CONTAGIOUS GAMING INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2017

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, 2017. This MD&A has been prepared with an effective date of July 26, 2017 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, 2017, 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 "EUR" 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 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" and on the Frankfurt Stock Exchange under the symbol "RHRC".

Events / Highlights Since the Reporting Date

Extension of Development Contract with Major Publisher

In June 2017, 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 three months.

Resignation of a Director

In July 2017, Sean Yeomans resigned from his position and President and Director of Contagious Gaming, and as a Director of the Company's subsidiary, Telos Entertainment for personal reasons. He will remain in his position as President of Telos Entertainment.

Development and Licensing Deal with a Video Game Distributor

In May 2017, the Company has secured a development and licensing deal with a video game distributor to produce a "Match 3" style casino game. The Company will be paid a development fee to produce the game and royalty fees on a revenue share basis once the game is launched.

Restructuring of European Operations

In March 2017, the Company signed a Share Purchase Annulment and a Settlement and Service agreement with the former shareholders of Digitote. This restructuring returned the ownership of Digitote to the former shareholders, while providing the Company with a perpetual, royalty-free sports betting software license.

Approximately a year following the acquisition of Digitote Limited and Digitote Software (together "Digitote") by Contagious Gaming (the "Acquisition"), Digitote moved from generating positive cash flow on a monthly basis to a significant cash flow deficit. Digitote requires a financing solution to stabilize its operations and Contagious Gaming has made the decision not to provide additional working capital to Digitote. As such the parties sought to negotiate a restructuring that would remove the cashflow deficit from Contagious Gaming while still providing the Company with the platform and services to operate its UK Licensed online gaming platform CNSBet.

As part of the Restructuring, Contagious Gaming and Digitote Limited entered into a Settlement and Service Agreement effective March 31, 2017 such that (among other things):

a) Digitote Limited will provide to the Company:
    i. a perpetual and irrevocable, single, free of charge, royalty free, fully paid-up, worldwide user licence for Digitote Xturf backend and frontend for desktop and mobile;
    ii. a desktop and mobile version of SoccerSlot (a.k.a. Multiline);
    iii. an option to acquire a second perpetual, single user, royalty-bearing, fully paid-up, worldwide license for Digitote Xturf backend and frontend for desktop and mobile;
b) Digitote Limited will transfer relevant domains to Contagious Gaming; and,
c) Digitote Limited will provide up to one hundred and twenty (120) hours of free support to Contagious, to be used for training, installation and to support any required changes to the front end.

Business Update

Sports Betting Offering

The Company's strategy has been focused on the development of a best-in-class sports betting technology based offering. The goal has been to enhance its existing product to offer a wider gaming offering by adding additional game content to its proprietary Goal Time pool betting platform. This will enable the delivery of a wider live "in-play" betting platform to give players a real 24/7 real money gaming experience, which is expected to achieve an increase in revenue per player in line with industry averages.

In order for the Company to launch its new sports betting offering, the Company will need to complete the following:

- Hiring of implementation and operating team members;
- Funding of a payout liability account;
- Implementation of policies and procedures related to the gaming licence, privacy, responsible gambling, anti-money laundering;
- Implementation key KPI's related to communication, player conversion, user spend and frequency of play;
- Finalize third party agreements with affiliates;
- Complete final testing for mobile devices.

All of the above initiatives will require investment by Contagious Gaming in order to roll out the launch and scale up in a meaningful way. Management and the board of directors have made the decision not to commit to a launch date until additional funding has been raised. Once financing has been secured, the Company looks forward to the launch of its expanded sports betting offering across regulated markets (see Liquidity Outlook, page 8).

Digital Lottery Update

The Company 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. The Company is focused on building out distribution throughout Europe and in regulated markets to drive revenue from the existing completed portfolio of games. We are currently in discussions with a number of potential distribution partners across different channels.

Game Development

The Company recently signed a contract to modify its property "Timeless Gems" game being modified for casino game play for launch in late 2017. This is a new application for our game properties and opens a new market for the Company. The Company intends to continue to leverage this and other game properties into additional markets.

Outlook

The Company's corporate growth strategy consists of raising funds to enable the launch of our expanded Sports Betting Offering to leverage the Digitote XTURF license. 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, while leveraging game properties into new markets. We continue to pursue opportunities to grow our business through strategic acquisitions which are accretive, provide additional cash flow and synergistic opportunities.

