



CONTAGIOUS GAMING INC.
(formerly Kingsman Resources Inc.)

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

The following management discussion and analysis (“**MD&A**”) provides a review of the Contagious Gaming Inc.’s (the “Company” or “Contagious Gaming”) results of operations, financial condition and cash flows for the year ended March 31, 2015. This MD&A has been prepared with an effective date of July 27, 2015 and should be read in conjunction with the information contained in the Company’s audited consolidated financial statements and related notes for the year ended March 31, 2015, which were prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”). The audited consolidated financial statements and additional information regarding the business of the Company are available at www.sedar.com.

For reporting purposes, the Company prepares consolidated financial statements in Canadian dollars. Unless otherwise indicated, all dollar (“\$”) amounts in this MD&A are expressed in Canadian dollars. References to “GBP” or “£” are to Pounds Sterling and references to “USD” are to U.S. dollars.

All references to we, our, us and Contagious Gaming refer to the Company, together with its consolidated operations controlled by it and its predecessors.

All references to management refer to the directors, senior officers and other officers of Contagious Gaming, unless otherwise stated. The Company’s audit committee has reviewed this document and, prior to its release, the Contagious Gaming board of directors (Board of Directors) approved it, on the audit committee’s recommendation.

Description of Business

The Company is in the business of developing of software solutions for regulated gaming and lottery markets. The Company is currently focused on deploying its first-to-market lottery-style sports betting platform in the United Kingdom and its proprietary digital instant lottery content in United States and other international jurisdictions. The Company is listed on the TSX Venture Exchange (“**TSX.V**”) under the symbol “CNS”.

Recent Highlights

Reverse Take Over and Acquisitions

The Company (as a stand-alone entity “**Contagious Gaming**”) was incorporated under the name Braddick Resources Ltd. pursuant to The Company Act (British Columbia) on October 14, 1993. On July 8, 2002, Contagious Gaming changed its name to Kingsman Resources Inc. and on September 17, 2014 it changed its name to Contagious Gaming Inc.

On September 19, 2014, Contagious Gaming acquired a 100% ownership in Telos Entertainment Inc. (“**Telos**”) via a reverse takeover transaction (“**RTO**”) and Contagious Sports Inc. (“**Contagious Sports**”).

Concurrently with the RTO on September 19, 2014, Contagious completed a brokered equity financing and tranche 1 of a non-brokered equity financing for gross proceeds of \$5,152,800 and \$850,000 respectively. On September 26, 2014, Contagious completed tranche 2 of the non-brokered equity financing for gross proceeds of \$118,000, for an aggregate gross proceeds of \$6,120,800.

Extension of Development Contract with Zynga

On November 7, 2014, the Company announced it had secured an extension to one of its third-party development contracts with Zynga Inc. (Nasdaq: ZNGA) (“**Zynga**”). The extension is an increase to an existing contract entered into between the Company and Zynga on March 7, 2014 which extends the term of the contract to June, 2015.

Zynga Inc. (Nasdaq: ZNGA) is a leading developer of the world’s most popular social games that are played by more than 100 million monthly consumers. The company has created evergreen franchises such as FarmVille, Zynga Casino and Words With Friends.

Signing of Affiliate Agreement with Pronto Gaming Ltd.

On November 14, 2014 the Company announced it had entered into an affiliate sales agreement with Pronto Games Ltd. (“**Pronto**”) pursuant to which Pronto has been appointed by Contagious Sports as its agent to sell, distribute and promote its live in-play pari-mutuel sports betting platform known as Goal Time (“**Goal Time**”) within its network (the “**Affiliate Agreement**”). The Affiliate Agreement has an initial term of three years from the date Goal Time is launched on Pronto’s affiliate networks (the “**Affiliate Networks**”), after which it shall automatically continue for an additional three years unless any party provides a written notice to terminate with no less than thirty days’ notice.

Pronto will distribute, Goal Time to its gaming and sports media network across Northern and Eastern Europe and Asia, providing access to a significant database of active players.

