

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Corporation

Intertainment Media Inc. (“Intertainment” or the “Corporation”)
30 West Beaver Creek Road
Unit 111
Richmond Hill, ON L4B 3K1

2. Date of Material Change

February 22, 2012

3. News Release

A press release was disseminated on February 28, 2012 via Marketwire.

4. Summary of Material Change

The Corporation entered into a letter of intent dated February 22, 2012 with Capstream Ventures Inc., which contemplates the spin out of its subsidiary, Ortsbo Inc.

5.1 Full Description of Material Change

Please see the press release attached hereto as Schedule A.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

6. Reliance on Section 7.1(2) of National Instrument 51-102

Not Applicable.

7. Omitted Information

Not Applicable.

8. Executive Officer

The name and business number of the executive officer of Intertainment who is knowledgeable about the material change and this report is:

David Lucatch
Chief Executive Officer
Telephone: (905) 763-3510

9. Date of Report

March 5, 2012

SCHEDULE A

INTERENTAINMENT MEDIA INC. ANNOUNCES ORTSBO SPIN OUT STRUCTURE

TORONTO, CANADA – February 28, 2012 - Intertainment Media Inc. ("**Intertainment**") (TSX Venture Exchange: INT)(OTCQX: ITMTF)(Frankfurt: I4T) announces that Intertainment and its board of directors have reviewed various options for the spin out of its subsidiary Ortsbo Inc. ("**Ortsbo**") and have elected to proceed with a transaction structure (the "**Transaction**") that it believes will be the most favorable to the current security holders of Intertainment.

Intertainment and its board of directors undertook a thorough review of the available options for the spin-out of Ortsbo, including an Initial Public Offering (IPO) and several alternatives, which took several months of discussions with US and Canadian investment banks and professionals, and elected to move forward with a transaction involving a listed capital pool company with the support of the investment community.

As part of the Transaction, as described in further detail below, Intertainment's Ortsbo subsidiary security holders will retain 67% of the Consideration (as defined herein) for Ortsbo by way of a common stock of the Resulting Issuer (as defined herein), allowing it to gain from any increase in valuation of Ortsbo as an independently listed company and to use those gains to reward its shareholders while it continues to develop and support exciting new technology and new media assets with the goal of creating additional independent enterprises and to increase shareholder value. The balance of the Consideration for Ortsbo, equaling 33%, will be provided to the security holders of Intertainment by way of a distribution of common stock of the Resulting Issuer. Intertainment intends to hold a special meeting of shareholders to approve the Transaction and will provide a record date for Intertainment security holders and other pertinent information in the information circular to be prepared in connection with the Transaction.

Intertainment and its board of directors determined that this Transaction vehicle will be the most favorable structure to the current security holders of Intertainment as it will potentially decrease the time required for senior exchange listing, potentially allow for greater influence by the parties on the timing of the Transaction, and allow the parties to structure the Transaction in a manner such that shares of the Resulting Issuer to be issued as part of the Transaction to the security holders of Intertainment will be issued pursuant to exemptions from US and Canadian securities registration requirements, subject to regulatory approval.

"After careful and diligent consideration, the board of directors and management of Intertainment felt that the value of Ortsbo, in the long run, would best be reflected in an independently listed environment where it could flourish and reward the loyal shareholders of Intertainment both today and in the future," **said David Lucatch, CEO.**

"This Transaction methodology ultimately provides the same listing opportunity for Ortsbo as an IPO, but potentially provides a more cost effective route for shareholders, allowing Intertainment to increase distribution to shareholders to 33% and retain a significantly large portion of Ortsbo for Intertainment to fuel long term value for Intertainment," **added Mr. Lucatch.**

