, all of whom are unrelated Directors, and the Corporate Governance and Compliance Committee comprised of five members, four of whom are unrelated Directors, the Investment Committee comprised of six members, five of whom are unrelated Directors, the Compensation Committee comprised of four members, three of whom are unrelated Directors, and the Nominating Committee comprised of three members, all 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 4 times between January and December 31, 2000.

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

The Nominating 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 and the Corporate Governance and Compliance Committee has been authorized to retain advice in matters relating to the affairs of the Audit Committee or the Corporate Governance and Compliance Committee as the case may be. If such an engagement were appropriate it would be subject to the approval of the Board.

EXECUTIVE COMPENSATION

As at December 31, 2000, the Company had seven executive officers. The aggregate cash compensation paid to these executive officers during the year ended December 31, 2000 was Cdn.\$1,010,857.

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 (in Canadian Dollars)

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 ⁽¹⁾ President & CEO	2000	177,046	-	-	175,000	Nil	Nil	Nil
	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 ⁽²⁾ Executive Vice-President & COO	2000	172,419	-	-	175,000	Nil	Nil	Nil
	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 ⁽³⁾ Chief Technology Officer	2000	145,078	-	-	160,000	Nil	Nil	Nil
	1999	126,791	-	-	160,000	Nil	Nil	Nil
	1998	101,538	-	-	160,000	Nil	Nil	Nil
	1997	76,457	-	-	160,000	Nil	Nil	Nil
Harvey Solursh ⁽⁴⁾ Chief Financial Officer	2000	218,587	-	-	162,500	Nil	Nil	Nil
	1999	204,000	-	-	87,500	Nil	Nil	Nil
	1998	36,600	-	-	87,500	Nil	Nil	Nil
Jenny Solursh Sr. Vice-President	2000	100,080	-	-	134,400	Nil	Nil	Nil
	1999	78,152	-	-	59,400	Nil	Nil	Nil
David Outhwaite Vice-President	2000	147,483	-	-	50,000	Nil	Nil	Nil

Notes:

(1) Andrew Rivkin resigned as an officer of the Company effective January 8, 2001.

(2) Mark Rivkin resigned as an officer of the Company effective January 8, 2001.

(3) 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.

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

(5) Mr. Outhwaite was appointed the Chief Operating Officer of the Company on February 1, 2001.

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, 2000 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	N/a	N/a	N/a	N/a
Andrew Rivkin	75,000	20%	\$13.25	Nil	Dec. 13, 2005
Mark Rivkin	75,000	20%	\$13.25	Nil	Dec. 13, 2005
Harvey Solorsh	75,000	20%	\$13.25	Nil	Dec. 13, 2005
Jenny Solorsh	75,000	20%	\$11.50	Nil	Dec. 23, 2004
David Outhwaite	21,000 7,000 12,000 10,000	5% 2% 3% 3%	\$64.30 \$26.30 \$30.85 \$11.50	Nil Nil Nil Nil	Mar. 7, 2004 May 31, 2004 July 31, 2004 Dec. 23, 2004

Stock Options Exercised and Held

The following information concerns each exercise of options during the most recently completed financial year ended December 31, 2000 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	-		
Andrew Rivkin ⁽³⁾	Nil	Nil	125,000	50,000	650,000	50,000
Mark Rivkin ⁽⁴⁾	Nil	Nil	125,000	50,000	650,000	50,000
Harvey Solorsh	Nil	Nil	87,500	75,000	134,375	50,000
Jenny Solorsh	Nil	Nil	29,400	105,000	87,000	206,250
David Outhwaite	Nil	Nil	-	50,000	-	27,500

Note:

- (1) Based on the closing price of the common shares on the Toronto Stock Exchange on December 31, 2000 of Cdn.\$14.25.
- (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) An aggregate of 1,600,000 common shares are owned by various corporations in which Andrew Rivkin owns all of the outstanding preference shares.
- (4) An aggregate of 1,700,000 common shares are owned by various corporations in which Mark Rivkin owns all of the outstanding preference shares.