Cancellation of the Proposed Acquisition of Chelbis Companies

On December 5, 2014, the Company entered into an initial share purchase agreement, which was followed by signing a definitive share purchase agreement on January 18, 2015, to acquire all of the issued and outstanding securities of Chelbis Company Ltd. (Malta) (“**Chelbis Malta**”) and Chelbis Company Ltd. (Isle of Man) (“**Chelbis IOM**”) (together “**Chelbis**”) (the “**Acquisition**”). The acquisition of Chelbis was subject to a number of closing conditions in favour of Contagious Gaming of which Chelbis did not satisfy. The Company was unable to come to a revised agreement satisfactory to Contagious Gaming and thus has made the decision to terminate the acquisition of Chelbis.

Goal Time Launch with Trinity Mirror

The official launch of Goal Time by Trinity Mirror took place on December 21, 2014. The marketing campaign was arranged in advance and deployed through Trinity Mirror’s digital media, print and social media channels. Development of a web-based Mobile App for Goal Time was completed in time for the official launch date. The Company also hired an advertising company Oomph Agency to assist in maximizing the launch of Goal Time.

Signing of License Agreement with Manyx Interactive Ltd.

On January 15, 2015, the Company, through Contagious Sports, has entered into a license agreement with Manyx Interactive Ltd. (“**Manyx**”) to provide its proprietary Goal Time software platform (the “**License Agreement**”). The License Agreement grants Manyx the right to distribute Goal Time to licensed gaming operators in agreed upon African jurisdictions. Any Goal Time distribution agreement entered into by Manyx is subject to the approval of the Company.

In addition to providing Manyx with the Goal Time software platform, the Company is also to provide live sport data and certain support services related to maintaining the software platform. Pursuant to the License Agreement, the Company, as the licensor, is entitled to:

- a) a one-time licensing fee; and
- b) royalty payments based on gross revenues.

The first launch of the Company’s Goal Time software platform into Nigeria and Ghana took place in early May 2015 via the License Agreement with Manyx.

Launching of eInstant Games in Georgia

The official launch of digital eInstant games in the state of Georgia, branded as “Diggi Games” took place on February 9, 2015. The Company’s Crystal Cashword and All-Star Bingo, have been selected by the Georgia State Lottery as part of the Diggi Games portfolio and deployed via GTECH Corporation’s (“**GTECH**”) interactive lottery platform.

Proposed acquisition of Long Standing Sportsbook Software Provider Digitote

On May 21, 2015, the Company has entered into a letter of intent (the “**LOI**”) to acquire all of the issued and outstanding common shares of Digitote Limited and Digitote Software GmbH Deutschland (together “**Digitote**”), herein referred as the “**Acquisition**”. The total consideration for the Acquisition of Digitote will be €5,000,000 (\$6,800,000) (“**Purchase Price**”) and will be paid through a combination of common shares of the Company, cash and a vendor take-back (“**VTB**”). Any cash payment of the Purchase Price payable on Closing is expected to be funded with cash on hand.

Digitote is a developer and provider of commercial-grade sports betting and horse racing technology, hardware and support services to operators across Europe.

Digitote is being acquired free of any long term debt and shall be delivered with positive working capital. The Acquisition is subject to the completion of customary due diligence, negotiation and settlement of a definitive agreement and approval of TSX Venture Exchange.

Extension of Development Contract with Major Publisher

In July 2015, the Company has signed an extension to one of its third-party development contracts with a major social gaming content publisher. The extension of the contract is for one year for approximately \$1 million of services to be provided by the Company.

Business Update

Goal Time

Goal Time officially launched in late December of 2014 as a white label platform for with the Trinity Mirror Group (“**TMG**”), one of the UK’s leading media groups. Since this launch, Goal Time has continued to acquire players, as we expand our brand awareness, which is in line with management’s expectations to-date. Progress of Goal Time to date has been driven by the media partnerships and joint marketing arrangements with TMG. Under this exclusive agreement with TMG management expects to build and increase momentum in player registrations with the start of the 2015/2016 English Premiere League season.

