

NETWORK MEDIA GROUP INC.

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NEWS RELEASE

NETWORK ENTERTAINMENT ANNOUNCES SECOND CONSECUTIVE POSITIVE QUARTERLY EARNINGS RESULTS AND OPTION GRANTS

VANCOUVER, CANADA, July 28, 2016 – Network Media Group Inc. (“Network” or “the Company”) (TSX: NTE.V) is pleased to announce the production activities carried out through its subsidiary, Network Entertainment Inc., has garnered a per share net income of \$0.01 for the second fiscal quarter ended May 31, 2016.

The Company reported net income of \$395,905 and \$982,019 (\$0.01 and \$0.02 earnings per share) for the three and six month periods ended May 31, 2016, compared with a net loss of \$147,499 and \$335,817 (\$0.00 and \$0.01 loss per share) for the respective periods in 2015. These results extend the record financial trend enjoyed by the Company over the last four financial quarters. The highlights of the second quarter of fiscal 2016 are:

- Three and six month revenues of approximately \$3.0M and \$5.6M
- Three and six month gross profits of \$705,000 and \$1,578,000
- Working capital improvement of \$1,258,000 from November 30, 2015
- Three and six month income increase of \$543,000 and \$1,318,000 over Q2 2015

The Company’s unaudited condensed interim consolidated financial statements for May 31, 2016 and 2015, are available on www.sedar.com under the Company’s profile.

The positive results are directly attributable to Network’s continued high levels of production over the first six months of fiscal 2016 where it released one television series, *The Cowboy* and continued production on two other projects, including a seven part docu-series.

Chairman, Robert Pirooz quotes, “Our second quarter results are a continuation of the momentum we have been creating over the last year. The Company is functioning at an unprecedented level. The Board of Directors and Senior Management are proud of how far the Company has come. Fiscal 2016 is becoming a year where Network has taken itself to the next level of production and results.”

A more detailed analysis of the other components of the Company’s performance can be found in its Management’s Discussion and Analysis as filed on www.sedar.com.

The Company also announces today it has granted incentive stock options to its directors, officers and employees for the right to purchase up to an aggregate of 886,243 common shares of the Company. These options are exercisable at a price of \$0.20 per share, for a term of five years, and vest in tranches over a period of 2 years. The terms of the options granted are in accordance with the Company's Share Option Plan approved by its shareholders on June 9, 2016.

The option grants are subject to TSX Venture exchange approval.

About Network Media Group Inc

Network is focused on becoming one of the world's leading developers and producers of entertainment properties for the global marketplace and its worldwide audience. It is the parent company of Network Entertainment Inc., an established television and film production company with an award-winning international reputation. Its productions include the Academy Award shortlisted feature documentary *Facing Ali*, as well as documentaries on the lives of Bruce Lee, Steve McQueen, Evel Knievel and, most recently, Chris Farley and Johnny Cash. The *I Am Chris Farley* production, which was released in the summer of 2015, set all time ratings records for Spike.

Network's past projects and current productions can be viewed at www.networkentertainment.ca

For further information concerning this press release, please email info@networkentertainment.ca

ON BEHALF OF THE BOARD OF DIRECTORS OF NETWORK MEDIA GROUP INC.

"Derik A. Murray"

Derik A. Murray

Chief Executive Officer and Director

Neither 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.

CAUTIONARY STATEMENT REGARDING FORWARD

This news release contains forward-looking information and should be read subject to the following cautionary language: To the extent any statements made in this news release contain information that is not historical, these statements are forward-looking statements and may be forward-looking information within the meaning of applicable securities laws (collectively, "forward-looking statements"), and can generally be identified by the use of the words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" and other similar expressions. These statements are necessarily based upon management's perceptions, beliefs, assumptions and expectations of historical trends, current conditions and expected future developments, as well as a number of specific factors, estimates and assumptions that, while considered reasonable by management of the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies that could result in the forward-looking information ultimately, perhaps materially, being incorrect.

In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Although Network believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties and undue reliance should not be placed on such statements. All forward-looking information in this news release involve known and unknown risks, uncertainties and other factors that are beyond the control of the Company and may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such risk factors include, but are not limited to, each of the following, as well as those risk factors discussed in the Company's most recent quarterly Management's Discussion and Analysis, a copy of which is available on SEDAR at www.sedar.com:

- Fluctuation of the Company's revenues from quarter to quarter and year to year depending upon sales cycles, consumer demand and the timing of distributor and broadcaster license decisions, as well as the timing of when the proceeds of such licenses meet the Company's revenue recognition criteria;*
- Undue reliance upon a large percentage of revenues from key third-party domestic and international distributors and broadcasters, whose purchase/licensing patterns and own consumer markets may change, having a material impact on the Company's revenues and future business opportunities. In addition, such third parties may also offer their own products that are competitive with the Company's products;*
- Contracts entered into with third party broadcasters and distributors not being honoured by those third parties, or the payment terms not complied with;*
- Overall market demand for the Company's products, namely documentary films, which may fluctuate depending on public preferences, as well as strength of the home entertainment business and overall economic and market conditions; and*
- Disruption of the timing for delivery of the Company's products to its broadcasters and distributors for reasons including, but not limited to, production schedule changes, availability of production crew, travel disruptions, the personal schedules of key talent, all of which can prolong delivery times, delay the timing of release of the Company's products to the public and ultimately delay receipt of licensing and broadcasting fees.*

These risk factors are not intended to represent a complete list of the factors that could affect the Company and the reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information. Forward-looking information is provided for the purpose of giving readers more insight into the Company's future financial and operational results, based on management's expectations. Readers are cautioned that the information may not be appropriate for other purposes. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking information, except to the extent required by applicable law.