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 continuing operations. 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 2017 $	March 31 2016 $	March 31 2017 $	March 31 2016 $
Revenue	**221,693**	**491,325**	**1,331,878**	**1,269,604**
Net loss for the period	**(5,938,026)**	**(1,209,754)**	**(7,829,380)**	**(4,622,399)**
Financing costs	11,869	7,178	47,498	46,169
Interest income	(197)	(2,183)	(1,658)	(15,448)
Future income tax recovery	(292,172)	(236,888)	(438,438)	(657,956)
Amortization of intangible assets	473,765	534,227	1,948,105	2,144,276
Depreciation of equipment	-	-	-	9,852
Impairment loss	5,497,236	393,315	5,497,236	393,315
EBITDA	**(247,525)**	**(514,105)**	**(776,637)**	**(2,702,191)**
Stock based compensation	3,789	37,377	71,937	563,934
Stock based marketing compensation	-	281,983	-	281,983
Irrecoverable tax claim	-	-	-	125,273
Adjusted EBITDA	**(243,736)**	**(194,745)**	**(704,700)**	**(1,731,001)**
Adjusted EBITDA per Share – basic and diluted	**-**	**-**	**(0.01)**	**(0.02)**

Net loss for the period	(5,938,026)	(1,209,754)	(7,829,380)	(4,622,399)
Financing costs	11,869	7,178	47,498	46,169
Stock based compensation	3,789	37,377	71,937	563,934
Stock based marketing compensation	-	281,983	-	281,983
Irrecoverable tax claim	-	-	-	125,273
Impairment loss	5,497,236	393,315	5,497,236	393,315
Acquisition costs	-	-	-	133,879
Adjusted Earnings (Loss)	**(425,132)**	**(489,901)**	**(2,212,709)**	**(3,077,846)**
Adjusted Earnings (Loss) per Share – basic and diluted	**(0.01)**	**(0.01)**	**(0.03)**	**(0.04)**

The Company generated $1,331,878 of revenue for the year ended March 31, 2017 compared with $1,269,604 for the comparative year ended March 31, 2016. Adjusted EBITDA for the year ended March 31, 2017 amounted to a loss of $704,700 compared to a loss of $1,731,001 for the year ended March 31, 2016. The decrease in the Adjusted EBITDA loss is primarily due to the impairment loss of $5,497,236 in 2017. The Adjusted Earnings (Loss) amounted to a loss of $2,212,709 or $0.03 loss per share for the year ended March 31, 2017 and $3,077,846 loss or $0.04 loss per share for the year ended March 31, 2016.

Selected Annual Information

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

	Year Ended March 31, 2017 ($)	Year Ended March 31, 2016 ($)	Year Ended March 31, 2015 ($)
Total revenue (i)	1,331,878	1,269,604	1,164,955
Net loss - continuing (ii)	(7,829,380)	(4,622,399)	(7,743,971)
Net income/(loss) - discontinued (ii)	(631,348)	231,228	-
Net loss – total (ii)	(8,460,728)	(4,391,171)	(7,743,971)
Net loss per share - basic and diluted – continuing (iii)	(0.10)	(0.06)	(0.17)
Net loss per share - basic and diluted – discontinued (iii)	(0.01)	-	-
Net loss per share – basic and diluted – total (iii)	(0.10)	(0.06)	(0.17)
Total assets (iv)	793,347	13,388,413	13,813,721
Total long-term liabilities (v)	275,480	2,731,535	1,358,914

(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. 2017 revenue increased compared to 2016 due to entering into larger software revenue contracts, while 2016 revenue increased compared to 2015 for the same reason.

(ii) 2017 net loss from continuing operations is mainly due to (i) impairment loss of $5,497,236 relating to the write down of the intangibles and goodwill associated with Contagious Sports, (ii) amortization of $1,948,105, (iii) loss on the disposal of Digitote of $373,526, and (v) general and administrative expenses of $1,514,561. 2016 net loss from continuing operations is mainly due to (i) general and administrative expenses of $2,183,508, (ii) amortization of intangible assets of $2,144,276 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. 2017 net loss from discontinued operations is primarily due to the loss on disposal of $373,526, and an impairment loss resulting from the write down of intangible assets of $134,333. 2016 net income from discontinued operations is due to a bargain purchase gain of $274,503.

(iii) Net 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) 2017 total assets decreased significantly due to (i) the write off of intangible assets $3,972,021, (ii) the write off of goodwill $1,659,548, (iii) amortization, and (iv) the sale of Digitote. 2016 assets decreased slightly due to amortization, offset by the acquisition of Digitote. 2017 non-current liabilities decrease is due to the elimination of contingent consideration on the sale of Digitote, and the movement of other non-current liabilities to current. 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.

