A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Ontario, Alberta and British Columbia but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. ***These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States of America, its territories, or possession, or the District of Columbia (the "United States"). Accordingly, subject to certain exceptions, these securities may not be offered or sold in the United States of America and this short form prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities offered hereby within the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act). See "Plan of Distribution".***

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of TransGaming Inc. at 431 King Street West, Suite 600, Toronto, Ontario, telephone: (416) 979-9900 and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM PROSPECTUS

<u>*New Issue*</u> February 3, 2014

TRANSGAMING INC.

Minimum Offering: $● or ● Units

Maximum Offering: $● or ● Units

$● per Unit

This short form prospectus qualifies the distribution (the "**Offering**") of a minimum (the "**Minimum Offering**") of ● units (each, a "**Unit**" and collectively, the "**Units**") of TransGaming Inc. ("**TransGaming**" or the "**Company**") and up to a maximum (the "**Maximum Offering**") of ● Units, at a price of $● per Unit (the "**Issue Price**"), with each Unit consisting of one common share in the capital of the Company (each, a "**Common Share**") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share (each, a "**Warrant Share**") at a price per Warrant Share of $● (the "**Exercise Price"**) for a period of twenty-four (24) months following the Closing Date (as defined below). The Units are being sold pursuant to an agency agreement (the "**Agency Agreement**") to be entered into between TransGaming and Global Maxfin Capital Inc. ("**GMCI**"), and Jacob Securities Inc. ("**Jacob**", together with GMCI, the "**Agents**"), as joint book-runners and co-lead agents. The Issue Price was determined by arm's length negotiation between TransGaming and GMCI. See "Plan of Distribution".

	Price to the Public	Agents' Fee(1)	Net Proceeds to the Company (2)
Per Unit	$●	$●	$●
Minimum Offering(3)	$●	$●	$●
Maximum Offering(3)	$●	$●	$●

Notes:

(1) In consideration of the services rendered by the Agents in connection with the Offering, the Company will pay the Agents a fee equal to 7% of the gross proceeds of the Offering , payable in cash upon closing of the Offering, with the exception of gross proceeds up to $1,000,000 raised from insiders of the Company and close persons of the Company included in the President's list (the "**President's List**"), of which the Agents shall receive a reduced fee equal to 2% (the "**Agents' Fee**"). The Agents will also be granted compensation options (the "**Compensation Options**") entitling the Agents to purchase that number of Common Shares (the "**Compensation Shares**") equal to 7% of the total number of Units sold under the Offering (including in respect of any Units sold upon exercise of any portion of the Over-Allotment Option, as defined below but not including any Units sold under the President's List), at an exercise price equal to the Issue Price, for a period of twenty-four (24) months from the Closing Date. This short form prospectus qualifies the distribution of the Compensation Options. See "Plan of Distribution".

(2) After deducting the Agents' Fee, but before deducting expenses of the Offering, which are estimated to be $● and which will be paid from the proceeds of the Offering.

(3) The Company has granted the Agents an option to acquire, at the Agents' election, up to such number of additional Units as is equal to 15% of the number of Units sold under the Offering (the "**Over-Allotment Option**"). The Over-Allotment Option shall be exercisable, in whole or in part, for a period of thirty (30) days following the Closing Date at an exercise price per Unit equal to the Issue Price. If the Minimum Offering is fully sold and the Over-Allotment Option is exercised in full, the total price to the public, Agents' Fee and net proceeds to the Company will be $ ●, $ ● and $ ● , respectively and if the Maximum Offering is fully sold and the Over-Allotment Option is exercised in full, the total price to the public, Agents' Fee and net proceeds to the Company will be $ ●, $ ● and $ ● , respectively. A purchaser who acquires any Units issued pursuant to the exercise of the Over-Allotment Option acquires those securities under this short form prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. This short form prospectus qualifies the grant of the Over-Allotment Option and the issuance of Units issuable upon any exercise of the Over-Allotment Option. See "Plan of Distribution".

The following table sets forth the number of securities issuable under the Over-Allotment Option:

Agents' Position	Maximum Size or Number of Securities Available	Exercise Period	Exercise Price per Unit
Over-Allotment Option	● Units	30 days from the Closing Date	Equal to the Issue Price
Compensation Options	● Compensation Shares	24 months following the Closing Date	$● per Compensation Share

The outstanding Common Shares of TransGaming are listed for trading on the TSX Venture Exchange (the "**TSX-V**") under the symbol "TNG". On January 31, 2014, the last day on which trading of the Common Shares occurred before the filing of this short form prospectus, the closing price on the TSX-V of the Common Shares was $0.295. The Company has applied to the TSX-V to list the Common Shares distributed under this short form prospectus, and the Warrant Shares and the Compensation Shares. Listing of the Common Shares, Warrant Shares and Compensation Shares will be subject to the Company fulfilling all of the listing requirements of the TSX-V. **There is no market for the Warrants and the Company does not intend to make application to list the Warrants for trading on any exchange. As such, there is no market through which the Warrants may be sold and purchasers may not be able to resell Warrants purchased under this short form prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See "Risk Factors".**

In Canada, the Units will be offered in each of the provinces of Ontario, British Columbia and Alberta. The Units may be offered for sale in the United States under certain exemptions from the registration requirements of the U.S. Securities Act and in certain other jurisdictions. See "Plan of Distribution". The Agents conditionally offer the Units, subject to prior sale on a best efforts basis, in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Norton Rose Fulbright Canada LLP and on behalf of the Agents by Fasken Martineau DuMoulin LLP.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Provided the Minimum Offering has been achieved, it is expected that the Closing Date will occur on or about February 21, 2014 (the "**Closing Date**") or such earlier or later date as may mutually be agreed to by the Company and the Agents. Notwithstanding the foregoing, the distribution of the Units will not continue for a period of more than 90 days after the date of the final receipt for this short form prospectus if subscriptions for the Minimum Offering are not obtained within that period or such later date as the Company and the Agents may agree and the securities regulatory authorities may approve (subject to the filing of any required amendment to this short form prospectus and the regulator issuing a receipt for such amendment).

Until such time as a closing has occurred in respect of the Minimum Offering, all subscription funds received by the Agents will be held in trust, pending closing of the Minimum Offering. If the Minimum Offering has not been subscribed for prior to the expiry of the 90-day period or such later date as the Company and the Agents may agree and the securities regulatory authorities may approve (subject to the filing of any required amendment to this short form prospectus and the regulator issuing a receipt for such amendment), the Agents shall promptly return the proceeds of the subscription to the subscribers without interest or deduction. Should a closing occur in respect of the Minimum Offering, one or more additional closings, if necessary, may occur until the earlier of the Maximum Offering being subscribed for and the expiry of the 90-day period. In any event, the total period of the distribution will not end more than 180 days from the date of receipt for the short form prospectus. See "Plan of Distribution".

