FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Corporation:

TransGaming Inc. (the "Company")
431 King Street West
Suite 600
Toronto, Ontario
M5V 1K4

Item 2. Date of Material Change:

July 5, 2013

Item 3. News Release:

A press release was disseminated on July 9, 2013 through Marketwire.

Item 4. Summary of Material Change:

On July 9, 2013, the Company announced that it had reached an agreement with a successor in interest to Oberon Media, Inc. to retire all remaining obligations related to the acquisition completed January 6, 2012. The Company paid US $1.1 million to fully satisfy the US $2.8 million in liabilities outstanding, including two possible earn-out payments of US $1.0 million each.

On July 9, 2013, the Company also announced that it had borrowed additional funds from The Business, Engineering, Science & Technology Discoveries Fund and affiliated funds ("BEST Funds"). The Company received an aggregate of C$3.5 million in financing from BEST Funds (with three affiliated funds providing capital to the Company for the first time). The Company issued promissory notes to BEST Funds and, together with all of its subsidiaries, entered into general security and share pledge agreements and provided an assignment of tax credits receivable. The promissory notes bear interest at 10% per annum for the first 36 months and 16% per annum thereafter until they mature July 5, 2018. Interest is payable monthly in arrears and principal is repayable starting in July 2014, with a payment of 18% of the outstanding principal, then monthly thereafter in an amount equal to 3% of the outstanding principal.

In consideration of the financing TransGaming paid BEST Funds a 7% management fee and also issued to BEST Funds 6,250,000 common share purchase warrants exercisable at $0.20, which expire on the maturity of the promissory notes. A second management fee of 5% is payable on January 5, 2017 on any principal amount outstanding on July 5, 2016.

Item 5. Full Description of Material Change:

Please see the press release attached as Schedule A.

Item 6. Reliance of Section 7.1(2) or (3) of National Instrument 51-102:

Not applicable.

Item 7. Omitted Information:

Not applicable.

Item 8. Executive Officer:

Dennis Ensing, Chief Financial Officer
431 King Street West
Suite 600
Toronto, Ontario
M5V 1K4

Item 9. Date of Report:

July 18, 2013

TRANSGAMING INC.

Per: ______________________________

Dennis Ensing, Chief Financial Officer

SCHEDULE A

TRANSGAMING

TRANSGAMING ANNOUNCES RESOLUTION ON OBERON ACQUISITION AND REFINANCING OF BEST FUNDS DEBT

TORONTO, CANADA – July 9, 2013 - **TransGaming Inc.** (TSX Venture: TNG) ("**TransGaming**" or the "**Company**") today announced that it had reached an agreement with a successor in interest to Oberon Media, Inc. to retire all remaining obligations related to the acquisition completed January 6, 2012. The Company paid US $1.1 million to fully satisfy the US $2.8 million in liabilities outstanding, including two possible earn-out payments of US $1.0 million each.

The Company also announced that it had borrowed additional funds from The Business, Engineering, Science & Technology Discoveries Fund and affiliated funds (BEST Funds). TransGaming received an aggregate of C$3.5 million in financing from BEST Funds (with three affiliated funds providing capital to the Company for the first time). It used the proceeds to both fully repay the C$2.5 million outstanding in existing notes payable and fund the Oberon payment. TransGaming issued promissory notes to BEST Funds and, together with all of its subsidiaries, entered into general security and share pledge agreements and provided an assignment of tax credits receivable. The new promissory notes bear interest at 10% per annum for the first 36 months and 16% per annum thereafter until they mature July 5, 2018. Interest is payable monthly in arrears and principal is repayable starting in July 2014, with a payment of 18% of the outstanding principal, then monthly thereafter in an amount equal to 3% of the outstanding principal.

In consideration of the financing TransGaming paid BEST Funds a 7% management fee and also issued to BEST Funds 6,250,000 common share purchase warrants exercisable at $0.20, which expire on the maturity of the promissory notes. A second management fee of 5% is payable on January 5, 2017 on any principal amount outstanding on July 5, 2016.

“This resolution of the outstanding payments with Oberon Media solidifies TransGaming's financial position moving forward and yields an immediate improvement of $1.7 million on the balance sheet,” said Vikas Gupta, President & CEO of TransGaming. “Our financial position is further improved through the refinancing of our current debt with BEST Funds, who partnered with TransGaming again to ensure the Oberon matters were resolved quickly and positively. Between these two major financial transactions and the continued strength of our business, TransGaming’s positive long-term financial outlook is more apparent than ever.”

John Richardson, CEO of BEST Funds, commented, "I am excited to announce that BEST will be financing the working capital requirements of TransGaming once again. Since our first experience financing this company, we have developed confidence in the management team and have been pleased with the progress towards their longer term goals. We are optimistic for the future performance of the Company. We look forward to keeping TransGaming in our portfolio and working with the company again to build value and growth."

The difference of $1.7 million in the liabilities will be reported as a one-time gain in the Company's first quarter fiscal 2014 interim financial statements for the period ending August 31, 2013.

Separately, BEST Funds also entered into an agreement with Oberon (assignment for the benefit of creditors), LLC to purchase 3,780,000 common shares of TransGaming Oberon Media, Inc. received as consideration in the 2012 acquisition.

About TransGaming Inc.
TransGaming Inc. (TSX-V: TNG) is the global leader in developing and delivering platform-defining social video game experiences to consumers around the world. From engineering essential technologies for the world's leading companies, to engaging audiences with truly immersive interactive experiences, TransGaming fuels disruptive innovation across the entire spectrum of consumer technology. TransGaming's core businesses span the digital distribution of games for Smart TVs, next-generation set-top boxes, and the connected living room, as well as technology licensing for cross-platform game enablement, software 3D graphics rendering, and parallel computing. Visit us at http://transgaming.com

FOR FURTHER INFORMATION PLEASE CONTACT:
TransGaming Inc.
Dennis Ensing
Chief Financial Officer
T: 1.416.979.9900 x321
E : dennis@transgaming.com

Forward-Looking Statements

This news release contains forward-looking statements. Actual events or results may differ materially from those described in the forward-looking statements due to a number of risks and uncertainties, including changes in financial and product market conditions. Forward-looking statements are based on management's estimates, beliefs, and opinions. The Company assumes no obligation to update forward-looking statements, other than as may be required by applicable law.

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