Discussion of Operations

	Three Months Ended March 31		Year Ended March 31	
	2017 $	2016 $	2017 $	2016 $
Revenue	221,693	491,325	1,331,878	1,269,604
Expenses				
Direct development costs	48,896	180,292	289,340	535,659
Operating	35,849	53,357	206,051	178,032
General and administrative	377,148	433,045	1,514,561	2,183,518
Amortization of intangible assets	473,765	534,227	1,948,105	2,144,276
Depreciation of equipment	-	-	-	9,852
Financing costs	11,869	7,178	47,498	46,169
Foreign exchange (gain)/loss	3,339	16,929	24,968	29,110
Stock based compensation	3,789	37,377	71,937	563,934
Stock based marketing compensation	-	281,983	-	281,983
Impairment loss	5,497,236	393,315	5,497,236	393,315
Irrecoverable tax claim	-	-	-	125,273
Provision for bad debt	-	-	-	58,838
Future income tax recovery	(292,172)	(236,888)	(438,438)	(657,956)

For the year ended March 31, 2017, Contagious recorded a net loss of $7,829,380 compared with a net loss of $4,622,399 for the comparative period. The increase in net loss is mainly due to an impairment loss of $5,497,236.

For the quarter ended March 31, 2017, Contagious recorded a net loss of $5,844,947 compared with a net loss of $835,268 for the comparative quarter ended March 31, 2016. The increase in net loss is mainly due to an impairment loss of $5,497,236.

***Revenue* –** The increase in revenue of $62,274 for the year ended March 31, 2017 is due to growth in third party development contract work.

***Direct development costs* –** The decrease in direct development costs for the year ended March 31, 2017 of $246,319 and for Q4 2017 of $131,396 are due to having substantially completed Goaltime development in 2016, as well as a reduction in game development at Telos.

***Operating expenses* –** The operating expenses for 2017 are slightly higher than 2016 due to more business development and marketing activity of $30,000. The decrease in operating expenses in the quarter ended March 31, 2017 are related to decreased spending on marketing of $15,000 in the quarter as compared to the previous quarters.

General and administrative expenses – The decrease in general and administrative costs for fiscal 2017 consists of decreases in advisory fees and corporate development of $380,000, website maintenance of $140,000, rent of $60,000 and travel of $50,000, which is consistent with management's focus to reduce costs across the company.

Amortization of intangible assets – The decrease in amortization of intangible assets is due to impairment charges recorded in the previous year.

Financing costs – Financing costs are consistent with prior periods.

Stock based compensation – Stock based compensation is recorded on stock options vested during the current period. The decrease in stock based compensation is due to stock options becoming fully vested in fiscal 2016 totaling $447,228.

Stock based marketing compensation – Prior year stock based marketing compensation of $281,983 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. There has been no marketing with Trinity Mirror in the current fiscal year.

Impairment loss – Current year impairment loss reflects the full write off of the intangibles of Contagious Sports and goodwill recorded on it's acquisition of $5,497,236, as significant uncertainty exists as to the units ability to generate positive future cash flows. The prior year impairment loss 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.

Irrecoverable tax claim – reflects a one time charge relating to a tax recovery previously recorded as a receivable that was rejected.

Provision for bad debt – Provision for bad debt was recorded upon settlement of certain receivables of Telos Entertainment.

Summary of Quarterly Results

The following is a summary of the results from the eight previously completed financial quarters. In compliance with IFRS 5 disclosed is also the results from continuing operations only:

	March 31 2017 $	**Dec 31 2016 $**	**Sep 30 2016 $**	**June 30 2016 $**	**March 31 2016 $**	**Dec 31 2015 $**	**Sep 30 2015 $**	**June 30 2015 $**
Revenue	221,693	279,697	396,423	434,065	491,325	353,037	215,844	209,398
Net loss – as stated (i)	(6,631,343)	(689,543)	(634,899)	(504,943)	(1,209,409)	(1,302,827)	(972,336)	(1,181,092)
Net loss – continuing (i)	(5,938,026)	(525,588)	(612,614)	(753,152)	(1,209,754)	(1,259,217)	(972,336)	(1,181,092)
Net loss per share – as stated (ii)	(0.08)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)
Net loss per share (ii)	(0.07)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)

(i) Net loss for the quarter ended March 31, 2017 reflects the impairment of intangibles and goodwill of $5,497,236, and amortization of $473,765. Net loss for the quarter ended December 31, 2016 reflects amortization of $477,308. Net loss for the quarter ended September 30, 2016 reflects amortization of