On the Closing Date, the certificates representing the Common Shares and the Warrants offered pursuant to the Offering will be issued in book-entry only form and registered in the name of CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited with CDS. Holders of Common Shares and Warrants, will, *in lieu* of receiving certificates registered in their names, receive only a customer confirmation from the Agents or other registered dealer who is a CDS participant and from or through whom a beneficial interest in such securities is acquired. See "Plan of Distribution".

Investors should rely only on the information contained in or incorporated by reference into this short form prospectus. The Company has not authorized anyone to provide investors with different information. The Company is not making an offer of these securities in any jurisdiction where the offer is not permitted. Investors should not assume that the information contained in this short form prospectus is accurate as of any date other than the date on the front of this short form prospectus.

An investment in Units involves a high degree of risk and must be considered speculative due to the nature of the Company's business. Prospective investors should carefully consider the risk factors described in and incorporated by reference in this short form prospectus. See "Forward-Looking Statements" and "Risk Factors".

John Nemanic, director of the Company, resides outside of Canada. Although Mr. Nemanic has appointed Norton Rose Fulbright Canada LLP, 45 O'Connor Street, Suite 1500, Ottawa, Ontario, K1P 1A4 as his agent for service of process in Canada it may not be possible for investors to enforce judgments obtained in Canada against Mr. Nemanic.

The Company's head office, and registered office, is located at 431 King Street West, Suite 600, Toronto, Ontario, M5V 1K4.

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GENERAL MATTERS

In this short form prospectus, unless otherwise indicated or the context otherwise requires, the terms "TransGaming", the "Company", "we", "us" and "our" are used to refer to TransGaming Inc.

Unless otherwise indicated, all dollar amounts in this short form prospectus are expressed in Canadian dollars. United States dollars are stated as "US$". As of January 31, 2014, the Bank of Canada noon spot exchange rate for the purchase of one United States dollar using Canadian dollars was $1.1119 ($1.00=US$0.8994).

The following table sets forth the rate of exchange for the Canadian dollar, expressed in U.S. dollars, (i) in effect at the end of the periods indicated, (ii) the average of exchange rates in effect on all days during the relevant period, and (iii) the high and low exchange rates during such periods, each based on the noon rate of exchange as reported by the Bank of Canada.

	Years Ended May 31		
	2013	2012	2011
Rate at end of period	US$0.9402	US$1.0051	US$0.9833
Average rate for period	US$0.9710	US$1.0004	US$1.0110
High for period	US$0.9348	US$1.02991	US$1.0583
Low for period	US$1.0164	US$0.9599	US$0.9430

The address of TransGaming's website is www.transgaming.com. Information contained on TransGaming's website does not form part of this short form prospectus and is not incorporated by reference herein. Prospective investors should rely only on the information contained herein or the documents incorporated by reference in this short form prospectus. TransGaming has not authorized any person to provide different information.

The Units being offered for sale under this short form prospectus may only be sold in those jurisdictions in which offers and sales of the Units are permitted. This short form prospectus is not an offer to sell or a solicitation of an offer to buy the Units in any jurisdiction where it is unlawful. The information contained in this short form prospectus is accurate only as of the date of this short form prospectus, regardless of the time of delivery of this short form prospectus or of any sale of the Units.

The Company currently files reports and other information with the securities commissions and similar regulatory authorities in each of the provinces of British Columbia, Alberta, Ontario and Quebec.

FORWARD-LOOKING STATEMENTS

Certain statements, other than statements of historical fact, contained or incorporated by reference in this short form prospectus including, but not limited to, any information as to the future financial or operating performance of TransGaming, may constitute "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws, including the provisions of the *Securities Act* (Ontario) and are based on expectations, estimates and projections as of the date of this short form prospectus. Forward-looking information includes, without limitation, statements regarding TransGaming's strategies, future operations and expected growth and its ability to fund its operations in the future. Forward-looking statements can also be identified in this short form prospectus by the use of words such as "may", "will", "should", "could", "expect", "plan", "estimate", "potential", "continue", "believe", "anticipate", "intend", or the negative or other variations of these words or comparable words or phrases.

By their nature, forward-looking statements are subject to known and unknown risks, uncertainties, and other factors which may cause actual results, events or developments to be materially different from any future results, events or developments, expressed or implied, by such forward-looking statements. Such factors include, among other things, TransGaming's ability to protect its intellectual property, TransGaming's stage of development, working capital requirements and future ability to fund operations, TransGaming being in breach of its debt covenants, future developments in TransGaming's markets and the markets in which it expects to compete, risks associated with its network of distributors, cable and telecommunications service operators, content providers and other strategic relationships and the impact of new technologies on TransGaming's markets, as well as such other risks detailed from time-to-time in TransGaming's quarterly filings, annual information forms, annual reports and annual filings with securities regulators and those which are discussed under the heading "Risk Factors".

Such information is included, among other places, in this short form prospectus under the headings "The Company", "Summary Description of Business", "Use of Proceeds", "Risk Factors" and in TransGaming's Annual Information Form for the year ended May 31, 2013 and in the management's discussion and analysis of financial condition and results of operations of TransGaming for the year ended May 31, 2013 and for the six month period ended November 30, 2013, each of such documents being incorporated by reference in this short form prospectus.

These factors should be considered carefully and readers are cautioned not to place undue reliance on the forward-looking statements. Readers are cautioned that the foregoing list of risk factors is not exhaustive and it is recommended that prospective investors consult the more complete discussion of risks and uncertainties facing TransGaming included in this short form prospectus. See "Risk Factors" for a more detailed discussion of these risks.

Key assumptions upon which the Company's forward-looking statements are based include the following:

• the Company will be able to secure additional financing to continue to develop its products;

• there will be significant market acceptance of the Company's technology;

• the Company will meet their product development objectives in a timely manner;

• the Company will be able to retain key employees and management personnel;

• the Company will retain its key customers; and

• the Company will be able to protect its proprietary knowledge.

Although the Company believes that the expectations conveyed by the forward-looking statements are reasonable based on the information available to it on the date such statements were made, no assurances can be given as to future results, approvals or achievements. Such forward-looking statements have been made for the purpose of assisting investors in understanding the Company's business, financial and operational performance and plans and may not be appropriate for other purposes. The forward-looking statements contained in this short form prospectus and the documents incorporated by reference herein are expressly qualified by this cautionary statement.

Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this short form prospectus are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the "Risks and Uncertainties" section of the Company's most recently filed management's discussion and analysis of financial condition and results of operations. These factors are not intended to represent a complete list of the factors that could affect the Company. The Company disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of TransGaming at 431 King Street West, Suite 600, Toronto, Ontario, M5V 1K4, telephone (416) 979-9900 and are also available electronically through the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") which can be accessed under the Company's profile on the SEDAR website at www.sedar.com.

The following documents of the Company, filed by the Company with the Canadian Securities Administrators, are specifically incorporated by reference into and form an integral part of this short form prospectus:

(a) the annual information form of the Company dated August 23, 2013 for the year ended May 31, 2013 (the "**AIF**");

(b) the audited consolidated financial statements of the Company as at and for the years ended May 31, 2013 and 2012, together with the notes thereto and the auditor's report thereon;

(c) the management's discussion and analysis of financial condition and results of operations of the Company for the year ended May 31, 2013 (the "**Annual MD&A**");

(d) the unaudited interim consolidated financial statements of the Company as at and for the six month period ended November 30, 2013 and 2012, together with the notes thereto;

(e) management's discussion and analysis of financial condition and results of operations of the Company for the six month period ended November 30, 2013 (the "**Interim MD&A**");

(f) the information circular dated as at August 23, 2013 prepared in connection with the Company's annual meeting of shareholders held on September 23, 2013; and

(g) the material change report of the Company dated July 18, 2013 concerning the retirement of all obligations in connection with an acquisition completed in 2012 and the borrowing of an aggregate of $3.5 million.

Any document of the type referred to in section 11.1 of Form 44-101F1- ***Short Form Prospectus*****, if filed by the Company after the date of this short form prospectus and prior to the termination of this distribution, shall be deemed to be incorporated by reference in this short form prospectus.**

Any statement contained in a document incorporated or deemed to be incorporated by reference herein is not incorporated by reference to the extent that any such statement is modified or superseded by a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein. Any such modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be considered in its unmodified or superseded form to constitute part of this short form prospectus; rather only such statement as so modified or superseded shall be considered to constitute part of this short form prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Norton Rose Fulbright Canada LLP, counsel to the Company, and Fasken Martineau Dumoulin LLP, counsel to the Agents, based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**"), the Common Shares and Warrants comprising the Units will be, at a particular time, "qualified investments" within the meaning of the Tax Act for trusts governed by registered retirement savings plans ("**RRSPs**"), registered education savings plans, registered retirement income funds ("**RRIFs**"), registered disability savings plans, deferred profit sharing plans and tax-free savings accounts ("**TFSAs**"), provided that:

(a) in the case of the Common Shares (including Common Shares issuable on the exercise of the Warrants), such Common Shares are listed on a 'designated stock exchange' as defined in the Tax Act (which currently includes the TSX-V) at the particular time; and

(b) in the case of the Warrants, the Common Shares issuable on the exercise of the Warrants are listed on a 'designated stock exchange' as defined in the Tax Act (which currently includes the TSX-V) at the particular time and the Company is not a "connected person" (as defined in the Regulations) under the governing plan of the trust.

Notwithstanding the foregoing, if a Common Share or a Warrant is a "prohibited investment" under the Tax Act for a RRSP, RRIF or TFSA, the annuitant under the RRSP or RRIF or the holder of the TFSA (as applicable) may be subject to a penalty tax under the Tax Act. A Common Share or a Warrant will not be a "prohibited investment" for these purposes unless: (i) the annuitant under the RRSP or RRIF or the holder of the TFSA (as applicable) does not deal at arm's length with the Company for purposes of the Tax Act, or (ii) the holder or annuitant (as applicable) has a "significant interest" (within the meaning of subsection 207.01(4) of the Tax Act) in the Company. In addition, the Common Shares or Warrants will generally not be a "prohibited investment" if the Common Shares or Warrants, as the case may be, are "excluded property" as defined in subsection 207.01(1) of the Tax Act for a RRSP, RRIF, or TFSA. Holders of a TFSA and annuitants under an RRSP or RRIF should consult their own tax advisors as to whether the Common Shares or Warrants will be prohibited investments in their particular circumstances, including whether the Common Shares or Warrants would be "excluded property" as defined in the Tax Act.

THE COMPANY

The Company was initially incorporated under the *Canada Business Corporations Act* (“**CBCA**”) in November 2004 as Taos Capital Inc. Following the completion of the reverse takeover of the Company whereby the Company acquired all of shares of TransGaming Technologies Inc. and the shareholders of TransGaming Technologies Inc. acquired control of the Company in November 2005, the Company changed its name via articles of amendment to TransGaming Inc. In May 2006, TransGaming Technologies Inc. and TransGaming Inc. were amalgamated pursuant to the CBCA. The head office of the Corporation is located at 431 King Street West, Suite 600, Toronto, Ontario, M5V 1K4. The Corporation is a reporting issuer in the Provinces of Alberta, British Columbia, Ontario and Quebec. The Common Shares are listed and posted for trading on the TSX-V under the trading symbol "TNG".

SUMMARY DESCRIPTION OF THE BUSINESS

TransGaming is a 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’s 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. Its products are marketed under three brand names: Cider (Mac gaming), SwiftShader (graphics rendering), and GameTree (game distribution).

Three key industry trends underpin TransGaming’s strategic direction and potential for growth. The first is the continuing expansion of the video game market and its audience in particular. In June 2012, DFC Intelligence predicted that the global revenue from video game software will grow from US$52 billion in 2011 to US$70 billion in 2017. It is also forecasted that by 2017, 66% of game software will be delivered digitally. The game market is not just growing in revenue but it is also broadening its audience. The Entertainment Software Association’s recent report on the state of the game industry indicates that the average U.S. household owns at least one dedicated game console, PC or smart phone and that forty-seven percent of all game players are women. Even more significant is that today women over the age of 18 represent a larger portion of the game-playing population (30 percent) than boys aged 17 or younger (19 percent). This broader audience has also led to the growth in casual games. Developed for the general public and families, casual games are video games that are fun and easy to learn and play. They are nonviolent, arcade-style games that involve puzzles, words, board and card games, game show and trivia. It is estimated that more than 200 million people worldwide play casual games via the Internet and in 2010, the worldwide connected casual games industry had revenues of nearly US$6 billion.

