CONTAGIOUS GAMING INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JUNE 30, 2018

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 three months ended June 30, 2018. This MD&A has been prepared with an effective date of August 17, 2018 and should be read in conjunction with the information contained in the Company's unaudited condensed consolidated interim financial statements and related notes for the three months ended June 30, 2018, 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 July 2018, 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 five months.

Business Update

Private Placement of Units

On March 7, 2018, the Company completed a non-brokered private placement of 17,000,000 units at a price of $0.06 per unit for gross proceeds of $1,020,000. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each warrant will entitle the holder to purchase one additional Common Share at a price of $0.10 until March 7, 2020. The warrants will have an acceleration provision pursuant to which the Company has the option to force conversion if the weighted average daily trading price of the Company's common shares on the TSX Venture Exchange is $0.25 or more for ten consecutive trading days.

Shares for Debt

On March 26, 2018, the Company settled an aggregate of $205,780 of indebtedness owed to certain arm's length and non-arm's creditors through the issuance of common shares. The Company determined to satisfy the indebtedness with common shares in order to preserve its cash for working capital.

Share Consolidation

On September 27, 2017, the Company consolidated its issued and outstanding common shares, stock options, share purchase warrants and restricted share units on the basis of one new share for every ten existing shares. Unless otherwise indicated, all references to share capital, stock options, share purchase warrants and restricted share units presented in MD&A are on a post-consolidation basis.

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.

The launch of the new sports betting offering will require 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 investments 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 and or business relationships have been secured to facilitate the launch of its expanded sports betting offering across regulated markets (see Liquidity Outlook, page 7).

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 2018. 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 or other transactions 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	
	June 30 2018 $	June 30 2017 $
Revenue	**238,069**	**88,705**
Net loss for the period	**(131,827)**	**(180,776)**
Financing costs	22,458	12,283
Interest income	(8)	(88)
Amortization of intangible assets	-	27,392
EBITDA	**(109,377)**	**(141,189)**
Stock based compensation	-	1,410
Adjusted EBITDA	**(109,377)**	**(139,779)**
Adjusted EBITDA per Share – basic and diluted	**(0.01)**	**(0.00)**
Net loss for the period	(131,827)	(180,776)
Financing costs	22,458	-
Stock based compensation	-	1,410
Adjusted Earnings (Loss)	**(109,369)**	**(179,366)**
Adjusted Earnings (Loss) per Share – basic and diluted	**(0.01)**	**(0.00)**

The Company generated $238,069 of revenue for the three months ended June 30, 2018 compared with $88,705 for the comparative period ended June 30, 2017. Adjusted EBITDA for the three months ended June 30, 2018 amounted to a loss of $109,377 compared to a loss of $139,779 for the three months ended June 30, 2017. The improvement in Adjusted EBITDA is primarily due to the increase in revenue. The Adjusted Earnings amounted to a loss of $109,369 or $0.01 per share for the three months ended June 30, 2018 and a loss of $179,366 or $0.00 loss per share for the three months ended June 30, 2017.

Discussion of Operations

	Three Months Ended June 30 2018 $	2017 $
Revenue	238,069	88,705
Expenses		
Direct development costs	177,067	28,191
Operating	26,765	13,599
General and administrative	149,104	186,481
Amortization of intangible assets	-	27,392
Financing costs	22,458	12,283
Foreign exchange (gain)/loss	(5,498)	125
Stock based compensation	-	1,410

For the three months ended June 30, 2018, Contagious recorded a net loss of $131,827 compared with a net loss of $180,776 for the comparative period. The decrease in net loss is mainly due to an increase of revenue of $150,482, offset by an increase in operating, financing and direct development costs.

Revenue – The increase in revenue of $150,482 for the three months ended June 30, 2018 is due to an increase in third party contract requirements and the recognition of $128,000 in customer deposits to revenue.

Direct development costs – The increase in direct development costs for the three months ended June 30, 2018 of $148,876 is related to the increase in third party revenue and the impact of the sale of software in the quarter.