In addition to the TMG media program, we continue to identify and roll-out complimentary media strategies to bolster Goal Time’s brand and drive player acquisition. In March 2015, we announce the signing of Rodney Marsh, as former Manchester City and England football player and international media personality. Rodney’s has built a significant international media career in TV and radio and has helped to drive Goal Time social media strategy. Rodney provides Goal time players with expert pre-match insight to coverage on our selected live in play Premier league games. We are excited to continue our relationship with Rodney into the 2015/ 2016 English Premiere League season.

The first version of the Goal Time app became available in the Apple Store in July of this year. Development is also currently underway for the version two of the Goal Time app which will streamline gameplay and enhance the overall user experience. The Company anticipates completion of version two to coincide with the beginning of the 2015/ 2016 English Premier League season in mid-August. It will be available in the Apple Store on iOS following approvals, as well as for Android and direct web download.

Outlook

Our corporate growth strategy consists of continuing to progress on the launch of Goal Time through our existing partnerships and to pursue additional distribution relationships for the platform. We are also focused on the launch of our digital lottery content in the U.S. and continue to seek opportunities to distribute into additional markets globally. Our strategy is also to grow our business through strategic acquisitions which are accretive, provide additional cash flow and synergistic opportunities.

The online gaming industry is large and growing and offers significant and diverse opportunity for market participants. It is forecasted that the value of the global online gaming market will be approximately €28 billion by 2015, representing a compound annual growth rate (“**CAGR**”) of more than 9% from 2012

(Source: *H2 Gambling Capital*). This does not consider additional opportunities being opened up in the United States, which represents a potentially significant opportunity for the industry.

Today the global online sports betting market is highly fragmented, with a large number of privately owned companies in addition to a few publicly-listed operators. According to H2 Gambling Capital, the online sports betting market was estimated to be worth €4.0bn in gross gaming revenue (“**GGR**”) in 2013, an increase of 5.7% on the prior year. This growth is forecast to continue, with the market worth an estimated €5.8bn by 2018, a CAGR of 8.4%.

Digital lottery in the United States is in its infancy and we are among the first entrants in the supply of digital instant lottery (“**eInstants**”) in this jurisdiction. The US is the world’s largest lottery market worth over US\$64.0bn (Source: La Fleur’s)

Selected Financial Information

The following table highlights key operating results for the current and comparative quarters and shows a reconciliation of Contagious’ reported results to adjusted non-IFRS measures. For definitions of Adjusted EBITDA, Adjusted Earnings (Loss) and Adjusted Earnings (Loss) per Share please refer to the “Non-IFRS Financial Measures” section of this MD&A.

	Three Months Ended		Year Ended	
	March 31 2015 \$	March 31 2014 \$	March 31 2015 \$	March 31 2014 \$
Revenue	189,946	496,677	1,164,955	765,220
Net loss for the period	(1,577,029)	(35,755)	(7,743,971)	(1,839,153)
Financing costs	13,340	(63,037)	267,383	305,879
Interest income	(7,224)	-	(17,183)	-
Future income tax recovery	(193,020)	-	(290,040)	-
Amortization of intangible assets	521,998	9,743	1,161,465	9,743
Depreciation of equipment	5,112	29	11,294	1,465
EBITDA	(1,236,823)	(89,020)	(6,611,052)	(1,522,066)
Stock based compensation	251,439	-	835,698	-
Stock based marketing compensation	131,177	-	811,183	-
RTO public listing	-	-	2,776,724	-
Transaction costs	19,295	50,000	919,295	1,075,000
Adjusted EBITDA	(834,912)	(39,020)	(1,268,152)	(447,066)
Adjusted EBITDA per Share – basic and diluted	(0.01)	(0.00)	(0.03)	(0.03)
Net loss for the period	(1,577,029)	(35,755)	(7,743,971)	(1,839,153)
Financing costs related to extinguished debt	-	30,751	157,952	137,260
Stock based compensation	251,439	-	835,698	-
Stock based marketing compensation	131,177	-	811,183	-
RTO public listing	-	-	2,776,724	-
Transaction costs	19,295	50,000	919,295	1,075,000
Acquisition costs	41,207	-	102,717	-
Adjusted Earnings (Loss)	(1,133,911)	44,996	(2,140,402)	(626,893)
Adjusted Earnings (Loss) per Share – basic and diluted	(0.02)	0.00	(0.05)	(0.04)