The second trend is the growth of games on connected and Smart TVs. By 2016 there will be more than 1.8 billion connected-TV devices globally according to Informa Telecoms and Media. The latest connected-TV devices are now much more capable games machines compared to legacy pay-TV set-top boxes. Like smartphones and tablets, which are making significant advances in chipset power, graphics capability and storage, connected-TV devices are following suit with similar components.

IHS, a leading provider of diverse global market and economic information, predicted as well that in 2016, more than 800 million actively connected TV devices will have exposure to monetized games content. This is up from 100 million in 2012. Worldwide consumer spending on video games on connected-TVs is forecasted to grow from a projected $88 million in 2012 to $1.6 billion in 2016. These revenues are driven by the growth in adoption of connected-TV devices. Unit shipments of Smart TVs alone are expected to reach 153.2 million units with a CAGR of 19% by 2016.

The third trend is the evolution of the multi-screen TV environment or the “second screen”. Smart phones, iPads and other tablet devices are changing the way living rooms are interacting with the TV. The number of multi-screen devices active on global pay-TV networks is expected to rise by a factor of ten from 29.5 million in 2010 to 303.7 million units by 2015 according to the IHS Screen Digest TV Multi-screen Intelligence Service. Nielsen recently reported that, of Americans who own smart phones, 86% say they use their devices while watching TV at least once per month. For tablet owners, almost 50% use their tablets while watching TV on a daily basis.

TransGaming creates, enables and distributes interactive entertainment to leverage the opportunities afforded from these industry trends. TransGaming works with the industry's leading developers and publishers to enable and distribute games for Smart TV, connected Consumer Electronic (CE) devices, and Mac computers. Video game publishers and content creators have embraced the Company’s products to reduce costs, increase revenue, and gain market share. The Company’s revenue is derived through licensing of its products to software developers and game publishers and through the digital distribution of interactive entertainment content.

RECENT DEVELOPMENTS

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.

CONSOLIDATED CAPITALIZATION

The following table sets forth the Company's consolidated capitalization as of the dates indicated, adjusted to give effect to the material changes in the capitalization of the Company since November 30, 2013, the date of the Company's unaudited interim consolidated financial statements most recently filed in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*. The table should be read in conjunction with the interim financial statements and the Interim MD&A for the six month period ended November 30, 2013, incorporated by reference into this short form prospectus.

	As at November 30, 2013 Before Giving Effect to the Offering[1]	**As at November 30, 2013 *Pro forma* After Giving Effect to the Minimum Offering and Maximum Offering**[1][2] **(without the exercise of the Over-Allotment Option)**	**As at November 30, 2013 *Pro forma* After Giving Effect to the Minimum Offering and Maximum Offering**[1][2] **(with the Over-Allotment Option fully exercised)**
		(Expressed in US Dollars) (unaudited)	
Common Shares	$17,378,663 (85,404,405 shares)	$●/$● (● shares/● shares)	$●/$● (● shares/● shares)
Stock Options	5,379,000 stock options	●/●	●/●
Contributed surplus and other equity (warrants)	$7,856,465	$●/$●	$●/$●
Accumulated other comprehensive income	($278,193)	$●/$●	$●/$●
Deficit	($23,784,595)	$●/$●	$●/$●
Shareholders' Equity	$1,172,340	$●/$●	$●/$●

(1) The stock options were granted pursuant to the Company's stock option plan (the "**Stock Option Plan**"), the material attributes of which are described under "Stock Option Plan and Stock Options" in the Management Information Circular, incorporated by reference herein.

(2) After deducting the Agents' Fee of $● (assuming the Over-Allotment Option is not exercised) or $● (assuming the Over-Allotment Option is fully exercised), and expenses of the Offering estimated in the aggregate to be approximately $●.

USE OF PROCEEDS

The net proceeds to the Company from the Offering are estimated to be approximately $●, in the case of the Minimum Offering, and are estimated to be approximately $●, in the case of the Maximum Offering, after deducting the Agents' Fee in the aggregate amounts of approximately $●, in the case of the Minimum Offering, and approximately $●, in the case of the Maximum Offering and the estimated expenses of the Offering of $●.

The Company intends to use the net proceeds from the Offering as follows:

Use of Proceeds	Minimum Offering Amount	Maximum Offering Amount
Repayment of notes payable due to BEST Funds	$●	$●
Portability technology platform and SwiftShader	$●	$●
Working capital and general corporate purposes	$●	$●
Total	$●	$●

Business Objectives and Milestones

Strengthening the Company's Balance Sheet

TransGaming intends to use approximately ●% of the net proceeds of the Offering to strengthen its balance sheet by the repayment of ● to BEST Funds and to complement funding of working capital for long term growth. The Company has used proceeds from the BEST Funds financing in July, 2013 for general working capital purposes and to repay Oberon Media, Inc. to retire all remaining obligations related to the acquisition completed in January, 2012. See "Recent Developments".

As a public company, information about TransGaming's financial position is available to its customers and suppliers. A stronger financial position is anticipated to improve customers' confidence in TransGaming's ability to continue to grow, to increase and enhance its product lines and to support customers in the long term. In addition, management anticipates that a stronger balance sheet will improve the Company's ability to negotiate pricing and terms with its suppliers. Both of these factors will reinforce the Company's continued growth.

Further development of Portability Technology Platform and focus on SwiftShader

TransGaming will leverage its previous investment in research and development and launch a source-based portability technology later this year. TransGaming will enhance and expand its existing graphics 3D rendering technology known as SwiftShader for application beyond its existing enterprise software capabilities. With this new suite of products, developers will be able to reach even more markets such as next generation video game consoles, ARM-based tablets, phones, and embedded devices with applications that have no compromise to platform integration and performance. TransGaming intends to use approximately ●% of the net proceeds of the Offering to further develop these technologies over the next twelve (12) months.

PRIOR SALES

During the twelve-month period prior to the date of this short form prospectus, the Company issued the following Common Shares and securities convertible into Common Shares.

Date of Issue/Grant	Type of Securities	Issue/Exercise Price per Security	Number of Securities
April 8, 2013	Unit = 1 Common Share & 1 Warrant	$0.1125 per Unit/ $0.1687 exercise price of Warrant	1,333,333
April 8, 2013	Warrant	$0.30	106,667
June 28, 2013	Unit = 1 Common Share & 1 Warrant	$0.10 per Unit / $0.15 exercise price of Warrant	3,000,000
June 28, 2013	Warrant	$0.30	240,000
July 9, 2013	Warrant	$0.20	6,250,000
October 22, 2013	Common Share	$0.105	2,142,857
January 9, 2014	Common Shares	$0.1436	1,566,416
January 10, 2014	Common Shares	$0.15	3,000,000
January 13, 2014	Common Shares	$0.30	531,281
January 13, 2014	Common Shares	$0.1687	1,333,333
January 17, 2014	Common Shares	$0.20	2,307,692

TRADING PRICE AND VOLUME

Common Shares

On January 31, 2014 the last day on which trading of the Common Shares occurred before the filing of this short form prospectus, the closing price of the Common Shares on the TSX-V was $0.295 per Common Share.

