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CHESSWOOD GROUP LIMITED ANNOUNCES \$28 MILLION UNDERWRITTEN PUBLIC OFFERING AND CONCURRENT \$6 MILLION PRIVATE PLACEMENT FINANCING TO FUND TRANSFORMATIVE ACQUISITION

TORONTO, March 5, 2015 – Chesswood Group Limited ("**Chesswood**") (TSX: CHW) announced today that it has entered into an agreement with a syndicate of underwriters led by RBC Capital Markets and including BMO Capital Markets, National Bank Financial Inc., TD Securities Inc. Cormark Securities Inc., Canaccord Genuity Corp. and Laurentian Bank Securities Inc. (the "**Underwriters**") pursuant to which Chesswood will issue, on an underwritten basis, subject to regulatory approval, 2,871,800 subscription receipts ("**Subscription Receipts**") at a price of \$9.75 per Subscription Receipt (the "**Public Offering**"). Chesswood has granted the Underwriters an over-allotment option to purchase up to an additional 430,800 Subscription Receipts at the same price, exercisable in whole or in part for a period of 30 days following closing of the Public Offering, to cover over-allotments. Chesswood also announced today that it intends to proceed with a concurrent non-brokered private placement of 615,385 Subscription Receipts at the same offering price as under the Public Offering (the "**Private Placement Offering**") and, together with the Public Offering, the "**Offerings**") to certain directors, officers and other insiders.

The net proceeds from the Offerings will be used to fund part of the purchase price for Chesswood's previously announced acquisition of Blue Chip Leasing Corporation and EcoHome Financial Inc. (the "**Acquisition**"). Closing of the Offerings is expected to occur on or about March 12, 2015. Closing of the Acquisition is to occur as soon as practicable thereafter, but in any event by April 3, 2015. The closing of each Offering is conditional on the concurrent closing of the other Offering.

Each Subscription Receipt will entitle the holder thereof to receive, for no additional consideration, one common share in the capital of Chesswood (each, a "**Common Share**") upon the satisfaction or waiver of the closing conditions contained in the share purchase agreement for the Acquisition (the "**Share Purchase Agreement**").

The gross proceeds from the Public Offering, less 50% of the Underwriters' fee, and the gross proceeds of the Private Placement Offering (and, in each case, all interest earned thereon) will be held in escrow pending the earlier to occur of: (i) the satisfaction of the Escrow Release Conditions (as defined below) and (ii) a Termination Event (as defined below). If each of the conditions to the completion of the Acquisition as set out in the Share Purchase Agreement has been satisfied or waived (except for the payment of the purchase price thereunder) (the "**Escrow Release Conditions**") (a) the escrowed funds (less any dividend equivalent payments to which the holders of Subscription Receipts are entitled and less the remaining 50% of the Underwriters' fee) will be released to Chesswood and (b) the holders of Subscription Receipts will automatically receive, without payment of additional consideration or further action, one Common Share for each Subscription Receipt held. In the event that (i) the Acquisition closing does not occur prior to 5:00 p.m. (Toronto Time) on April 20, 2015, (ii) the Share Purchase Agreement is terminated at any earlier time, or (iii) Chesswood delivers a notice to the lead Underwriter that it does not intend to proceed with the Acquisition (each a "**Termination Event**"), holders of Subscription Receipts will be entitled to receive a refund of the issue price of their Subscription Receipts plus their *pro rata* share of the interest earned on the escrowed funds in respect of the Offering under which they purchased (and in the case of holders of Subscription Receipts purchased under the Public

Offering, their *pro rata* share of the interest that would have been earned on 50% of the Underwriters' fee were such fee included in the escrowed funds), less any applicable withholding taxes.

Each Offering is subject to normal regulatory approvals, including approval of the Toronto Stock Exchange. The Subscription Receipts offered under the Public Offering will be eligible for sale in all provinces and territories of Canada by way of a supplement to Chesswood's existing short form base shelf prospectus and via private placement in the United States to "Qualified Institutional Buyers" pursuant to Rule 144A under the U.S. Securities Act of 1933. The Subscription Receipts offered under the Private Placement Offering will be offered under available private placement exemptions in the relevant jurisdictions, and will be subject to a four month regulatory hold period.

If the Acquisition closes concurrently with the Offerings, Common Shares (rather Subscription Receipts) will be issued under the Offerings.

The Private Placement Offering is a related party transaction for purposes of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The offering price for the Private Placement Offering is the offering price for the Public Offering, which was established through negotiation between Chesswood and the Underwriters. The Private Placement Offering is to close on or about March 12, 2015, concurrently with the closing of the Public Offering (and, as described above, the closing of the Public Offering is conditional upon the concurrent closing of the Private Placement Offering). The Private Placement Offering is exempt from the formal valuation and minority approval requirements of MI 61-101 because neither the fair market value of the Subscription Receipts to be purchased under the Private Placement Offering nor the aggregate purchase price for such Subscription Receipts exceeds 25% of Chesswood's market capitalization.

About Chesswood Group Limited

Chesswood Group Limited is a financial services company with operating businesses in both Canada and the U.S.

To learn more about Chesswood Group Limited, visit www.ChesswoodGroup.com. The separate websites of Chesswood Group Limited's operating businesses are at www.PawneeLeasing.com, www.windsetcapital.com, www.nstarleasing.com and www.AcuraSherway.com.

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This press release contains forward-looking statements that involve a number of risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Many factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

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