



INNOVA and Pollard Banknote Agree to Friendly Acquisition at \$2.50 per Share

- *Pollard Banknote increases its offer to \$2.50 per share*
- *Significant premium to INNOVA's closing price prior to announcement of Pollard Banknote's interest in INNOVA*
- *Allows all shareholders to realize immediate liquidity and certainty of value*
- *Amended offer unanimously supported by INNOVA Board*
- *Supported by largest shareholder holding approximately 41% of the outstanding shares*
- *Minimum tender condition will be satisfied if more than 66 2/3% of outstanding shares tendered*
- *Offer not subject to due diligence or financing conditions*

Los Angeles, California, and Winnipeg, Manitoba, June 30, 2017 - INNOVA Gaming Group Inc. ("**INNOVA**") (TSX: **IGG**) and Pollard Banknote Limited ("**Pollard Banknote**") (TSX: **PBL**) today announced that they have entered into a definitive support agreement pursuant to which Pollard Banknote, through its wholly-owned subsidiary 10188557 Canada Inc., has agreed to increase the consideration that will be received by INNOVA's shareholders under Pollard Banknote's offer to purchase all of the issued and outstanding common shares of INNOVA (the "**Common Shares**") to a price of \$2.50 in cash per Common Share (the "**Revised Offer**"). The Revised Offer represents a total equity value of approximately \$51 million based on 100% of the fully-diluted Common Shares, including in-the-money options and restricted share units to purchase Common Shares. INNOVA's board of directors (the "**INNOVA Board**") is unanimously recommending that INNOVA's shareholders accept the Revised Offer.

Richard Weil, Chairman and Chief Executive Officer of INNOVA, said, "This transaction delivers significant value to INNOVA's shareholders and is the result of an extensive and rigorous process conducted by the special committee of the INNOVA Board to identify value maximizing alternatives for INNOVA's shareholders. The INNOVA Board is unanimous in its recommendation that INNOVA's shareholders tender their Common Shares to the Revised Offer."

"We are very pleased to have the support of the INNOVA Board and look forward to combining the strengths of our two companies" said John Pollard, Co-Chief Executive Officer of Pollard Banknote. "INNOVA and its Diamond Game operating business represent unique assets that fit well within Pollard Banknote's expanding product portfolio. Pollard Banknote and INNOVA share many of the same customers and we believe that the combination of our two firms will allow Pollard Banknote to further grow its partnership with lotteries and charitable organizations seeking to expand the funds they generate for good causes and to grow the combined revenue base of Pollard Banknote and INNOVA."

Terms of the Revised Offer

Under the Revised Offer, INNOVA's shareholders will receive \$2.50 in cash per Common Share. This represents a 19% premium to Pollard Banknote's original offer of \$2.10 per Common Share and a 66% premium to INNOVA's closing share price of \$1.51 on the TSX on March 9, 2017, the last trading day prior to the public announcement of Pollard Banknote's initial proposal to acquire INNOVA.

The INNOVA Board has unanimously determined, after consultation with its financial and legal advisors, that the consideration under the Revised Offer is fair to INNOVA's shareholders, that it would be in the best interests of INNOVA to support and facilitate the Revised Offer and to recommend that INNOVA shareholders accept the Revised Offer. INNOVA's financial advisor, Raymond James Ltd., has provided a fairness opinion to the INNOVA Board and the special committee of the INNOVA Board (the "**Special Committee**") that, as of June 30, 2017 and subject to the assumptions, limitations and qualifications on which such opinion is based, the consideration to be received under the Revised Offer is fair, from a financial point of view, to INNOVA's shareholders. The INNOVA Board will issue an amended Directors' Circular in connection with the Revised Offer setting forth the details of its recommendation and certain related matters.

Under the terms of the support agreement, INNOVA has agreed, among other things, to a customary non-solicitation provision, to grant Pollard Banknote a right to match any alternative transaction proposal made by another party, and to pay a fee of approximately \$1.5 million to Pollard Banknote under certain circumstances if the transaction is not completed.

