CONTAGIOUS GAMING INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

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, 2016. This MD&A has been prepared with an effective date of July 28, 2016 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, 2016, 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, references to "Euro" or "€" are to Euros 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 proprietary lottery-style sports betting platform, its proprietary digital instant lottery content, as well as operating and growing its B2B sports betting software business. The Company is listed on the TSX Venture Exchange ("TSX.V") under the symbol "CNS".

Recent Highlights

Acquisition of Long Standing Sportsbook Software Provider Digitote

On November 30, 2015 the Company acquired all the issued and outstanding common shares of Digitote Ltd and Digitote Software GmbH (together "Digitote") in consideration for the issuance to former shareholders of Digitote an aggregate of 8,008,000 common shares valued at $0.09 per share for a total of $720,720, and contingent cash consideration valued at $1,814,895.

Digitote is a developer and provider of commercial-grade sports betting and horse racing technology, hardware and support services to operators across Europe. Its business-to-business ("**B2B**") software platform ("**Xturf**") currently manages the sportsbook operations for a number of large and mid-sized customers in multiple regulated jurisdictions. Digitote's team are highly experienced technical and industry professionals focused on the continued delivery of cutting edge sports betting solutions.

Extension of Development Contract with Major Publisher

In June 2016, the Company 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 $1.5 million of services to be provided by the Company.

Signing of Deal with Openbet

In April 2016, the Company, through Telos Entertainment, signed a casino partner agreement with Openbet Limited. The Distribution Agreement with Openbet will allow Contagious Gaming to integrate its digital scratch ticket "("eInstant Games") portfolio to Openbet's software platform for distribution to Openbet's global customer base.

Secured UK Gambling License for Online Sports Betting and Casino Operations

On March 8, 2016, the company, through Contagious Sports, has expanded its Combined Remote Operating License from the UK Gambling Commission. The expanded gambling license authorizes the company to provide facilities for real event betting, virtual event betting and operate a casino.

Signing of Deal with Microgaming to Distribute Goal Time

In August 2015, the Company entered into a non-exclusive worldwide distribution agreement with Microgaming Networks ("**Microgaming**") to integrate Goal Time into its Quickfire gaming platform (the "**Distribution Agreement**"). The Distribution Agreement enables Contagious Gaming to expand Goal Time into new territories and benefit from Quickfire's extensive portfolio of over 300 brands. The Distribution Agreement provides Microgaming's Quickfire customers with access to Goal Time, the world's first in-play, pari-mutuel, sports betting platform.

Virtual Sports Agreement with Sportradar

In January 2016, the Company entered into an agreement with Sportradar Gaming AG which allows Contagious Gaming the use of its Virtual Football League, Virtual Horse Classics, Virtual Dog Racing, Virtual Tennis Open and Virtual Basketball League products.

Business Update

Goal Time

The Company's proprietary in-play, pari-mutuel lottery style soccer game, Goal Time, went live on December 21, 2014 in partnership with Trinity Mirror Group ("TMG"), one of the largest media companies in the UK. From its launch until early December 2015, there were 3,871 registered players, of which the majority (63%) of the registered players (year-to-date) were playing through their mobile devices and the average age of the registered player is 35.

The completion of the acquisition of Digitote on December 2, 2015, provides the Company with the technical ability to offer a wider range of gaming content to its Goal Time players on a white label basis. The addition of this wider range of gaming content will turn Goal Time from a strictly "in-play" offering to a 24/7 real money gaming destination which is expected to achieve an increase in revenue per player in line with industry averages. The expanded offering (the "Expanded Goal Time Offering") includes:

- Sport and Event Betting (pre-game and in-play);
- Virtual Sports Betting;
- Casino Gaming; and,
- Instant Win Games

The Company has been focused on executing on certain requirements to implement the Expanded Goal Time Offering. As part of the larger initiative, the existing Goal Time operations were suspended in early December 2015, in conjunction with the closing of the Digitote acquisition. It shall be relaunched with the completion of the Expanded Goal Time Offering launch.

The Company currently has a credit of £458,000 ($796,920) available from TMG to draw down for the promotion and player acquisition for Goal Time. TMG is a significant global partner with an audience that includes 38.6 million weekly print subscribers within the UK and to an audience of 24.7 million online viewers. The Company expects to resume Goal Time around the start of the 2016-2017 Premier League season in August 2016 with marketing efforts to synchronize with the launch of the 24/7 expanded gaming offering.

Digital Lottery Update

Contagious Gaming remains committed to becoming a leader in the development of digital instant scratch cards. However, the roll out of its supplier contracts in the US has taken more time than the Company expected. In the state where the Company's content is currently live the lotteries have yet to roll out a full scale marketing campaign which is limiting the performance.