The Company generated \$1,164,955 of revenue for the year ended March 31, 2015 compared with \$765,220 for the comparative year ended March 31, 2014. Adjusted EBITDA for the year ended March 31, 2015 amounted to a loss of \$1,268,152 compared to a loss of \$447,066 for the year ended March 31, 2014. The increase in the Adjusted EBITDA loss is primarily due to general and administrative and regulatory compliance costs that Telos did not have until completion of the RTO with Contagious Gaming on September 19, 2014. The Adjusted Earnings (Loss) amounted to a loss of \$2,140,402 or \$0.05 loss per share for the year ended March 31, 2015 and \$626,893 loss or \$0.04 loss per share for the year ended March 31, 2014.

Selected Annual Information

The following table sets forth summary financial information for the three most recently completed fiscal years derived from the Company's annual financial statements prepared under IFRS:

	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
	(\$)	(\$)	(\$)
Total revenue (i)	1,164,955	765,220	656,052
Net loss (ii)	(7,743,971)	(1,839,153)	(236,606)
Net loss per share - basic and diluted (iii)	(0.17)	(0.13)	(2,366.06)
Total assets (iv)	13,813,721	1,116,677	410,398
Total long-term liabilities (v)	1,358,914	11,250	446,460
Dividend:			
Class A Preferred shares (vi)	-	-	90,000
Class A Common shares (vii)	-	120,102	41,254

- (i) The Company's revenue is derived mainly from software development services performed for third parties. Revenues are expected to grow over the years, however management is planning to change the composition of revenue by increasing revenue derived from profit sharing agreements related to the licensing of its proprietary gaming portfolio. 2014 and 2015 revenue increased compared to 2013 revenue due to entering into larger software revenue contracts.
- (ii) 2015 increase in net loss is mainly due to (i) RTO public listing costs of \$2,776,724, (ii) amortization of intangible assets of \$1,161,465, (iii) stock based compensation expense of \$835,698, and (iv) stock based marketing compensation of \$811,183 which includes \$473,109 fair value of common shares issued to Trinity Mirror and \$338,074 fair value of Trinity Mirror warrants vested during the current period, all of which are non-cash and the RTO public listing costs are non-recurring. 2014 loss significantly increased compared to 2013 due to an increase in general and administrative costs mainly due to RTO activities. 2014 general and administrative costs include \$1,075,000 of consulting expenses related to the RTO which were settled by issuance of Telos' common shares.
- (iii) Income (loss) per share fluctuates proportionately to net income (loss) for the year and due to changes in the number of common shares issued and outstanding during each year. 2014 loss per share is significantly lower than 2013 loss per share due to an increase in weighted average number of shares outstanding from 100 common shares in 2013 to 28,817,223 common shares in 2014.
- (iv) 2015 assets increased compared to 2014 due to completion of equity financings for gross proceeds of \$6,120,800, an increase in intangible assets of \$8,323,278 which consists of Contagious Sports' online betting platform powered by its proprietary back office management application ("BOMA") and eWallet and an increase in goodwill of \$1,659,548 related to the acquisition of Contagious Sports. 2014 assets increased compared to 2013 due to an increase in accounts receivable and intangible assets.
- (v) 2015 non-current liabilities consisted of convertible debenture payable and deferred income tax liability recorded on acquisition of Contagious Sports. 2014 long term liabilities consisted of a long term portion of a loan payable. 2013 long term liabilities consisted of amount due to Telos International Inc., a related party, which was repaid in 2014.
- (vi) Dividend on Class A preferred shares was mandatory and was paid upon redemption of all preferred shares in 2013. No dividend will be paid on preferred shares in future years.
- (vii) 2014 and 2013 dividend on Class A common shares was paid to the Company's shareholder, director and officer, Sean Yeomans. Dividends were paid at the discretion of Mr. Yeomans.