Operating expenses – The increase in operating expenses for the quarter ended June 30, 2018 of $13,166 is due to a small increase in unbilled development time in the quarter.

General and administrative expenses – The decrease in general and administrative costs for the quarter ended June 30, 2018 consists of decrease in office and administrative expenses of $37,377 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 the write off of all the remaining intangible assets of Telos Entertainment in the quarter ended June 30, 2018.

Financing costs – The increase in financing costs is related to accretion booked on long term liabilities.

Stock based compensation – Stock based compensation is recorded on stock options vested during the current period and on the stock based transactions. The decrease in stock based compensation is due to stock options becoming fully vested in fiscal 2018.

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:

	June 30 2018 $	March 31 2018 $	Dec 31 2017 $	Sept 30 2017 $	June 30 2017 $	March 31 2017 $	Dec 31 2016 $	Sept 30 2016 $
Revenue	238,069	41,430	75,549	74,869	88,705	221,693	279,697	396,423
Net loss – as stated (i)	(131,827)	(665,739)	(123,480)	(242,922)	(180,776)	(6,631,343)	(689,543)	(634,899)
Net loss – continuing (i)	(131,827)	(665,739)	(123,480)	(242,922)	(180,776)	(5,938,026)	(525,588)	(612,614)
Net loss per share – as stated (ii)	(0.00)	(0.03)	(0.02)	(0.03)	(0.02)	(0.81)	(0.08)	(0.08)
Net loss per share (ii)	(0.00)	(0.03)	(0.02)	(0.03)	(0.02)	(0.73)	(0.06)	(0.07)

(i) Net loss for the quarter ended June 30, 2018 reflects the current level of third party development work and the net impact of the sale of software in the quarter. Net loss for the quarter ended March 31, 2018 reflects the impairment of intangible assets of $162,945, the reduction in third party development work, and the loss on settlement of accounts payable of $222,928. Net loss for the quarter ended December 31, 2017 reflects the current level of third party development work and reduced operating costs. Net loss for the quarter ended September 30, 2017 is consistent with prior quarter and reflects the current level of third party development work and reduced operating costs. Net loss for the quarter ended June 30, 2017 reflects the reduction in third party development revenue, offset by reduction in overall operating costs. 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 of $477,308 and the net loss for the quarter ended September 30, 2016 reflects amortization of $486,675.

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

	June 30, 2018 $	March 31, 2018 $
Cash	629,815	760,006
Other current assets	157,144	153,777
Non-current assets	-	128,000
Current liabilities	874,078	962,040
Non-current liabilities	313,952	348,272
Current working capital (deficiency)	(87,119)	(48,257)

Assets – The decrease in cash of $130,191 since March 31, 2018 primarily relates to the decrease in long term liabilities.

The increase in other current assets of $3,367 since March 31, 2018 primarily relates to an increase in accounts receivable of $5,304 offset by a decrease in prepaid expenses of $1,937.

The decrease in non-current assets of $128,00 since March 31, 2018 reflects the sale of the intangible assets for $128,000 in Telos Entertainment.

Liabilities – The decrease in current liabilities since March 31, 2018 primarily relates to the recognition of $128,000 in customer deposits to revenue and an increase in due to related parties of $50,540.

Working Capital – The increase in the current working capital is mainly due to the decrease in non-current liabilities. 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 $629,815 and working capital deficiency of $87,119 as at June 30, 2018 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 June 30, 2018 and as of the date of this MD&A if all outstanding warrants were exercised into common shares:

	As of June 30, 2018	As of the date of this MD&A
Common shares	29,468,745	29,468,745
Share purchase warrants	9,480,833	9,480,833
Fully diluted	38,949,578	38,949,578

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 6 of the June 30, 2018 consolidated financial statements.

Future Changes in Significant Accounting Policies

For details please refer to Note 3 of the June 30, 2018 consolidated financial statements.

Financial Instruments and Other Instruments

For details please refer to Note 11 of the June 30, 2018 consolidated 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 8 of the June 30, 2018 consolidated 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

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Exchange - TSX-V

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