



CONTAGIOUS GAMING INC.

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2021**

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 nine months ended December 31, 2021. This MD&A has been prepared with an effective date of February 24, 2022, 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 nine months ended December 31, 2021, 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.

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 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 capitalizing on its proprietary digital instant lottery content while pursuing other opportunities to grow the business through potential transactions. 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".

Recent Developments

On July 14, 2021, the Company announced a non-brokered private placement of up to 20,000,000 units at \$0.05 for gross proceeds of up to \$1,000,000 (the "**Offering**"). Each Unit will consist of one common share in the capital of the Company (the "**Shares**") plus one common share purchase warrant (the "**Warrants**"). Each Warrant will entitle the holder to purchase one additional Share at a price of \$0.07 for a period of two years from the closing of the Offering.

On November 11, 2021 the Company announced that the Company is not proceeding with the private placement of 20,000,000 units at a price of \$0.05 per unit for gross aggregate proceeds of up to \$1,000,000 at this time.

On February 14, 2022, the Company appointed Manish Grigo as Chief Executive Officer and as a Director of the Company. The appointment of Mr. Grigo as Director and CEO follows the resignation Craig Loverock as Interim CEO. Mr. Loverock will maintain his role as Chief Financial Officer of the Company

Outlook

The Company is focused on monetizing its digital lottery content and continue to seek opportunities to distribute into additional markets globally. It will continue to pursue opportunities to grow the business through strategic acquisitions or other transactions.

Discussion of Operations

	Nine Months Ended December 31	
	2021	2020
	\$	\$
Expenses		
General and administrative	363,432	411,549
Financing costs	18,082	18,000
Foreign exchange loss	-	355
Total	381,514	429,904

For the nine months ended December 31, 2021, the Company recorded a net loss of \$381,514 compared with a net loss of \$429,904 for the comparative period.

General and administrative expenses – The decrease in general and administrative costs for the nine months ended December 31, 2021 is related to a decrease in consulting fees.

Financing costs – Financing costs for the nine months ended December 31, 2021, have remained consistent for the comparative period.

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:

	Dec 31 2021 \$	Sept 30 2021 \$	June 30 2021 \$	March 31 2021 \$	Dec 31 2020 \$	Sept 30 2020 \$	June 30 2020 \$	March 31 2020 \$
Revenue	-	-	-	-	-	-	-	2,430
Net loss – as stated (i)	(163,689)	(113,635)	(104,190)	(522,999)	(156,453)	(159,527)	(107,924)	(146,591)
Net loss – continuing (i)	(163,689)	(113,635)	(104,190)	(522,999)	(156,453)	(159,527)	(107,924)	(146,591)
Net loss per share – as stated (ii)	(0.01)	(0.00)	(0.00)	(0.02)	(0.01)	(0.01)	(0.00)	(0.00)
Net loss per share (ii)	(0.01)	(0.00)	(0.00)	(0.02)	(0.01)	(0.01)	(0.00)	(0.00)

(i) For the current and previous quarters, the net loss is the result of the level of operating expenses incurred by the Company. For the quarter ended March 31, 2021, the net loss is primarily due to a loss on settlement of debt of \$425,000 resulting from the issuance of shares to settle accounts payable and amounts due to related parties. For all remaining above quarters, the net loss is the result of fluctuations in the level of third party development work.

(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 common shares outstanding.

Financial Condition, Liquidity and Capital Resources

	December 31, 2021	March 31, 2021
	\$	\$
Cash	15,422	34,345
Other current assets	17,600	13,069
Current liabilities	1,863,796	1,496,674
Current working capital (deficiency)	(1,830,774)	(1,449,260)

Assets – The decrease in cash of \$18,923 since March 31, 2021, primarily relates to the use of cash for operations.

The increase in other current assets since March 31, 2021, primarily relates to an increase in prepaid expenses.

Liabilities – The increase in current liabilities since March 31, 2021, primarily relates to an increase in due to related parties and accounts payable.

Working Capital – The increase in the current working capital deficiency is mainly due to the increase in accounts payable and due to related parties. 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 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 \$15,422 and working capital deficiency of \$1,830,774 as at December 31, 2021 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. Further, there can be no assurance that additional financing can be obtained in a timely manner, or at all especially in light of the potential impact of COVID-19 on capital markets.

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 December 31, 2021 and as of the date of this MD&A if all outstanding warrants were exercised into common shares:

	As of December 31, 2021	As of the date of this MD&A
Common shares	37,784,835	37,784,835
Share purchase warrants	-	-
Fully diluted	37,784,835	37,784,835

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 5 of the December 31, 2021 condensed consolidated interim financial statements.

Future Changes in Significant Accounting Policies

For details, please refer to Note 3 of the December 31, 2021 condensed consolidated interim financial statements.

Financial Instruments and Other Instruments

For details, please refer to Note 10 of December 31, 2021 condensed consolidated interim financial statements.

Risks and Uncertainties

Details of the risks and uncertainties related to the Company's business are set out in the Management Discussion and Analysis dated March 31, 2021 under the heading "Risk Factors" which is available under the Company's profile on SEDAR at www.sedar.com.

Commitments and Contingencies

For details please refer to Note 7 of the December 31, 2021 condensed consolidated interim financial statements.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the timing and amount of estimated future cash flows, capital expenditures, currency fluctuations and the requirements of future capital. These statements involve known and unknown

risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

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

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

CORPORATE DIRECTORY

Trading Symbol – CNS
Exchange - TSX-V

Contagious Gaming Inc.

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

www.contagiousgaming.com
info@contagiousgaming.com

Officers and Directors

Manish Grigo - CEO
Craig Loverock – CFO and Corporate Secretary
Victor Wells – Director
Desmond Balakrishnan – Director
Justin Barragan - Director

Audit Committee

Victor Wells (Chairman)
Justin Barragan
Desmond Balakrishnan

Compensation Committee

Victor Wells (Chairman)
Desmond Balakrishnan
Justin Barragan

Corporate Governance Committee

Desmond Balakrishnan (Chairman)
Justin Barragan
Victor Wells

Legal Counsel

McMillan LLP
Suite 1500 - 1055 West Georgia Street
Vancouver, BC V6E 4N7
Tel: 604-689-9111
Fax: 604-685-7084

Auditor

BDO Canada LLP
60 Columbia Way, Suite 300
Markham, On, Canada L3R 0C9
Tel: 905-946-1066

Transfer Agent

Computershare
2nd Floor, 510 Burrard Street
Vancouver, BC V6C 3B9
Tel: 604-661-9400
Fax: 604-661-9549