The Common Shares are listed and posted for trading on the TSX-V under the symbol “TNG”. The following table sets forth the price ranges and volume traded of Common Shares as reported by the TSX-V for the periods indicated.

Period	High ($)	Low ($)	Volume
January 2014	$0.550	$0.185	52,087,021
December 2013	$0.195	$0.155	3,042,415
November 2013	$0.210	$0.100	9,543,143
October 2013	$0.170	$0.110	6,567,207
September 2013	$0.120	$0.100	2,154,186
August 2013	$0.155	$0.090	4,852,901
July 2013	$0.110	$0.095	3,246,842
June 2013	$0.170	$0.100	3,463,590

Period	High ($)	Low ($)	Volume
May 2013	$0.190	$0.080	2,762,133
April 2013	$0.130	$0.090	4,495,584
March 2013	$0.150	$0.115	1,869,881
February 2013	$0.195	$0.115	4,759,489
January 2013	$0.210	$0.080	9,699,866

DESCRIPTION OF SECURITIES BEING OFFERED

The Offering consists of up to ● Units to be issued at the Issue Price.

Description of the Common Shares

Common Shares are shares in the capital of the Company. The Company is authorized to issue an unlimited number of Common Shares without par value. All of the Common Shares rank equally as to dividends, voting powers (one vote per share) and participation in assets upon dissolution or winding-up. No Common Shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption, retraction, purchase for cancellation, surrender or sinking or purchase funds. Provisions as to modifications, amendment or variation of the rights attached to the Common Shares are contained in the CBCA and the Company's articles and by-laws.

Description of the Warrants

Warrants

Warrants are the warrants of the Company issued pursuant to the Offering. The holder of a warrant is entitled to acquire one Common Share at an exercise price of $● per Common Share. The Warrants will expire two (2) years after the Closing Date.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal advisor.

The Warrants will be issued under an indenture (the "**Warrant Indenture**") to be entered into on the Closing Date between the Company and Computershare Trust Company of Canada, as trustee and warrant agent thereunder (the "**Trustee**"). We will appoint the principal transfer offices of the Trustee in Toronto, Ontario as the location at which the Warrants may be surrendered for exercise or transfer.

The Warrant Indenture will, among other things, include provisions for adjustments in the class, number and price of the Common Shares to be issued upon exercise of the Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, or the amalgamation of the Company. No adjustment in the exercise price of the Warrants or the number of Common Shares issuable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change such exercise price by at least 1% or the number of Common Shares issuable upon exercise by at least one one-hundredth of a Common Share. No fractional Common Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have. The Company and the Trustee, may, from time to time, without the consent of the holders of Warrants, amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which is defined in the Warrant Indenture as a resolution either: (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of Common Shares which may be acquired upon the exercise of all the then outstanding Warrants and passed by the affirmative vote of holders of Warrants entitled to acquire not less than 66⅔% of the aggregate number of Common Shares which may be acquired upon the exercise of all the then outstanding Warrants represented at the meeting; or (2) instruments in writing signed by the holders of Warrants representing not less than 66⅔% of the aggregate number of Common Shares which may be acquired upon the exercise of all the then outstanding Warrants.

The foregoing discussion of the material terms and provisions of the Warrants is qualified in its entirety by reference to the detailed provisions of the Warrant Indenture which will be filed on SEDAR.

Governing Law

The Units will be governed by and construed in accordance with the laws of the Province of Ontario.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Company has appointed the Agents, to conditionally offer, a minimum of ● Units and up to a maximum of ● Units, subject to prior sale on a best efforts basis, at the Issue Price per Unit. In addition, the Company has granted the Agents the Over-Allotment Option to purchase up to such number of additional Units as is equal to 15% of the number of Units sold under the Offering. The Over-Allotment Option is exercisable for a period of 30 days following the Closing Date at an exercise price per Unit equal to the Issue Price. This short form prospectus qualifies the grant of the Over-Allotment Option and the issuance of the Units upon exercise of the Over-Allotment Option. The Agency Agreement provides that the Company will pay the Agents a cash commission equal to 7% of the aggregate gross proceeds received from the sale of Units to all purchasers under the Offering, with the exception of gross proceeds up to $1,000,000 raised from insiders of the Company and close persons of the Company included on the President's List, of which the Agents shall receive a reduced fee equal to 2%.

As additional compensation, the Company has also agreed to issue to the Agents the Compensation Options on the Closing Date. The Compensation Options will entitle the Agents to acquire that number of Compensation Shares equal to 7% of the number of Units and Over-Allotment Units, if any, sold under the Offering (not including any Units sold under the President's List). The Compensation Options will be exercisable at the Issue Price for a period of 24 months from the Closing Date. This short form prospectus qualifies the distribution of the Compensation Options and the distribution of the Compensation Shares to the Agents.

In Canada, the Units are expected to be offered in each of the provinces of British Columbia, Ontario and Alberta. The Units are expected to be offered for sale in the United States under certain exemptions from the registration requirements of the U.S. *Securities Act* and in certain other jurisdictions, as agreed upon between the Company and the Underwriters.

The Issue Price and terms of the Offering were established through negotiations between the Company and the Agents.

The Company estimates that expenses for the Offering, not including the Agents' Fee, will be approximately $●.

An application has been made by the Company to the TSX-V to list the Common Shares comprising part of the Units, the Warrant Shares underlying the Warrants comprising part of the Units, and the Compensation Shares (in all cases including the Common Shares, Warrant Shares or Compensation Shares issued as a result of the exercise of the Over-Allotment Option. Listing of such securities will be subject to TransGaming fulfilling all of the listing requirements of the TSX-V.

From time to time, the Agents or their affiliates may effect transactions for its own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in the Company's debt or equity securities or loans, and may do so in the future. The Agents may over-allot and effect transactions to cover its over-allocated position.