Discussion of Operations

	Three Months Ended March 31		Year Ended March 31	
	2015	2014	2015	2014
Revenue	189,946	496,677	1,164,955	765,220
Expenses				
Direct development costs	214,749	123,567	612,142	234,582
Operating	84,362	107,317	238,235	203,364
General and administrative	716,919	204,812	1,622,755	674,340
Amortization of intangible assets	521,998	9,743	1,161,465	9,743
Depreciation of equipment	5,112	29	11,294	1,465
Financing costs	13,340	(63,037)	267,383	305,879
Foreign exchange (gain)loss	685	-	(514)	-
Public listing costs	-	-	2,776,724	-
Stock based compensation	251,439	-	835,698	-
Stock based marketing compensation	131,177	-	811,183	-
Transaction costs	19,295	50,000	919,295	1,075,000
(Gain) Loss on settlement of debt	919	100,000	(56,694)	100,000
Future income tax recovery	(193,020)	-	(290,040)	-

For the year ended March 31, 2015, Contagious recorded a net loss of \$7,743,971 compared with a net loss of \$1,839,153 for the comparative period. The increase in net loss is mainly due to (i) RTO public listing costs of \$2,776,724, (ii) amortization of intangible assets of \$1,161,465, (iii) stock based compensation expense of \$835,698, and (iv) stock based marketing compensation of \$811,183 which includes \$473,109 fair value of common shares issued to Trinity Mirror and \$338,074 fair value of Trinity Mirror warrants vested during the current period, all of which are non-cash and the RTO public listing costs are non-recurring.

For the quarter ended March 31, 2015, Contagious recorded a net loss of \$1,577,029 compared with a net loss of \$35,755 for the comparative quarter ended March 31, 2014. The increase in net loss is mainly due to amortization of intangible assets of \$521,998, stock based compensation of \$251,439, stock based marketing compensation of \$131,177 and an increase in general and administrative expenses.

Revenue – The increase in revenue for the year ended March 31, 2015 is a result of entering into bigger software development contracts. Q4 2015 revenue decreased compared with Q4 2014 due to securing fewer software development contracts.

Direct development costs – The increase in direct development costs for the year ended March 31, 2015 is relative to the increase in revenue. Despite the decrease in revenue, Q4 2015 direct development costs increased compared with Q4 2014 due to expensing of approximately \$102,000 of certain costs that were previously removed from direct development costs and reported as tax credits receivable. Due to uncertainty of recovery, these costs were expensed.

Operating expenses – The increase in operating costs is relative to the increase in revenue. However, certain operating costs are fixed in nature therefore operating costs do not fluctuate proportionately to fluctuation in revenue.

General and administrative expenses – The increase in general and administrative costs is mainly due to increase in professional fees, consulting, management, business development and regulatory compliance costs incurred subsequent to completion of the RTO on September 19, 2014.

Amortization of intangible assets – The increase in amortization of intangible assets is due to commencing amortization of Telos' iLottery costs on July 20, 2014 and BOMA platform costs

commencing on September 19, 2014 (date of acquisition of Contagious Sports).

Financing costs – Current year decrease in financing costs is due to repayment of operating loans subsequent to completion of equity financing on September 24, 2014. Q4 2014 recovery of financing costs is due to recovery of financing costs from a company with a director in common.

Public listing costs – During the current year, the Company recorded \$2,776,724 of reverse takeover public listing costs. These costs are non-cash and non-recurring. RTO public listing costs arise from the excess of the consideration paid for the RTO acquisition of Contagious Gaming (comprising of \$1,908,560 fair value of common shares in Contagious Gaming allocated to the existing shareholders in Contagious Gaming in the RTO accounting and the fair values of Contagious Gaming's options of \$87,000 and warrants of \$472,000 assumed by Telos upon the RTO) and the \$350,000 fair value of shares issued as a finder's fee related to the RTO acquisition, over the \$40,836 fair values of the assets and liabilities of Contagious Gaming as of the date of the completion of the RTO. There were no such costs incurred during the comparative year.