$486,675. Net loss for the quarter ended June 30, 2016 reflects amortization of intellectual property of $510,357. Net loss for the quarter ended March 31, 2016 reflects amortization of intellectual property of $534,227, and an impairment loss of $393,315. The net loss for the quarter ended December 31, 2015 reflects amortization of intellectual property of $544,716, stock based compensation of $251,422 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. The 'as stated' net loss for each quarter includes the trading of the Digitote entities, which were disposed on March 31, 2017. These results include the revenue from their major customer until October 2016 when the customer ceased operations with Digitote, following which the costs of the operation has contributed to the group loss. These results also include the movement in contingent consideration, which was an element of the Digitote purchase, and was eliminated as part of the sale of Digitote.

(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.

Financial Condition, Liquidity and Capital Resources

	March 31, 2017 $	March 31, 2016 $
Cash	356,608	1,838,882
Other current assets	158,744	729,856
Non-current assets	277,995	10,819,675
Current liabilities	1,013,092	2,159,556
Non-current liabilities	275,480	2,731,535
Current working capital (deficiency)	(497,740)	409,182

Assets – The decrease in cash of $1,482,274 since March 31, 2016 primarily relates to an excess of operating expenses in excess of revenues, resulting in a decline in the cash balance remaining from the RTO transaction.

The decrease in other current assets of $571,112 since March 31, 2016 primarily relates to a decrease in accounts receivable of $499,052 and a decrease in prepaid expenses of $51,604 substantially as a result of the sale of Digitote, along with a decrease in prepaid expenses at Telos.

The decrease in non-current assets of $10,541,680 since March 31, 2016 primarily relates to an impairment loss of 5,631,569, the sale of Digitote, and amortization of $1,948,105 on the Company's intangible assets.

Liabilities – The decrease in current liabilities since March 31, 2016 primarily relates to a decrease in due to related parties and accounts payable associated with the Digitote sale of $952,855, offset by the convertible loan note of $288,105 moving from long term to short term creditors. The decrease in non-current liabilities since March 31, 2016 primarily relates to decrease in contingent consideration of $2,017,002 and a reduction in the deferred tax liability of $449,047

Working Capital – The decrease in the current working capital is mainly due to the resulting decline in net assets resulting from the sale of Digitote. The Company's current working capital is not considered sufficient to support its expected general administrative and corporate operating requirements on an ongoing basis for the next twelve months without further financing.

Financing of Operations and Recent Financing – To date, Contagious has financed its operations through software development revenue, debt, equity and government assistance.

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.

The Company's cash reserves of $356,608 and net current liabilities of $1,013,092 as at March 31, 2017 are insufficient to meet anticipated cash needs for working capital and capital expenditures through the next twelve months, nor are they sufficient to see the current initiatives through to completion. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, management considers securing additional funds, primarily through the issuance of equity securities of the Company, to be critical for its needs. The Company's long-term liquidity depends on its ability to access the capital markets, which depends substantially on the success of the Company's ongoing programs, as well as economic conditions relating to the state of the capital markets generally. Accessing the capital markets can be particularly challenging for companies that operate in the gaming industry.

Given the Company's conclusion about the insufficiency of its cash reserves, significant doubt may be cast about the Company's ability to continue operating as a going concern. The continuation of the Company as a going concern for the foreseeable future depends mainly on raising sufficient capital, and in the interim, reducing, where possible, operating expenses and potentially selling off assets.

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, 2017 and as of the date of this MD&A if all outstanding debentures were converted to common shares:

	As of March 31, 2017	As of the date of this MD&A
Common shares	73,849,479	73,849,479
Share purchase options	5,700,000	5,700,000
Share purchase warrants	3,004,167	3,004,167
Convertible notes	300,000	300,000
Fully diluted	82,853,646	82,853,646

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 9 of the March 31, 2017 financial statements.

Future Changes in Significant Accounting Policies

For details please refer to Note 3 of the March 31, 2017 financial statements.

Financial Instruments and Other Instruments

For details please refer to Note 14 of the March 31, 2017 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, 2017 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.**

CORPORATE DIRECTORY

Trading Symbol – CNS
Exchange - TSX-V

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Officers and Directors
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Craig Loverock – CFO and Corporate Secretary
Charles Shin – Chairman of the Board
Victor Wells – Director
Desmond Balakrishnan - Director

Audit Committee
Victor Wells (Chairman)
Charles Shin
Desmond Balakrishnan

Compensation Committee
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