The Offering is not underwritten or guaranteed by any person. Under the Agency Agreement, the Company has agreed to indemnify and hold harmless the Agents and their officers, directors, employees and agents against certain liabilities, including civil liabilities under Canadian provincial securities legislation, or to contribute to any payments the Agents may be required to make in respect thereof. The Company has agreed to pay all of the expenses of the Offering together with the Agents' Fee and the reasonable out-of-pocket expenses of the Agents, subject to a cap in the case of the legal counsel fees and expenses of the Agents.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Company reserves the right to accept or refuse subscriptions in whole or in part. Provided the Minimum Offering has been achieved, it is expected that the Closing Date will occur on or about February 21, 2014 or such earlier or later date as may mutually be agreed to by the Company and the Agents. Notwithstanding the foregoing, the distribution of the Units will not continue for a period of more than 90 days after the date of the final receipt for this short form prospectus if subscriptions for the Minimum Offering are not obtained within that period.

Until such time as a closing has occurred in respect of the Minimum Offering, all subscription funds received by the Agents will be held in trust, pending closing of the Minimum Offering. If the Minimum Offering has not been subscribed for prior to the expiry of the 90-day period or such later date as the Company and the Agents may agree and the securities regulatory authorities may approve (subject to the filing of any required amendment to this short form prospectus and the regulator issuing a receipt for such amendment), or if the Minimum Offering has been subscribed for but certain closing conditions have not been satisfied, or waived, the Agents shall promptly return the proceeds of the subscription to the subscribers without interest or deduction unless such subscribers have instructed the Agents otherwise. Should a closing occur in respect of the Minimum Offering, one or more additional closings, if necessary, may occur until the earlier of the Maximum Offering being subscribed for and the expiry of the 90-day period. In any event, the total period of the distribution will not end more than 180 days from the date of receipt for the short form prospectus.

This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States.

On the Closing Date, the certificates representing the Common Shares and the Warrants offered pursuant to the Offering will be issued in book-entry only form and registered in the name of CDS or its nominee and deposited with CDS. Holders of Common Shares and Warrants, will, in lieu of receiving certificates registered in their names, receive only a customer confirmation from the Agents or other registered dealer who is a CDS participant and from or through whom a beneficial interest in such securities is acquired. See “Plan of Distribution”.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Norton Rose Fulbright Canada LLP, counsel to the Company, and Fasken Martineau Dumoulin LLP, counsel to the Agents, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations applicable to a purchaser of Common Shares or Warrants pursuant to the Offering. This summary is applicable only to a purchaser who, at all relevant times and for purposes of the Tax Act, deals at arm's length with the Company and with the Agents, is not affiliated with the Company, and who will acquire and hold such Common Shares and Warrants as well as any Warrant Shares as capital property (a “**Holder**”). Common Shares and Warrants will generally be considered to be capital property to a Holder unless the Holder holds such securities in the course of carrying on a business of trading or dealing in securities or has acquired them in one or more transactions considered to be a venture or concern in the nature of trade.

This summary is based upon the current provisions of the Tax Act and the Regulations, specific proposals to amend the Tax Act (the “**Proposed Amendments**”) which have been announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the current published administrative policies and assessing practices of the CRA. This summary assumes that the Proposed Amendments will be enacted in the form proposed and does not take into account or anticipate any other changes in law, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed herein. No assurances can be given that such Proposed Amendments will be enacted as proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary does not apply to a Holder (a) that is a ‘financial institution’ as defined in the Tax Act; (b) that is a ‘specified financial institution’ as defined in the Tax Act; (c) an interest in which would be a ‘tax shelter investment’ for purposes of the Tax Act; (d) that has made a functional currency reporting election for purposes of the Tax Act; or (e) that has entered or enters into a “derivative forward agreement” (as this term is defined in the Tax Act) with respect to the Units, Common Shares, Warrants or the Common Shares acquired on exercise of the Warrants. Such Holders should consult their own tax advisors.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is, or becomes, controlled by a non-resident corporation for purposes of the ‘foreign affiliate dumping’ rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Common Shares or Warrants.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Common Shares and Warrants. The following description of income tax considerations is of a general nature only and is not intended to be, nor should it be construed to be, legal or income tax advice to any particular Holder. Holders are urged to consult their own income tax advisors with respect to the tax consequences applicable to them based on their own particular circumstances.

Allocation of Purchase Price

A Holder who acquires Units will be required to allocate the purchase price of each Unit between the Common Share and the one-half of one Warrant on a reasonable basis in order to determine their respective costs for purposes of the Tax Act. For its purposes, the Company intends to allocate $● of the Issue Price of each Unit as consideration for the issue of the Common Share and $● for the issue of the one-half of one Warrant comprising each Unit. Although the Company believes such allocation is reasonable, such allocation will not be binding on the CRA or a Holder and counsel expresses no opinions as to allocation.

Adjusted Cost Base of Common Shares

The adjusted cost base to a Holder of a Common Share acquired hereunder will be determined by averaging the cost of that Common Share with the adjusted cost base (determined immediately before the acquisition of the Common Share) of all other Common Shares (if any) held as capital property by the Holder immediately prior to such acquisition.

Exercise of Warrants

A Holder will not realize a gain or loss upon the exercise of a Warrant. The Holder's cost of the Warrant Shares so acquired will be equal to the aggregate of the Holder's adjusted cost base of the Warrants exercised plus the exercise price paid for such Warrant Shares. The Holder's adjusted cost base of such Warrant Shares will be determined by averaging the cost of those Warrant Shares with the adjusted cost base (determined immediately before the acquisition of the Warrant Shares) of all other Common Shares (if any) held as capital property by the Holder immediately prior to the acquisition of such Warrant Shares.

Residents of Canada

The following section applies to a beneficial Holder who, for purposes of the Tax Act and any applicable income tax treaty or convention, is, or is deemed to be, resident in Canada at all relevant times (a "**Resident Holder**"). Certain Resident Holders to whom Common Shares might not constitute capital property may, in certain circumstances, make the irrevocable election under subsection 39(4) of the Tax Act to deem the Common Shares, and every other "Canadian security" as defined in the Tax Act, held by such Resident Holder in the taxation year of the election and all subsequent taxation years, to be capital property. This election does not apply to the Warrants. Resident Holders should consult their own tax advisors regarding this election.

Disposition and Expiry of Warrants

A Resident Holder who disposes or is deemed to dispose of a Warrant (other than upon the exercise thereof) will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than the adjusted cost base of the Warrant to the Resident Holder. If a Warrant expires unexercised, the Resident Holder will realize a capital loss equal to the adjusted cost base of such Warrant to the Resident Holder. The tax treatment of capital gains and capital losses is discussed under the sub-heading "Capital Gains and Capital Losses".