Stock based compensation – Current year stock based compensation was recorded on stock options vested during the current period. Telos did not grant stock options prior to September 19, 2014, therefore there were no such costs recorded in the comparative year.

Stock based marketing compensation – Current year stock based marketing compensation of \$811,183 includes \$473,109 fair value of 965,528 common shares issued to Trinity Mirror on November 5, 2014 for marketing of the Goal Time website and \$338,074 fair value of Trinity Mirror warrants vested during the current year.

Transaction costs – Current year transaction costs of \$919,295 consist of \$900,000 of fair value of shares issued as finder's fee and an assignment fee in connection with the acquisition of Contagious Sports and \$19,295 of transaction costs related to investigating of other acquisition opportunities. During the comparative year, the Company recorded \$1,075,000 of transaction costs representing shares issued and cash paid in connection with Telos' efforts to arrange an acquisition of a publically trading company.

Gain on settlement of debt – Gain on settlement of debt was recorded upon settlement of certain payables of Contagious Sports.

Summary of Quarterly Results

The following is a summary of the results from the eight previously completed financial quarters:

	March 31 2015 \$	Dec 31 2014 \$	Sep 30 2014 \$	June 30 2014 \$	March 31 2014 \$	Dec 31 2013 \$	Sep 30 2013 \$	Jun 30 2013 \$
Revenue	189,946	357,099	294,063	323,847	496,677	131,718	75,893	60,942
Net loss (i)	(1,577,029)	(1,891,775)	(4,239,139)	(36,028)	(35,755)	(319,225)	(1,328,972)	(155,201)
Net loss per share (ii)(iii)	(0.02)	(0.05)	(0.21)	(0.00)	(0.00)	(0.02)	(0.10)	(0.01)
Weighted average # of shares (iii)	73,849,479	35,619,493	20,383,372	17,500,000	13,812,500	13,812,500	13,812,500	13,812,500

(i) Net loss for the quarter ended March 31, 2015 reflects amortization of intellectual property of \$521,998, \$251,439 of stock based compensation and \$131,177 of stock based marketing compensation. Decrease of net loss from the quarter ended December 31, 2014 to the current quarter is primarily due to

recording in December 2014 quarter stock based marketing compensation of \$680,006 which includes \$473,109 fair value of common shares issued to Trinity Mirror and \$206,897 fair value of Trinity Mirror warrants, compared with only \$131,177 of stock based marketing recorded in March 31, 2015 quarter. Net loss for the quarter ended September 30, 2014 includes \$2,776,724 of RTO public listing costs, \$900,000 of transaction costs related to the acquisition of Contagious Sports and \$294,654 of stock based compensation. Net loss for the quarter ended September 30, 2013 includes \$1,025,000 of advisory and consulting costs in relation to the Telos' efforts to acquire a publically trading company.

(ii) Net loss per share fluctuates from period to period and is impacted by the amount of loss incurred and the number of weighted average number of common shares outstanding. Net loss per share for the quarter ended September 30, 2014 was significantly higher compared with the other periods due to incurring non-cash and non-recurring RTO costs as described above.

(iii) On September 19, 2014, Contagious Gaming completed a reverse takeover transaction with Telos. For the period in which a reverse acquisition occurs, the weighted-average number of common shares outstanding is calculated as the weighted average of:

- for the period from the beginning of the reporting period to the RTO date: the weighted average number of common shares of Telos (accounting acquirer) outstanding during that period multiplied by the exchange ratio established in the acquisition agreement (1:2), and
- for the period from the RTO date to the end of the reporting period: the actual number of common shares of Contagious Gaming (legal acquirer) outstanding during that period.