The Transaction

Intertainment entered into a letter of intent dated February 22, 2012 (the “**Letter of Intent**”) with Capstream Ventures Inc. (“**Capstream**”) (TSXV: CSP.P), a capital pool company listed on the TSX Venture Exchange (“**TSXV**”), which contemplates: (1) Capstream consolidating its share capital on a 14 old for one new basis; (2) Capstream acquiring all of the issued and outstanding shares of Ortsbo (“**Ortsbo Shares**”) in consideration (the “**Consideration**”) of the issuance of 30,000,000 Capstream common shares (“**Capstream Shares**”), on a post-consolidation basis, at a price equal to the Private Placement Price (as defined herein) of \$7.00 per share, of which 20,100,000 Capstream Shares will be issued to Intertainment’s Ortsbo subsidiary security holders (67% of the pre-financing value for Ortsbo), and the remaining 9,900,000 Capstream Shares will be distributed to the security holders of Intertainment on a pro rata basis (33% of the pre-financing value for Ortsbo).

In connection with the Transaction, the parties are investigating the process of listing the common shares of the resulting entity on a senior exchange in Canada and a potential dual listing on a senior exchange in the US following the completion of the Transaction.

The parties expect the Transaction will proceed by way of a plan or arrangement under which Capstream will continue as an entity (the “**Resulting Issuer**”) listed on a senior exchange in Canada. The business of the Resulting Issuer will be that of Ortsbo and it is expected the Resulting Issuer will change its name to Ortsbo Inc. Following the completion of the Transaction, it is expected that Intertainment will continue to meet TSXV listing requirements based on its remaining assets and will remain listed on the TSXV.

Following the completion of the Transaction and assuming the completion of the minimum Private Placement described below, it is expected that Intertainment’s Ortsbo subsidiary security holders will hold 20,100,000 (57.8%) shares of the Resulting Issuer, Intertainment security holders will hold 9,900,000 (28.4%) shares of the Resulting Issuer, subscribers under the Private Placement will hold 4,285,714 (12.3%) shares of the Resulting Issuer and the current shareholders of Capstream will hold 561,771 (1.6%) shares of the Resulting Issuer.

The Transaction, when completed, is intended to be the Qualifying Transaction for Capstream pursuant to TSXV Policy 2.4.

The parties have agreed to use their best efforts to complete the Transaction by the earliest possible date. Further information regarding the Transaction will be disseminated in a subsequent news release as soon as further details are available regarding the definitive terms of the Transaction.

Private Placement

Ortsbo intends to pursue a private placement of subscription receipts of Ortsbo at a price of \$7.00 per subscription receipt (the “**Private Placement Price**”) for a minimum of 4,285,714 subscription receipts for gross proceeds of CDN\$30.0 million with no specific maximum (the “**Private Placement**”). The Letter of Intent provides that receipt of a minimum of CDN\$20.0 million in gross proceeds from the Private Placement is a condition precedent for the closing of the Transaction.

The Private Placement will be on a best efforts basis with a lead order expected in the CDN\$20.0 million range as previously announced on January 20, 2012.

The Company may pay finder's fees of up to 7% cash and 7% broker warrants in accordance with TSXV policies. The completion of the Private Placement is subject to TSXV acceptance, standard conditions and other regulatory approval. Further details regarding participating investment banks and broker dealers will be forthcoming.

It is anticipated that each subscription receipt issued pursuant to the Private Placement will entitle the holder to receive one unit of Ortsbo, with each unit consisting of one Ortsbo Share and one-half of one common share purchase warrant of Ortsbo ("**Ortsbo Warrant**") without payment of any additional consideration, on satisfaction of certain conditions. Each Ortsbo Warrant will entitle the holder to purchase one Ortsbo Share for a period of two years at a premium of 50% of the final pricing of the unit. Upon the closing of the Transaction, the Ortsbo Shares and Ortsbo Warrants will convert into Capstream Shares and Capstream common share purchase warrants.

About Ortsbo Inc.

Ortsbo is a subsidiary of Intertainment, a publicly listed company on the TSXV. Ortsbo was incorporated on July 6, 2010 under the Ontario Business Corporations Act and its head office is located the Toronto, Canada region with regional offices in Los Angeles, CA, New York, NY and San Mateo, CA.

