



News Release

LottoGopher Holdings Inc. Closes its Acquisition of PlasmaNet and its FreeLotto.com Website

Plans Underway to Integrate and Grow FreeLotto.com with LottoGopher.com PlasmaNet had over USD \$6.3 million in Revenues for 2017

VANCOUVER – July 19, 2018- LottoGopher Holdings Inc. ("LottoGopher" or the "Company") (CSE: LOTO) (OTCQB: LTTGF) (Frankfurt: 2LG) a lottery messenger service that allows users to easily order and manage their state lottery tickets online, today announced that it has closed its acquisition of 88% of the issued and outstanding shares of PlasmaNet, Inc. ("PlasmaNet"), one of the largest online sweepstakes companies in the U.S. and one of the largest online marketing and free member acquisition companies in the world.

Through its FreeLotto.com website, PlasmaNet has attracted over 65 million members to date and has awarded over US\$100 million in prize money. Since its inception in 1999, FreeLotto members have played over 3.7 billion games. Currently, the FreeLotto website attracts over 7.3 million unique visitors per month on average and produces over 11,000 prize winners per month. A global online database company, FreeLotto is a proven direct marketing model that offers both free membership as well as a paid subscription service for its daily sweepstakes games.

As payment for the PlasmaNet shares, the Company paid the following consideration: (a) 11,600,000 common shares of the Company ("Common Shares"), (b) an unsecured promissory note in the aggregate principal amount of CAD\$1,496,655, convertible into up to 21,229,148 Common Shares at a price of \$0.0705 per Common Share, subject to certain restrictions (c) a promissory note in the aggregate principal amount of US\$1,760,000, secured against the PlasmaNet shares, and (d) share purchase warrants of the Company, each of which will entitle the holder to acquire one Common Share at an exercise price of CAD\$0.1410 per Common Share at any time prior to three years from the date of issuance.

PlasmaNet derives its revenues from fees paid by its members for services provided by PlasmaNet's FreeLottoPlus subscription service (an optional paid service where subscribers pay the company a recurring fee to automatically be automatically entered into the six daily FreeLotto drawings), from paid advertisers and from various other means of monetizing both its websites and its extensive database of members. The Company has almost 20,000 active FreeLottoPlus subscribers paying between US\$15 and \$20 per month. To date, PlasmaNet has successfully billed over US\$145 million in credit card transactions. The Company has a diverse customer base comprised of approximately 30% North American members and 70% international members.



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PlasmaNet has developed the expert know-how and market position to be a key participant in the online global gaming industry. The Company can act as an ideal entry point for a company positioning itself for the expansion of online gaming in the U.S. PlasmaNet represents a multifaceted opportunity to a potential acquirer in the lottery, legal sports betting, sweepstakes, marketing, database, ecommerce and media industries.

LottoGopher Chief Executive Officer, James Morel, commented, "We are thrilled to welcome FreeLotto and PlasmaNet into the LottoGopher family. We believe its revenue traction, profitability, strong brand name and trademark, highly scalable operating model, highly efficient customer acquisition engine and advanced tools for front-end marketing will spur growth in our existing business and allow us to expand internationally. Its current business model of recurring monthly subscriptions is highly predictable and scalable. We look forward to integrating and expanding business together."

The Company also announced that it has entered into an amendment to an Investor Relations Advisory Agreement with Hayden IR pursuant to which Hayden IR has agreed to provide the Company the option to pay its fees in common shares valued at the last reported price on the last day of each month. The Company has elected to pay Hayden IR's fees in common shares for the months of April, May and June 2018 by issuing Hayden IR a total of 198,985 common shares in the capital of the Company.

About LottoGopher

LottoGopher is a lottery messenger service that allows users to easily order and manage their state lottery tickets online using a debit or credit card. By allowing individuals to choose their numbers and safely order tickets for the official lottery drawings in California, LottoGopher makes it simple for users to keep track of their tickets and winnings. With LottoGopher, individuals can either play alone with a single ticket or create and join online public and private groups to pool winnings from California lotteries, including Mega Millions, Powerball and SuperLotto Plus. LottoGopher offers memberships that allow California residents to order multiple tickets from various lotteries. LottoGopher also enables users to stay up to date on the latest drawings, track their tickets and collect winnings. Members have exclusive access to expert player strategies, jackpot alerts, lottery news, lucky number pickers and winners' financial resources.

On behalf of the Board of LottoGopher Holdings Inc.

"James Morel"

President, CEO & Director

For more information, visit LottoGopher.com, like LottoGopher on [Facebook](#) and follow on [Instagram](#), [Twitter](#) and [LinkedIn](#). For Investor Information, please visit LottoGopher.com/investor

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Forward-Looking Statement

This news release contains statements and information that, to the extent that they are not historical fact, constitute "forward-looking information" within the meaning of applicable securities legislation, including statements with respect to the completion of PlasmaNet shares by the Company. Forward-looking information may include financial and other projections, statements regarding expansion plans, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. In respect of the Company's plans to pursue a change of business, risks would include the ability of the Company to obtain additional financing on acceptable terms and to identify and negotiate investment opportunities in cryptocurrency, blockchain technology, and the cannabis sectors. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.

The CSE has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.



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