

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Intertainment Media Inc. (“Intertainment” or the “Company”)
80 Tiverton Court, Suite 100
Markham, Ontario
L3R 0G4

2. Date of Material Change

July 6, 2015

3. News Release

A press release was disseminated on July 16, 2015 via Marketwired.

4. Summary of Material Change

The Company has entered into a definitive agreement to sell all of the intellectual property assets of Ortsbo Inc. (“**Ortsbo**”), a subsidiary of the Company to Yappn Corp. (“**Yappn**”) (the “**Ortsbo Asset Sale**”). The Ortsbo Asset Sales includes US Patent No. 8,983,850 B2, US Patent No. 8,917,631 B2, US Patent No. 9,053,097 B2, and other intellectual property including Ecommerce and Customer Care know-how for total aggregate consideration of US\$17,000,000.

5.1 Full Description of Material Change

See the news 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

July 16, 2015

**SCHEDULE A
PRESS RELEASE**

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Entertainment Media sells Ortsbo Assets to Yappn Corp.

TORONTO, CANADA / NEW YORK, NY – July 16, 2015 – Entertainment Media Inc. (“Entertainment” or “Company”) (US:ITMTF / TSXV:INT / FRA:I4T) is pleased to announce that it has entered into a definitive agreement to sell all of the intellectual property assets of Ortsbo Inc. (“Ortsbo”), a subsidiary of the Company to Yappn Corp. (OTCQB:YPPN) (“Yappn”) as previously announced on May 26, 2015 (the “Ortsbo Asset Sale”).

The Ortsbo Asset Sales includes US Patent No. 8,983,850 B2, US Patent No. 8,917,631 B2, US Patent No. 9,053,097 B2, and other intellectual property including Ecommerce and Customer Care know-how (the “Assets”). As consideration for the Assets, Yappn will, (i) issue 260,000,000 common shares in the capital of Yappn (“Yappn Shares”) at a deemed price of US\$0.05 per Yappn Share to the Company (176,875,000 Yappn Shares will be directed by the Company to Winterberry as consideration for financial advisory and consulting services to be performed by Winterberry Investments Inc. (“Winterberry”) in favour of the Company); (ii) assume and settle US\$3,000,000 of outstanding Ortsbo debt through the issuance 60,000,000 Yappn Shares; and (iii) assume and settle US\$500,000 of outstanding debt of each of the Company and Ortsbo through the issuance of debentures of Yappn, for total aggregate consideration of 320,000,000 Yappn Shares having a deemed value of US\$16,000,000 and assumed debt in the amount of US\$1,000,000.

The Ortsbo Asset Sale is subject to closing conditions customary in a transaction of this nature including shareholder approvals and final acceptance by the TSX Venture Exchange (“TSXV”). The Company has received conditional approval from the TSXV for the Ortsbo Asset Sale.

The Ortsbo Asset Sale constitutes a “Related Party Transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) because the Company is a control person of Yappn and because David Lucatch, Chief Executive Officer and a Director of the Company, is also Chief Executive Officer and a Director of Yappn; Herb Willer is a Director of the Company and also a Director of Yappn; and Craig McCannell is the Chief Financial Officer of the Company and also of Yappn. As such, the Ortsbo Asset Sale must be approved at the special meeting of shareholders of the Company currently scheduled for August 31, 2015 by a simple majority of votes cast excluding those votes attached to any common shares of the Company held by Mr. Lucatch, Mr. Willer and Mr. McCannell. The Company is exempt from the requirement to obtain a formal valuation report in respect of the Ortsbo Asset Sale as it is able to rely on section 5.5(b) of MI 61-101 [*Issuer Not Listed on Specified Markets*].

Yappn has announced that it has completed a secured debt financing of US \$4.5 Million of secured debentures and expects to complete a further US \$1 Million prior to the completion of the Ortsbo Asset Sale. This financing is supported by Yappn’s secured line of credit holders and, as previously announced, Yappn executed a non-binding letter of intent with Winterberry, a private company led by Mr. David Berry. As part of the Ortsbo Asset Sale, Entertainment will be seeking to retire certain Ortsbo related financing obligations and minority shareholder interests.

In the past several months, Entertainment has branded TranzActive to work with firms seeking to enable language services programs outside of Yappn’s current arrangement, including exclusivity pertaining to social media, however upon the completion of the Ortsbo Asset Sale, all of these language services related programs will transfer to Yappn. TranzActive will focus on assisting companies seeking development, capitalization and

public market programs, providing fee-based consulting services, in cash and equities, to enable emerging Internet and Clean-tech companies to navigate growth programs and opportunities.

“Entertainment continues to remain focused on the incubation of technology assets and this transaction is in line with our strategy to build and develop programs and then create an effective exit strategy,” said **Mr. Anthony R. Pearlman, President & COO of Entertainment Media Inc.** “Entertainment will continue to hold a controlling position in Yappn and the relationship with Winterberry and Yappn is key to Entertainment as these will provide an opportunity to create long term value.”

About Entertainment - www.entertainmentmedia.com

Entertainment is one of Canada's leading technology incubators and is focused on developing, nurturing and investing in both North American and global technologies and companies that provide technology solutions for brands and consumers alike. Entertainment also owns and operates a number of key properties and has investments in leading edge technologies and social media platforms, including TranzActive, CapThat, theAudience, Lexifone and Yappn Corp (www.yappn.com) (OTCQB:YPPN). For more information on Entertainment and its properties, please visit www.entertainmentmedia.com.

Entertainment is headquartered in the Toronto, Canada region, with offices in New York and Los Angeles, CA and is listed on the TSX Venture Exchange under the symbol “INT” (TSXV:INT) and in the US under the symbol “ITMTF”. Entertainment is also traded in Europe on the Open Market (Regulate Unofficial Market) of the Frankfurt Exchange under the symbol “I4T”.

Contact

Mr. Anthony R. Pearlman, COO
info@entertainmentmedia.com

Completion of the Ortsbo Asset Sale is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the Ortsbo Asset Sale cannot close until the required shareholder approval is obtained. There can be no assurance that the Ortsbo Asset Sale will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Ortsbo Asset Sale, any information released or received with respect to the Ortsbo Asset Sale may not be accurate or complete and should not be relied upon.

The TSXV has in no way passed upon the merits of the proposed Ortsbo Asset Sale and has neither approved nor disapproved the contents of this press release.

Forward Looking Information

This news release contains certain “forward-looking information” within the meaning of such statements under applicable securities law.

Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “potential”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Actual timelines associated may vary from those anticipated in this news release and such variations may be

material. Actual results could differ materially because of factors discussed in the management discussion and analysis section of our interim and most recent annual financial statements or other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulators. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on this forward-looking information.

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.

This news release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States or to or for the account or benefit of U.S. persons (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act")), absent registration or an exemption from registration. The securities offered have not been and will not be registered under the U.S. Securities Act or any state securities laws and, therefore, may not be offered for sale in the United States, except in transactions exempt from registration under the U.S. Securities Act and applicable state securities laws.