Compensation Committee

The compensation committee meets as required to make recommendations to the Board of Directors with respect to senior executive compensation.

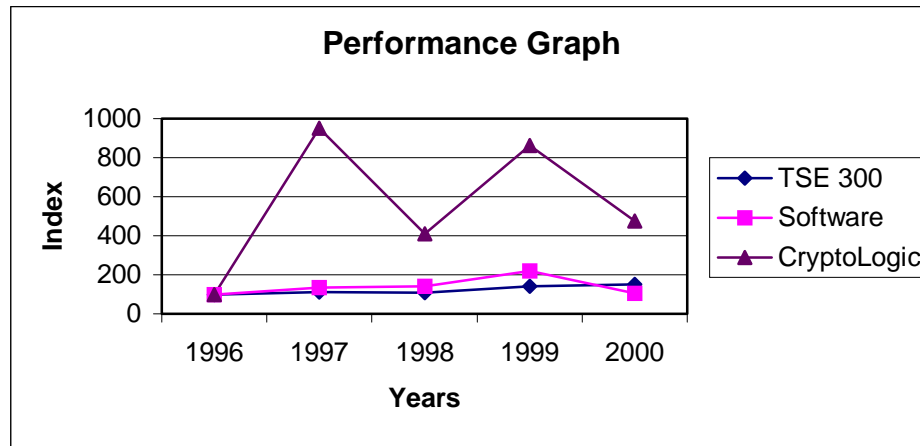
The compensation of the Company's executive officers including those named in the Summary Compensation Table above (the "Named Executive Officers") is determined by the Board of Directors based on recommendations made by the Committee.

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 (*in Canadian Dollars*):

1996 = \$3.00 1997 = \$28.50 1998 = \$12.30 1999 = \$25.90 2000 = \$14.25

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, 2000 other than Anatoly Plotkin, Chief Technology Officer who was indebted to the Company in the amount of Cdn.\$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. The indebtedness by Mr. Plotkin has been re-paid.

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, 2000.

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, 2000 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 17, 2000 and ending May 17, 2001 in accordance with the Toronto Stock Exchange By-Laws. The Company will not offer to purchase the shares above market price. During 2000, 344,800 shares were so purchased. During the period of January 2001 through the date hereof, an aggregate amount of 119,900 shares have been purchased by the Company.

SUBSTANTIAL ISSUER BID

On March 13, 2001, the Company issued a Substantial Issuer Bid by way of an Issuer Bid Circular to purchase for cash up to 1,000,000 Common Shares under a 'dutch auction' priced between Cdn.\$17.00 and Cdn.\$19.00 per Common Share. The Substantial Issuer Bid resulted in 971,103 Common Shares being purchased for cancellation on April 9, 2001 at a price of Cdn.\$19.00 per share.

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, 2001.

CRYPTOLOGIC INC.

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

CRYPTOLOGIC INC.

**RESOLUTION OF THE SHAREHOLDERS
OF CRYPTOLOGIC INC.
AMENDMENT TO THE STOCK OPTION PLAN**

BE IT RESOLVED THAT:

1. The Company's Stock Option Plan, be amended (the "Plan") to increase the maximum number of common shares of the Company (the "Common Shares") which may be issued under options granted under the Plan from 2,300,000 Common Shares to 3,115,000 Common Shares, as more particularly described under the heading "Amendment to Stock Option Plan" in the Management Information Circular dated April 25, 2001, be and is hereby approved.
2. Any one officer or director of the Company be and is hereby authorized for and on behalf of and in the name of the Company, to do all such acts and things and to execute and deliver, whether under corporate seal of the Company otherwise, all such documents, instruments and writings as in his sole discretion are necessary or desirable to give effect to this resolution.

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.