Dividends on Common Shares

Dividends received or deemed to be received on Common Shares by an individual Resident Holder (including certain trusts) will be included in computing the individual's income and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including an enhanced gross-up and dividend tax credit for dividends designated as 'eligible dividends' by the Company. Dividends received or deemed to be received on Common Shares by a Resident Holder that is a corporation will be included in computing its income and will generally be deductible in computing its taxable income. A Resident Holder that is a 'private corporation' or a 'subject corporation', each as defined in the Tax Act, may be liable to pay a 33 1⁄3% refundable tax under Part IV of the Tax Act on dividends received on the Common Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income.

Disposition of Common Shares

A Resident Holder who disposes or is deemed to dispose of a Common Share (other than upon a disposition to the Company) will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than the adjusted cost base of the Common Share to the Resident Holder. The tax treatment of capital gains and capital losses is discussed under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

One-half of any capital gain (a 'taxable capital gain') realized on a disposition of a Common Share or Warrant must be included in the Resident Holder's income and one-half of any capital loss (an 'allowable capital loss') realized must generally be deducted against taxable capital gains realized in the year of disposition. Any unused allowable capital losses may be applied to reduce net taxable capital gains realized in any of the three prior years or in any subsequent year in the circumstances and to the extent provided in the Tax Act.

A capital loss realized on the disposition of a Common Share by a Resident Holder that is a corporation may in certain circumstances be reduced by the amount of dividends that have been received or deemed to have been received by the Resident Holder on such share or shares substituted for such share to the extent and in the circumstances described by the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares directly or indirectly through a partnership or trust.

A Resident Holder that is a 'Canadian-controlled private corporation' (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 2⁄3% on its 'aggregate investment income' for the year, which includes an amount in respect of taxable capital gains.

Alternative Minimum Tax

Capital gains realized and taxable dividends received or deemed to be received by a Resident Holder that is an individual or a trust (other than certain trusts) may affect the Resident Holder's liability to pay alternative minimum tax under the Tax Act. Resident holders should consult their own tax advisors with respect to the application of alternative minimum tax.

Non-Residents of Canada

The following section applies to a beneficial Holder who, for the purposes of the Tax Act, (i) is not, and is not be deemed to be, resident in Canada; and (ii) does not use or hold the Common Shares or Warrants acquired pursuant to the Offering or any Warrant Shares in carrying on a business in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere. Such Non-Resident Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder on the Common Shares will generally be subject to Canadian withholding tax at the rate of 25%, subject to reduction under the provisions of an applicable income tax treaty or convention.

In the case of a Non-Resident Holder who is the beneficial owner of the dividends and who is a resident of the United States and entitled to the full benefits under the Canada-United States Income Tax Convention (1980), as amended, the rate of withholding tax on such dividends will generally be reduced to 15%. This rate is reduced to 5% if such Non-Resident Holder is a corporation that owns beneficially at least 10% of the voting stock of the Company.

Dispositions of Common Shares and Warrants

A Non-Resident Holder who disposes of or is deemed to have disposed of a Common Share or a Warrant (other than upon a disposition of a Common Share to the Company) will not be subject to income tax under the Tax Act in respect of any capital gain realized thereon unless, at the time of disposition, the Common Share or the Warrant, as the case may be, is, or is deemed to be, 'taxable Canadian property' (as defined in the Tax Act) of the Non-Resident Holder, and the gain is not exempt from tax pursuant to the terms of an applicable income tax treaty or convention.

Provided the Common Shares are listed on a 'designated stock exchange' (which currently includes the TSX-V), the Common Shares and Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at the time of disposition unless at any time during the 60-month period immediately preceding the disposition: (a) one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm's length, or (iii) partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder did not deal at arm's length held a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of the Company; and (b) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of real or immovable property situated in

Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act) or an option in respect of, an interest in, or for civil law a right in, any such property, whether or not such property exists. The Common Shares or Warrants may also be deemed to be taxable Canadian property of a Non-Resident Holder in certain circumstances.

In the event that a Common Share or Warrant constitutes taxable Canadian property of a Non-Resident Holder and any capital gain that would be realized on the disposition thereof is not exempt from tax pursuant to the terms of an applicable income tax treaty or convention, the income tax consequences discussed under "Residents of Canada – Capital Gains and Capital Losses" would generally apply to the Non-Resident Holder. Non-Resident Holders whose Common Shares or Warrants are taxable Canadian property should consult their own tax advisors.

RISK FACTORS

An investment in Units is considered speculative and involves a high degree of risk due to, among other things, the nature of the business in which TransGaming is engaged. A prospective investor should carefully consider the risk factors set out below along with the other matters set out or incorporated by reference in this short form prospectus including the risk factors described in the AIF, Annual MD&A and Interim MD&A. The following risk factors should be considered, among others. Such risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in the "Forward-Looking Statements" detailed above.

The Company may face additional risks and uncertainties other than the factors listed below, including: risks and uncertainties that are unknown to the Company or risks and uncertainties that the Company now believes to be unimportant, which could have a material adverse effect on the business of the Company. If any of the following risks actually occur, the business, financial condition or results of operations of the Company could be negatively affected.

The Company has discretion in the use of the net proceeds from this offering

The Company may use the proceeds of the Offering for purposes other than those set out herein. The Company currently intends to allocate the net proceeds received from the Offering as described under "Use of Proceeds". However, the Company will have discretion in the actual application of the net proceeds, and may elect to allocate proceeds differently from that described in "Use of Proceeds" if it believes it would be in its best interests to do so as circumstances change. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business.

Further equity financing may substantially dilute the interests of shareholders

The Company may require additional funds for its research and development programs, development of new business verticals, customer additions and corporate acquisitions. If the Company raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of the Company's shareholders.

Sales of substantial amounts of the Common Shares may have an adverse effect on the market price of the Common Shares

Sales of substantial amounts of the Common Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Common Shares. A decline in the market prices of the Common Shares could impair our ability to raise additional capital through the sale of securities should we desire to do so.

The market price of the Common Shares is subject to high volatility and the market price for the Common Shares after this offering may drop below the price you pay.

The market price of a publicly traded security is affected by many variables. Such factors include the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the security. The effect of these and other factors on the market price of the Common Shares suggests the Company's shares will continue to be volatile. As a result of this volatility, investors may not be able to sell the securities at or above the Issue Price.

No Current Market for Warrants

There is currently no market through which the Warrants may be sold. Currently outstanding Warrants are not listed on any securities exchange. Even if a market develops for the Warrants, there can be no assurance that it will be liquid.