Financial Condition, Liquidity and Capital Resources

	March 31, 2015	March 31, 2014
	\$	\$
Cash	2,641,989	16,806
Other current assets	504,598	422,973
Non-current assets	10,667,134	676,898
Current liabilities	1,031,854	1,717,369
Non-current liabilities	1,358,914	11,250
Current working capital (deficiency)	2,114,733	(1,277,590)

Assets – The increase in cash of \$2,625,183 since March 31, 2014 primarily relates to the Company's brokered and non-brokered equity financings for gross proceeds of \$6,120,800 completed on September 19, 2014, which was offset by incurring costs related to the equity offering, the RTO transactions, repayment of loans and payables and operating costs.

The increase in other current assets of \$81,625 since March 31, 2014 primarily relates to an increase in prepaid expenses of \$160,635 and a decrease in accounts receivable of \$82,495.

The increase in non-current assets of \$9,990,145 since March 31, 2014 primarily relates to an increase in intangible assets of \$8,323,278 which consists of Contagious Sports' online betting platform powered by its proprietary back office management application ("BOMA") and eWallet and an increase in goodwill of 1,659,548 related to the acquisition of Contagious Sports.

Liabilities – The decrease in current liabilities since March 31, 2014 primarily relates to repayment of loans payable. The increase in non-current liabilities since March 31, 2014 primarily relates to an increase in convertible loans payable of \$246,375 and deferred income tax of \$572,896.

Working Capital – The increase in the current working capital is mainly due to completion of the equity financings for gross proceeds of \$6,120,800, which was offset by incurring costs related to the equity offering, the RTO transactions and operating costs. The Company's current working capital is sufficient to support its expected general administrative and corporate operating requirements on an ongoing basis for the next twelve months.

Financing of Operations and Recent Financing – To date, Contagious has financed its operations through software development revenue, debt, equity and government assistance. In September 2014, the Company raised \$6,120,800 of gross proceeds through brokered and non-brokered equity financings, less \$557,088 of share issuance costs, for net proceeds of \$5,563,712. As of March 31, 2015, approximately \$3,034,000 of net proceeds was spent on settlement of liabilities of acquired subsidiaries, operations, regulatory compliance, general and administrative costs and Chelbis acquisition due diligence.

Liquidity Risk and Contractual Obligations – Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payables and accrued liabilities, loans payable and commitments to mitigate this risk.

Liquidity Outlook – The Company’s cash position is highly dependent on the ability of its intellectual property to generate revenue and the ability of the Company to enter into new revenue-generating agreements in the gaming industry. The Company’s management is actively considering a number of opportunities, including the proposed acquisition of Digitote, third party software development and other distribution agreements.

The Company’s objective when managing capital is to maximize returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to externally imposed capital requirements.

This outlook is based on the Company’s current financial position and is subject to change.

Outstanding Share Data

The following table summarizes the maximum number of common shares potentially outstanding as at March 31, 2015 and as of the date of this MD&A if all outstanding debentures were converted to common shares:

	As of March 31, 2015	As of the date of this MD&A
Common shares	73,849,479	73,849,479
Share purchase options	4,100,000	4,100,000
Share purchase warrants	5,155,907	5,155,907
Convertible notes	300,000	300,000
Fully diluted	83,405,386	83,405,386

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions and Balances

For details please refer to Note 8 of the March 31, 2015 financial statements.

Future Changes in Significant Accounting Policies

For details please refer to Note 3 of the March 31, 2015 financial statements.

Financial Instruments and Other Instruments

For details please refer to Note 14 of the March 31, 2015 financial statements.

Risks and Uncertainties

Details of the risks and uncertainties related to the Company's business are set out in the Information Circular of Contagious Gaming Inc. (formerly Kingsman Resources Inc.) dated June 27, 2014 under the heading "Risk Factors".

Commitments and Contingencies

For details please refer to Note 11 of the March 31, 2015 financial statements.