With over 40 Million monthly users in over 170 countries and territories, Ortsbo (www.ortsbo.com) enables real-time conversational translation in over 50 languages and seamlessly integrates with today's most popular social media platforms. Ortsbo allows users to communicate with family, friends and colleagues around the world, providing users with the ability to break down language and cultural barriers through its easy to use, language centric interface.

Ortsbo's flagship product for social media supports global communications with instant translation capability, real time multi-lingual social media chat connects to PC and Mac computers, mobile browsers as well as all major chat platforms including MSN, Google, Facebook, Twitter and Yahoo! and others.

Ortsbo also provides plug-in email translation capabilities for Microsoft Outlook.

Ortsbo's Live & Global platform offers a unique solution for broadcasting events to a global audience, with video and real time, multi-lingual chat. Ortsbo currently hold the Guinness World Record for the most nationalities in an online chat.

About Intertainment Media Inc.

Intertainment is one of Canada's leading technology incubators and is focused on developing, nurturing and investing in technologies and companies that provide technology solutions for brands and consumers alike. Intertainment also owns and operates a number of key properties including Ad Taffy, itiBiti, Ortsbo, Deal Frenzy and Magnum, with investments in leading edge technologies and social media platforms including theaudience.com. For more information on Intertainment and its properties, please visit www.intertainmentmedia.com.

Intertainment is headquartered in the Toronto, Canada region, with offices in New York, Los Angeles and San Mateo, CA and is listed on the TSX Venture Exchange under the symbol "INT" (TSXV:INT) and in the US on the OTCQX Exchange under the symbol "ITMTF".

Intertainment is also traded in Europe on the Frankfurt Exchange on the XETRA trading platform under the symbol "I4T".

About Capstream Ventures Inc.

Capstream is a capital pool company under Policy 2.4 of the TSXV. Capstream has no active business or operations and has no material assets other than cash. The principal business of Capstream consists of the identification and evaluation of potential acquisitions or businesses, and once identified and evaluated, the negotiation of an acquisition or business combination, subject to receipt of regulatory and, if required, shareholder approval.

Trading Update

This press release should not be considered a comprehensive summary of the Transaction. Additional information required by the TSXV will be disseminated at a future date following a satisfactory review by the TSXV.

Trading of the Capstream Shares will remain halted pending receipt and review by the TSXV of acceptable documentation regarding the company following completion of the Transaction. The proposed Transaction has not been approved by the TSXV and remains subject to TSXV acceptance.

All information provided in this news release related to Capstream has been provided by management of Capstream and has not been independently verified by management of Intertainment and Ortsbo.

All information provided in this news release related to Intertainment and Ortsbo has been provided by management of Intertainment and Ortsbo and has not been independently verified by management of Capstream.

For further information please contact:

Ortsbo Inc. / Intertainment Media Inc.:
David Lucatch, CEO
Tel: 800-395-9943 / 905-763-3510
Email: info@intertainmentmedia.com
To learn more, visit: www.ortsbo.com
To learn more, visit: www.intertainmentmedia.com

Reader Advisory

This press release should not be considered a comprehensive summary of the Transaction. Additional information required by the TSXV will be disseminated at a future date following a satisfactory review by the TSXV.

Investors are cautioned that, except as disclosed in the Management Information Circular to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Capstream should be considered highly speculative.

Trading of the Capstream Shares will remain halted pending receipt and review by the TSXV of acceptable documentation regarding the combined entity following completion of the Transaction. The proposed Transaction has not been approved by the TSXV and remains subject to TSXV approval.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance. The Transaction cannot close until the required approvals are obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Except for statements of historical fact, this news release contains certain “forward-looking information” within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. In particular, forward-looking information in this press release includes, but is not limited to, statements with respect to timing and completion of the due diligence relating to the Transaction, the entering into of the transaction and financing documents and the satisfaction of the conditions precedent to the Transaction (including receipt of TSXV approval). Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

The TSX Venture Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.

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 release.