The Intertain Group Limited
FORM 51-102F4
BUSINESS ACQUISITION REPORT

Item 1. - Identity of Company

1.1 Name and Address of Company

The Intertain Group Limited (the “**Company**”)
24 Duncan Street, Floor 2
Toronto, Ontario M5V 2B8

1.2 Executive Officer

For further information please contact:

Keith Laslop
Chief Financial Officer
(647) 349-8277

Certain statements in this business acquisition report (“**Report**”) constitute forward-looking information (as defined under applicable Canadian securities laws). Readers should refer to the “Cautionary Note Regarding Forward-Looking Information” that appears at the end of this Report.

Item 2. - Details of Acquisition

2.1 Nature of Business Acquired

On December 23, 2014, the Company completed the acquisition of the entire issued share capital (the “**Dumarca Shares**”) of Dumarca Holdings PLC (“**Dumarca**”), the Malta-based parent company of the Vera&John group (the “**Acquisition**”). The terms of the Acquisition were set forth in sale and purchase agreements dated December 12, 2014 between the Company and the sellers.

As consideration for the Dumarca Shares, the Company made an initial payment (“**Initial Payment**”) of €44.5 million in cash, exclusive of working capital adjustments, and approximately 5.0 million common shares of the Company.

Dumarca operates various online gambling and related businesses, including the Vera&John and Vera&Juan (collectively referred to as “**Vera&John**”, unless otherwise indicated) online gambling and social gaming brands (collectively, the “**Dumarca Group**”), which operate in countries across Europe and Asia. Of the countries in which Dumarca operates, the bulk of its revenues are derived from Nordic countries.

The Dumarca Group’s products include, but are not limited to the following:

- Vera&John: Dumarca’s core online gambling brand with jackpots, slots, video slots, table games, and instant games.

- Vera&John Social: Dumarca's social gaming brand, offered via social media platforms.

For further information on Dumarca, please see "The Dumarca Acquisition – Description of the Business" in the Company's final short form prospectus dated February 23, 2015 (the "**Prospectus**"), available on SEDAR at www.sedar.com.

2.2 Acquisition Date

December 23, 2014.

2.3 Consideration

On December 23, 2014, as consideration for the Dumarca Shares, the Company made the Initial Payment of €44.5 million in cash, exclusive of working capital adjustments, and approximately 5.0 million common shares of the Company.

The Initial Payment was funded through cash on hand and an interim bridge loan (the "**Bridge Loan**") of approximately C$10.0 million provided by certain management of the Company, on an arm's length basis, to ensure that the Company continued to have sufficient working capital to fund its growth. The Bridge Loan bears an interest rate per annum of the prime business rate (as reported by the Bank of Canada) and is due on December 22, 2019. The Company may repay the principal amount at any time prior to the maturity date. The Bridge Loan is subordinated to the Company's 8.5% senior secured debentures issued pursuant to an indenture dated July 10, 2014.

The Company may be required to make a further cash payment (the "**Earn Out**") in the event Vera&John generates earnings before interest, taxes, depreciation and amortization ("**EBITDA**") over certain thresholds in 2015 and 2016. The cumulative Earn Out payment over 2015 and 2016 is subject to a cap of €8.1 million. For further information on the Earn Out, please see "The Dumarca Acquisition – The Dumarca Agreements – Dumarca Earn-Out" in the Prospectus, available on SEDAR at www.sedar.com.

2.4 Effect on Financial Position

Not applicable.

2.5 Prior Valuations

Not applicable.

2.6 Parties to Transaction

The transaction was not with an "informed person" (as such term is defined in Section 1.1 of National Instrument 51-102 - *Continuous Disclosure Obligations*), associate or affiliate of the Company.

2.7 Date of Report

March 23, 2015.

Item 3. - Financial Statements

The following financial statements and the related notes thereto, as set out in Prospectus, available on SEDAR at www.sedar.com, are hereby incorporated by reference herein:

(i) the audited consolidated annual financial statements of Dumarca comprising the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended (the "**Dumarca Audited Financial Statements**"), together with the notes thereto and the auditor's report thereon;

(ii) the unaudited interim condensed consolidated financial statements of Dumarca for the nine months ended September 30, 2014, comprising the interim consolidated statement of comprehensive income, cash flow and changes in equity for the nine months ended September 30, 2014, and interim consolidated statement of financial position as at September 30, 2014, together with the notes thereto; and

(iii) the unaudited pro forma consolidated financial statements of The Intertain Group Limited, comprising the pro forma consolidated statement of financial position as at September 30, 2014, and the consolidated statement of earnings for the nine months ended September 30, 2014 and the financial year ended December 31, 2013 (the "**Pro Forma Financial Statements**"), together with the notes thereto.

The auditors of the Dumarca Audited Financial Statements have not given their consent to include their audit report in this Report.

Cautionary Note Regarding Forward-Looking Information

This Report contains forward looking information within the meaning of Canadian securities laws concerning the business, operations and financial performance, as applicable, of the Company and Vera&John. Forward looking information includes but is not limited to statements with respect to the future financial performance of Vera&John and expected EBITDA, and with respect to the Bridge Loan. This forward looking information is based on certain assumptions regarding expected growth, results of operations, performance, and business prospects and opportunities. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Forward-looking information is subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from what the Company currently expects. These risks, uncertainties and other factors include, but are not limited to: credit, market, currency, operational, liquidity and funding risks, including changes in economic conditions, interest rates or tax rates, limited operating history, the fact that on-line gaming is a heavily regulated industry and that such regulation is subject to change, competition from other providers of online gaming services, the possibility that the Company be unable to integrate Vera&John's business successfully, the risks associated with international and foreign operations and the risks discussed under the heading "Risk Factors" in the Company's annual information form for the year ended October 31, 2013 and in the Prospectus. Although the Company believes its expectations are based upon reasonable assumptions and has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

The foregoing factors are not intended to represent a complete list of the factors that could affect the Company and the acquisition. The Company does not intend or undertake to publically update any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

Cautionary Note Regarding Pro Forma Consolidated Financial Statements

This Report contains the Pro Forma Financial Statements, which are not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected therein occurred on the dates indicated. Actual amounts recorded upon the finalization of the applicable acquisitions may differ from the Pro Forma Financial Statements. Since the Pro Forma Financial Statements have been developed to retroactively show the effect of a transaction that occurred at a later date (even though this was accomplished by following generally accepted practice using reasonable assumptions), there are limitations inherent in the very nature of pro forma data. The data contained in the Pro Forma Financial Statements represents only a simulation of the potential impact of the applicable acquisitions. Undue reliance should not be placed on the Pro Forma Financial Statements.