Due to the slower than expected pace of digital lottery growth across the US the limited distribution and marketing efforts by the lotteries to date, Management's view is to diversify its Digital Lottery portfolio outside of the US and to pursue distribution networks in Canada, Europe and other regulated markets.

As part of its strategy to diversify away from the US lotteries, the Company announced on April 14, 2016, that it entered into a casino partner agreement with Openbet Limited ("Openbet") to have its content portfolio distribution to Openbet's global customer base via its software platform. This integration work required is underway and once completed will provide Contagious with a global base of potential customers for its content.

Digitote (B2B Sports Betting) Update

Digitote Limited and Digitote Software GmbH Deutschland's (together "Digitote") customers are structured on a month-to-month basis, as there are no long-term agreements in place. This risk of contract uncertainty was identified as part of the Company's due diligence when acquiring Digitote and was reflected in the structuring of the consideration paid. The Company negotiated earn out consideration in lieu of a vendor take back to account for risk in the lack of long-term contracts with Digitote's key customers at the time of closing.

The Company announced on October 19, 2015 a portion of the purchase price of Digitote Limited and Digitote Software GmbH Deutschland (together "Digitote") was to be funded by way of earn out (the "Digitote Earn Out") as opposed to the previously agreed upon vendor takeback as announced on August 10, 2015 (the "Vendor Take Back"). The Digitote Earn Out consideration is equal to 1x EBITDA (subject to certain adjustments) for each of the four years following the closing of the Acquisition up to a cumulative total of €2,200,000 (C$3,168,000). To-date the Company has paid to the Digitote vendors 8,008,000 shares of the Company delivered on closing.
Moving forward, the Digitote technology is instrumental in the growth of Goal Time and at the core of the Expanded Goal Time Offering. Following the completion of the Digitote acquisition, key personnel have been focused on the integration of Goal Time and the build out of the expanded offering as well as updating the xTurf platform. Once the Expanded Goal Time Offering is operational, the focus will shift towards adding new Digitote customers on a B2B basis.

Outlook

Our corporate growth strategy consists of continuing to progress on the launch of Expanded Goal Time Offering 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 North America and Europe, and continue to seek opportunities to distribute into additional markets globally. With the acquisition of Digitote, our strategy now incorporates operating and growing our business-to-business ("**B2B**") sports betting technology business. In addition, we continue to pursue opportunities to grow our business through strategic acquisitions which are accretive, provide additional cash flow and synergistic opportunities.

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 2016 $	March 31 2015 $	March 31 2016 $	March 31 2015 $
Revenue	**1,207,406**	**189,946**	**2,311,352**	**1,164,955**
Net loss for the period	**(1,209,419)**	**(1,577,029)**	**(4,391,171)**	**(7,743,971)**
Financing costs	7,177	13,340	46,152	267,383
Interest income	(2,183)	(7,224)	(15,448)	(17,183)
Future income tax recovery	(236,888)	(193,020)	(657,956)	(290,040)
Amortization of intangible assets	611,183	521,998	2,221,232	1,161,465
Depreciation of equipment	10,759	5,112	28,474	11,294
Impairment loss	393,315	-	393,315	-
EBITDA	**(426,056)**	**(1,236,823)**	**(2,375,402)**	**(6,611,052)**
Stock based compensation	37,377	251,439	563,934	835,698
Stock based marketing compensation	281,983	131,177	281,983	811,183
RTO public listing	-	-	-	2,776,724
Transaction costs	-	19,295	-	919,295
Movement in contingent consideration	101,404	-	202,107	-
Irrecoverable tax claim	-	-	125,273	-
Bargain purchase gain	(274,503)	-	(274,503)	-
Adjusted EBITDA	**(279,795)**	**(834,912)**	**(1,476,608)**	**(1,268,152)**
Adjusted EBITDA per Share – basic and diluted	**-**	**(0.01)**	**(0.02)**	**(0.03)**
Net loss for the period	**(1,209,419)**	**(1,577,029)**	**(4,391,171)**	**(7,743,971)**
Financing costs related to extinguished debt	-	-	-	157,952
Stock based compensation	37,377	251,439	563,934	835,698
Stock based marketing compensation	281,983	131,177	281,983	811,183
RTO public listing	-	-	-	2,776,724
Transaction costs	-	19,295	-	919,295
Movement in contingent consideration	101,404	-	202,107	-
Irrecoverable tax claim	-	-	125,273	-
Bargain purchase gain	(274,503)	-	(274,503)	-
Impairment loss	393,315	-	393,315	-
Acquisition costs	-	41,207	133,879	102,717
Adjusted Earnings (Loss)	**(669,843)**	**(1,133,911)**	**(2,965,183)**	**(2,140,402)**
Adjusted Earnings (Loss) per Share – basic and diluted	**(0.01)**	**(0.02)**	**(0.04)**	**(0.05)**