TransGaming's ability to generate positive cash flow is uncertain.

TransGaming has made significant up-front investments in research and development, sales and marketing, and general and administrative expenses in order to rapidly develop and expand its business. TransGaming has had a history of negative cash flow. Because TransGaming continues to incur significant future expenditures for research and development, sales and marketing, and general and administrative expenses to develop enhancements to existing products and develop new products, the Company may continue to experience negative cash flow until it reaches a sufficient level of sales with positive gross margins to cover operating expenses. An inability to generate positive cash flow until the Company reaches a sufficient level of sales with positive gross margins to cover operating expenses or raise additional capital on reasonable terms will adversely affect the Company's long-term viability as an operating business.

Reliance on Key Personnel

TransGaming's future success also will depend in large part on the continued service of its key technical and management personnel, including executive staff, research and development, production, engineering, marketing and sales staff. TransGaming faces intense competition for these professionals from its competitors, customers and other companies throughout the industry. Any failure on TransGaming's part to hire, train and retain a sufficient number of qualified professionals could seriously damage the business of the Company.

Intellectual Property

TransGaming's success depends to a significant degree upon its ability to develop, maintain and protect proprietary products and technologies. TransGaming intends to file patent applications in the United States, Canada, Europe, and selectively in other foreign countries as part of its strategy to protect its proprietary products and technologies. However, patents provide only limited protection of TransGaming's intellectual property. The assertion of patent protection involves complex legal and factual determinations and is therefore uncertain and expensive. TransGaming cannot provide assurances that patents will be granted with respect to its pending patent application, that the scope of any patents it might obtain will be sufficiently broad to offer meaningful protection, or that it will develop additional proprietary technologies that are patentable. Any patents which might issue from TransGaming's pending patent application could be successfully challenged, invalidated or circumvented. This could result in TransGaming's pending patent rights failing to create an effective competitive barrier. Losing a significant patent or failing to get a patent to issue from a pending patent application that TransGaming considers significant could have a material adverse effect on TransGaming's business.

The laws governing the scope of patent coverage in various countries continue to evolve. The laws of some foreign countries may not protect TransGaming's intellectual property rights to the same extent as the laws of Canada and the United States. TransGaming has made and intends to file patent applications only in selected countries. Therefore, third parties may be able to replicate TransGaming technologies covered by any patents which may issue from TransGaming's patent applications in countries in which it does not have patent protection.

Much of TransGaming's know-how and technology may not be patentable, though this know-how and technology may constitute valuable trade secrets. TransGaming attempts to protect its trade secrets by entering into confidentiality agreements with employees, consultants and third parties. However, these agreements might be breached and, if they are, there may not be an adequate remedy available to TransGaming. Also, TransGaming's trade secrets might become known to a third party through means other than by breach of its confidentiality agreements, or they could be independently developed by its competitors. If TransGaming's trade secrets become known, its business and competitive position could be adversely affected.

Research and Development Activities

It is important for TransGaming to continue to invest steadily in research and development. However, because TransGaming competes in a constantly evolving market, it may pursue research and development projects that do not result in viable commercial products. In addition, TransGaming has in the past, and may in the future terminate research efforts in a particular area after it has made substantial initial funding commitments in that area. Any failure to translate research and development expenditures into successful new product introductions could have an adverse effect on TransGaming's business and capital resources.

Legal Proceedings

In the course of TransGaming's business, TransGaming may from time to time have access to confidential or proprietary information of third parties, and these parties could bring a claim against TransGaming asserting that it has misappropriated their technology and had improperly incorporated such technology into TransGaming's products. Due to these factors, there remains a constant risk of intellectual property litigation affecting TransGaming's business. In the future, TransGaming may be made a party to litigation involving intellectual property matters and such actions, if determined adversely, could have a material adverse effect on TransGaming.

Business Combinations

TransGaming may, in the future, pursue acquisitions of other complementary businesses and technology licensing arrangements. TransGaming may also intend to pursue strategic alliances and joint ventures that leverage its core technology and industry experience to expand its product offerings and geographic presence. If TransGaming were to make any significant acquisitions, it may not be able to integrate these acquisitions successfully into its existing business and could assume unknown or contingent liabilities. Any future acquisitions TransGaming makes could also result in large and immediate write-offs or the incurrence of debt and contingent liabilities, any of which could harm TransGaming's operating results. Integrating an acquired company also may require management resources that otherwise would be available for ongoing development of TransGaming's existing business. TransGaming may not identify or complete these transactions in a timely manner, on a cost-effective basis, or at all, and TransGaming may not realize the anticipated benefits of any acquisition, technology license or strategic alliance.

AUDITORS, TRUSTEE, TRANSFER AGENT AND REGISTRAR

The auditors of TransGaming are PricewaterhouseCoopers LLP, Chartered Accountants. PricewaterhouseCoopers LLP, Chartered Accountants, have been the auditors of the Company since April, 2007.

Computershare Trust Company of Canada is the transfer agent and registrar for the Common Shares and will act as the Trustee for the Warrants, all at its principal office at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

INTEREST OF EXPERTS

The matters referred to under "Eligibility for Investment" and certain other legal matters relating to the Offering will be passed upon by Norton Rose Fulbright Canada LLP on behalf of TransGaming and Fasken Martineau Dumoulin LLP on behalf of the Agents. As at the date hereof, each of Norton Rose Fulbright Canada LLP and Fasken Martineau Dumoulin LLP and their designated professionals, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding securities of TransGaming and its associates and affiliates.

The auditors of TransGaming are PricewaterhouseCoopers LLP, Chartered Accountants. PricewaterhouseCoopers LLP has advised that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario. No director, officer, or employee of PricewaterhouseCoopers LLP is expected to be elected, appointed or employed as a director, officer or employee of TransGaming or of any Associate or Affiliate of TransGaming.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF TRANSGAMING INC.

Dated: February 3, 2014

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Ontario, British Columbia and Alberta.

TRANSGAMING INC.

By: "*Vikas Gupta*" Vikas Gupta Chief Executive Officer	By: *"Dennis Ensing"* Dennis Ensing Chief Financial Officer

On behalf of the Board of Directors

By: *"Leo Lax"* Leo Lax	By: *"Gavriel State"* Gavriel State

CERTIFICATE OF THE AGENTS

Dated: February 3, 2014

To the best of our knowledge, information and belief, this short form prospectus together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Ontario, British Columbia and Alberta.

GLOBAL MAXFIN CAPTIAL INC.

By: *"Dean McPherson"*

JACOB SECURITIES INC.

By: *"Sasha Jacobs"*