The Revised Offer is subject to customary conditions, including, among other things: (i) there having been validly deposited under the Revised Offer and not withdrawn that number of Common Shares representing more than 66 2/3% of the outstanding Common Shares, excluding those Common Shares beneficially owned, or over which control or direction is exercised, by Pollard Banknote or by any person acting jointly or in concert with Pollard Banknote, and (ii) Pollard Banknote having determined, in its sole judgment, that there does not exist and there shall not have occurred or been publicly disclosed since the date of the Revised Offer, a material adverse effect in respect of INNOVA. The Revised Offer is not subject to any due diligence or financing condition, nor the receipt of any regulatory approvals.

Under the terms of the March 9, 2017 support agreement between Pollard Banknote and Amaya Inc. ("**Amaya**"), Amaya is required to tender all 8,180,000 Common Shares that it owns to the Revised Offer, representing approximately 40.75 % of the outstanding Common Shares.

The full details of the Revised Offer will be set out in the Revised Offer documents, which will be mailed to INNOVA shareholders and filed with the Canadian securities regulatory authorities no later than July 21, 2017. The documents will also be available on SEDAR under INNOVA's profile at www.sedar.com. Upon filing, the Revised Offer will be open for no fewer than 10 business days and, following any take up of Common Shares, Pollard Banknote will then further extend its offer for at least an additional 10 days in order to allow any remaining INNOVA shareholders to tender to the Revised Offer.

Shareholder Questions and How to Tender

INNOVA shareholders that have already deposited to Pollard Banknote's initial offer should not withdraw their Common Shares. INNOVA shareholders are encouraged to read the full details of the Revised Offer set forth in the Revised Offer documents, which will contain detailed instructions on how INNOVA shareholders can tender their Common Shares to the Revised Offer. For assistance in depositing Common Shares to the Revised Offer, INNOVA shareholders should contact Laurel Hill Advisory Group, depositary and information agent for Pollard Banknote in connection with the Revised Offer, at 1-877-452-7184 (North America toll free), 1-416-304-0211 (collect calls outside of North America) or assistance@laurelhill.com.

Advisors and Counsel

Raymond James Ltd. is acting as exclusive financial advisor to the Special Committee and Davies Ward Phillips & Vineberg LLP is acting as the Special Committee's legal counsel. Osler, Hoskin & Harcourt LLP is counsel to INNOVA. Kingsdale Advisors is INNOVA's strategic shareholder advisor.

Canaccord Genuity Corp. is acting as financial advisor to Pollard Banknote and Torys LLP is acting as counsel to Pollard Banknote. Laurel Hill Advisory Group is acting as depositary and information agent in connection with the Revised Offer.

About INNOVA

INNOVA develops unique games and products for the global gaming industry, with particular focus on state and provincial lotteries. Through INNOVA's wholly-owned subsidiary, Diamond Game Enterprises, INNOVA focuses on enhancing the revenues of government-sponsored lotteries and other regulated operators by offering its unique "extended play" products in traditional and non-traditional gaming venues. INNOVA's primary product is its third generation Lucky Tab machine, an instant ticket vending machine that dispenses tickets while simultaneously displaying the results of each ticket on a video monitor in an entertaining fashion. For more information, please visit www.innovagaminggroup.com.

About Pollard Banknote

Pollard Banknote is a leading lottery partner to more than 60 lotteries worldwide, providing high quality instant ticket products, licensed games, and strategic marketing and management services for both traditional instant games and the emerging iLottery space of web, mobile and social channels. The company is a proven innovator and has decades of experience helping lotteries to maximize player engagement, sales and proceeds for good causes. Pollard Banknote also plays a major role in the charitable pull-tab and bingo markets in North America. Established in 1907, Pollard Banknote is owned approximately 73.5% by the Pollard family and 26.5% by public shareholders and is publicly traded on the TSX (PBL). For more information, please visit Pollard Banknote's website at www.pollardbanknote.com.

For Further Information, Please Contact

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Forward-Looking Statements

Certain statements made and information included in this press release may constitute "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the management and the board of directors of each of INNOVA and Pollard Banknote at this time, are inherently subject to significant business, economic, regulatory and competitive uncertainties, contingencies and risks that could cause actual results or events to differ materially from those expressed or implied in such statements. Investors are cautioned not to put undue reliance on forward-looking statements. The forward-looking statements contained herein reflect INNOVA and Pollard Banknote's current views with respect to future events, and except as required by law, INNOVA and Pollard Banknote do not intend, and undertake no obligation, to update any forward-looking statements to reflect, in particular, new information or future events, or otherwise.