Non-IFRS Financial Measures

The following non-IFRS definitions are used in this MD&A because management believes that they provide useful information regarding our ongoing operations. Readers are cautioned that the definitions are not recognized measures under IFRS, do not have standardized meanings prescribed by IFRS, and should not be construed to be alternatives to revenues and net loss and comprehensive loss for the period determined in accordance with IFRS or as indicators of performance, liquidity or cash flows. Our method of calculating these measures may differ from the method used by other entities and accordingly our measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions.

- **Adjusted EBITDA** as defined by the Company means earnings before interest and financing costs (net of interest income), income taxes, amortization, depreciation, RTO public listing, stock based compensation, stock based marketing compensation and transaction costs. Management believes that Adjusted EBITDA is a useful measure because it provides information to management about the operating and financial performance of the Company and its ability to generate operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures.
- **Adjusted Earnings (Loss)**, as defined by the Company, means net income (loss) plus or minus items of note that management may reasonably quantify and that it believes will provide the reader with a better understanding of the Company's underlying business performance. For the purposes of the Company's current quarter MD&A, Adjusted Earnings (Loss) is calculated by adjusting net income (loss) for (i) financing costs related to extinguished debt, (ii) stock based compensation, (iii) stock based marketing compensation, (iv) RTO public listing, (v) transaction costs and (vi) acquisition related costs. Management believes that Adjusted Earnings (Loss) is an important indicator of the issuer's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses the metric for this purpose. Adjusted Earnings (Loss) is also used by investors and analysts for the purpose of valuing an issuer.
- **Adjusted Earnings (Loss) per Share**, as defined by the Company, means Adjusted Earnings (Loss) divided by the weighted average number of shares outstanding for the period. Management believes that Adjusted Earnings (Loss) is an important indicator of the issuer's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt, and fund future capital expenditures and uses the metric for this purpose. Adjusted Earnings (Loss) per Share is also used by investors and analysts for the purpose of valuing an issuer.

The intent of Adjusted EBITDA, Adjusted Earnings (Loss) and Adjusted Earnings (Loss) per Share is to provide additional useful information to investors and analysts and these measures do not have any standardized meaning under IFRS. Adjusted EBITDA, Adjusted Earnings (Loss) and Adjusted Earnings

(Loss) per Share should therefore not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Adjusted EBITDA, Adjusted Earnings (Loss) and Adjusted Earnings (Loss) per Share differently.

A reconciliation of the adjusted measures noted above is included in the "Discussion of Operations" section of this MD&A.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the timing and amount of estimated future cash flows, capital expenditures, currency fluctuations and the requirements of future capital. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the availability and reasonable terms to finance the Company;
- the ability to deliver compelling content, products and services in a highly competitive market; and
- the ability to attract and retain skilled staff

These forward-looking statements involve risks and uncertainties relating to, among other things, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.**

CORPORATE DIRECTORY

Trading Symbol – CNS
Exchange - TSX-V

Contagious Gaming Inc.

#800 – 789 West Pender Street,
Vancouver, BC, V6C 1H2

Tel: 416-846-5580

Fax: 604-648-8350

www.contagiousgaming.com

info@contagiousgaming.com

Officers and Directors

Peter Glancy – CEO and Director

Sean Yeomans – President and Director

Adam Kniec – CFO and Corporate Secretary

Charles Shin – Executive Chairman of the Board

Victor Wells – Lead Director

Desmond Balakrishnan - Director

Audit Committee

Victor Wells (Chairman)

Charles Shin

Desmond Balakrishnan

Compensation Committee

Victor Wells (Chairman)

Desmond Balakrishnan

Peter Glancy

Corporate Governance Committee

Desmond Balakrishnan (Chairman)

Charles Shin

Victor Wells

Legal Counsel

McMillan LLP

Suite 1500 - 1055 West Georgia Street

Vancouver, BC V6E 4N7

Tel: 604-689-9111

Fax: 604-685-7084

Auditor

BDO LLP

55 Baker Street

London , W1U 7EU, United Kingdom

Tel: +44(0)20 7486 5888

Transfer Agent

Computershare

2nd Floor, 510 Burrard Street

Vancouver, BC V6C 3B9

Tel: 604-661-9400

Fax: 604-661-9549