The Company generated $2,311,352 of revenue for the year ended March 31, 2016 compared with $1,164,955 for the comparative year ended March 31, 2015, an increase of 98%. Adjusted EBITDA for the year ended March 31, 2016 amounted to a loss of $1,476,608 compared to a loss of $1,268,152 for the year ended March 31, 2015. The increase in the Adjusted EBITDA loss is primarily due to general and administrative expenses being higher in fiscal 2016 as it was the first full year of operations as a combined entity following the RTO. The Adjusted Earnings (Loss) amounted to a loss of $2,965,183 or $0.04 loss per share for the year ended March 31, 2016 and $2,140,402 loss or $0.05 loss per share for the year ended March 31, 2015.

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, 2016 ($)	Year Ended March 31, 2015 ($)	Year Ended March 31, 2014 ($)
Total revenue (i)	2,311,352	1,164,955	765,220
Net loss (ii)	(4,391,171)	(7,743,971)	(1,839,153)
Net loss per share - basic and diluted (iii)	(0.06)	(0.17)	(0.13)
Total assets (iv)	13,388,413	13,813,721	1,116,677
Total long-term liabilities (v)	2,731,535	1,358,914	11,250
Dividend:			
Class A Common shares (vi)	-	-	120,102

(i) The Company's revenue is derived mainly from software development services performed for third parties and B2B managed services. Revenues in these areas are expected to grow over the coming 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. 2015 revenue increased compared to 2014 due to entering into larger software revenue contracts. 2016 revenue increased due to the additional revenue generated from the acquisition of Digitote and entering into larger software development contracts.

(ii) 2016 net loss is mainly due to (i) general and administrative expenses of $2,949,960, (ii) amortization of intangible assets of $2,221,232 and (iii) stock based compensation of $563,934. 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 was 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.

(iv) 2016 assets decreased slightly due to amortization, offset by the acquisition of Digitote. 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.

(v) 2016 non-current liabilities increase is due to contingent consideration of $2,017,002 related to the Digitote acquisition. 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.

(vi) 2014 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 2016	Three Months Ended March 31 2015	Year Ended March 31 2016	Year Ended March 31 2015
Revenue	1,207,406	189,946	2,311,352	1,164,955
Expenses				
Direct development costs	275,795	214,749	670,925	612,142
Operating	54,274	84,362	179,453	238,235
General and administrative	948,437	716,919	2,949,960	1,622,755
Amortization of intangible assets	611,183	521,998	2,221,232	1,161,465
Depreciation of equipment	10,759	5,112	28,474	11,294
Financing costs	7,177	13,340	46,152	267,383
Foreign exchange (gain)loss	(67,991)	685	(86,664)	(514)
Public listing costs	-	-	-	2,776,724
Stock based compensation	37,377	251,439	563,934	835,698
Stock based marketing compensation	281,983	131,177	281,983	811,183
Transaction costs	-	19,295	-	919,295
Impairment loss	393,315	-	393,315	-
Movement in contingent consideration	101,404	-	202,107	-
Irrecoverable tax claim	-	-	125,273	-
Provision for bad debt / (Gain on settlement of debt)	-	919	58,838	(56,694)
Bargain purchase gain on acquisition	-	-	(274,503)	-
Future income tax recovery	(236,888)	(193,020)	(657,956)	(290,040)

For the year ended March 31, 2016, Contagious recorded a net loss of $4,391,171 compared with a net loss of $7,743,971 for the comparative period. The decrease in net loss is mainly due to an increase in total revenue from Telos and the Digitote acquisition, as well as the public listing costs incurred in the previous year that were non-recurring. The following costs were non-recurring from the prior period: (i) RTO public listing costs of $2,776,724, (ii) 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 previous period, and (iii) transaction costs of $919,295.

For the quarter ended March 31, 2016, Contagious recorded a net loss of $1,209,419 compared with a net loss of $1,577,029 for the comparative quarter ended March 31, 2015.

Revenue – The increase in revenue for the year ended March 31, 2016 is a result of entering into larger software development contracts and the acquisition of Digitote. Q4 2016 revenue increased compared with Q4 2015 as a result of the additional revenue associated with the Digitote acquisition.

Direct development costs – The increase in direct development costs for the year ended March 31, 2016 and for Q4 2016 are relative to the increase in revenue.

Operating expenses – The decrease in operating costs is due to a decrease in marketing expense. 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, and business development as a result of 2016 being the first full fiscal year as a combined entity following the RTO.

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.

Public listing costs – During the prior 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 current year.

