

DATED: October 17, 2007

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO AND NOVA SCOTIA
(the Jurisdictions)**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
CRYPTOLOGIC INC.
(the Filer)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is not a reporting issuer in the Jurisdictions (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications (the MRRS),

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer was formed on March 7, 1996 through the amalgamation of Biroco Kirkland Mines Limited and Inter.tain.net Inc. and is governed by the *Business Corporations Act* (Ontario).

2. The principal and head office of the Filer is located at 55 St. Clair Avenue West, 3rd Floor Toronto, Ontario M4S 1Y5. The registered office of the Filer is located at Suite 220 Bay Street, Suite 700, Toronto, Ontario M5J 2W4.

3. The authorized capital of the Filer consists of an unlimited number of common shares (the Common Shares). As at the date hereof, 13,902,856 Common Shares are issued and outstanding.

4. The Filer is a reporting issuer in each of the Jurisdictions.

5. Under a plan of arrangement (the Arrangement), which was approved at a special meeting of holders of Common Shares on May 24, 2007 and by the Ontario Superior Court of Justice on May 29, 2007, all of the issued and outstanding Common Shares were acquired indirectly by CryptoLogic Limited, a corporation incorporated under the laws of Guernsey and having its principal place of business at Alexandra House, The Sweepstakes, Ballsbridge, Dublin 4, Ireland, in exchange for the issuance of CryptoLogic Limited common shares or exchangeable shares of CryptoLogic Exchange Corporation (CEC). The details of the Arrangement are set out in the Filer's Information Circular dated April 23, 2007.

6. Prior to completing the Arrangement, CryptoLogic Limited incorporated two subsidiaries, namely CryptoLogic Callco ULC (Callco), a Nova Scotia unlimited liability company, on April 13, 2007, and CEC, an Ontario company, on March 30, 2007.

7. Under the Arrangement, which took effect on June 1, 2007, Common Shares held by taxable residents of Canada were exchanged on a one-for-one basis for exchangeable shares of CEC or for common shares of CryptoLogic Limited, and Common Shares held by non-residents of Canada were exchanged on a one-for-one basis for common shares of CryptoLogic Limited.

8. The terms of the exchangeable shares of CEC, together with a special voting share issued by CryptoLogic Limited, the provisions of a voting and exchange trust agreement among CEC, CryptoLogic Limited and Equity Transfer & Trust Company, and a support agreement among CryptoLogic Limited, Callco and CEC, combine to provide the holders of exchangeable shares of CEC with the economic equivalent of common shares issued by CryptoLogic Limited.

9. As a result of these transactions, all of the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada, and each of CryptoLogic Limited and CEC became a reporting issuer or the equivalent in the Jurisdictions and Prince Edward Island, with continuous disclosure consolidated in the continuous disclosure of CryptoLogic Limited.

10. On May 29, 2007, the Filer received acceptance from the Toronto Stock Exchange to delist the Common Shares and to list the common shares of CryptoLogic Limited and exchangeable shares of CEC. The common shares of CryptoLogic Limited are also listed on the London and NASDAQ stock exchanges.

11. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

12. The Filer has no current intention to seek public financing by way of an offering of securities.

13. Upon the grant of the Requested Relief, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

14. The Filer is not in default of any of its obligations as a reporting issuer under the Legislation other than its obligation to file interim financial statements, related management's discussion and analysis and certificates under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* for its second quarter ended June 30, 2007. As CryptoLogic Limited was the sole beneficial shareholder of all issued and outstanding Common Shares on the day that the Filer was required to make such filings, the Filer has not prepared or filed such documents.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

"signed"
Harold P. Hands
Commissioner

"signed"
Suresh Thakrar
Commissioner