Stock based compensation – Current year stock based compensation was recorded on stock options vested during the current period and for stock options granted on December 23, 2016.

Stock based marketing compensation – Current year stock based marketing compensation reflects the value of the marketing incurred in the year with the Trinity Mirror for the Goal Time website for which shares were issued but are currently held in escrow. Prior 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 – Prior 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.

Impairment loss – Current year impairment loss has primarily resulted from the move by Contagious Sports to the Digitote XTURF platform, as well as a smaller amount related to the impairment of the Telos' Timeless Gems game.

Movement in contingent consideration – reflects the foreign exchange loss on the contingent consideration as it is payable in Euros and the unwinding of discount.

Irrecoverable tax claim – reflects a tax recovery previously recorded as a receivable that was rejected.

Gain on settlement of debt – Loss on settlement of debt was recorded upon settlement of certain receivables of Telos Entertainment.

Bargain purchase gain on acquisition - Bargain purchase gain on acquisition reflects the value of net assets in excess of consideration paid on the Digitote acquisition.

Summary of Quarterly Results

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

	March 31 2016 $	Dec 31 2015 $	Sep 30 2015 $	June 30 2015 $	March 31 2015 $	Dec 31 2014 $	Sep 30 2014 $	Jun 30 2014 $
Revenue	1,207,406	678,704	215,844	209,398	189,946	357,099	294,063	323,847
Net loss (i)	(1,209,419)	(1,302,827)	(972,336)	(1,181,092)	(1,577,029)	(1,891,775)	(4,239,139)	(36,028)
Net loss per share (ii)(iii)	(0.01)	(0.02)	(0.01)	(0.02)	(0.02)	(0.05)	(0.21)	(0.00)

(i) Net loss for the quarter ended March 31, 2016 reflects amortization of intellectual property of $611,183. The net loss for the quarter ended December 31, 2015 reflects amortization of intellectual property of $544,716, stock based compensation of $251,422, movement in contingent consideration of $101,404 and irrecoverable tax claim of $125,273. Net loss for the quarter ended September 30, 2015 included amortization of intellectual property of $545,140 and stock based compensation of $134,415. Net loss for the quarter ended June 30, 2015 included amortization of intellectual property of $520,193 and stock based compensation of $140,720.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 March 31, 2015 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.

(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, 2016 $	March 31, 2015 $
Cash	1,838,882	2,641,989
Other current assets	729,856	504,598
Non-current assets	10,819,675	10,667,134
Current liabilities	2,159,556	1,031,854
Non-current liabilities	2,731,535	1,358,914
Current working capital (deficiency)	409,182	2,114,733

Assets – The decrease in cash of $803,107 since March 31, 2015 primarily relates to the increase in the Company's general and administrative costs.

The increase in other current assets of $225,258 since March 31, 2015 primarily relates to an increase in accounts receivable of $290,575 and a decrease in prepaid expenses of $92,132.

The increase in non-current assets of $152,541 since March 31, 2015 primarily relates to of the acquisition of Digitote's XTURF platform, offset by amortization on the Company's intangible assets.

Liabilities – The increase in current liabilities since March 31, 2015 primarily relates to increase of due to related parties and accounts payable associated with the Digitote acquisition. The increase in non-current liabilities since March 31, 2015 primarily relates to contingent consideration of $2,017,002 and a decrease in deferred income tax.

Working Capital – The decrease in the current working capital is mainly due to general and administrative 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, 2016, approximately $4,640,000 of net proceeds was spent on settlement of liabilities of acquired subsidiaries, operations, regulatory compliance, general and administrative costs and other 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 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, 2016 and as of the date of this MD&A if all outstanding debentures were converted to common shares:

	As of March 31, 2016	As of the date of this MD&A
Common shares	81,857,479	81,857,479
Share purchase options	6,050,000	6,050,000
Share purchase warrants	3,905,907	3,905,907
Convertible notes	300,000	300,000
Fully diluted	92,113,386	92,113,386

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, 2016 financial statements.

Future Changes in Significant Accounting Policies

For details please refer to Note 3 of the March 31, 2016 financial statements.

Financial Instruments and Other Instruments

For details please refer to Note 14 of the March 31, 2016 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".

All of Digitote's customers as of March 31, 2016 are operating on a month-to-month basis with no long term contractual commitment, and are able to cancel the service with one month notice. As a result, the Company is unable to determine the long term predictability of Digitote's revenue stream.

Commitments and Contingencies

For details please refer to Note 11 of the March 31, 2016 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, transaction costs, impairment loss, bargain purchase gain, movement in contingent consideration and irrecoverable taxes. 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.**

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Victor Wells (Chairman)
Charles Shin
Desmond Balakrishnan

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