Form 51-102F1

LAS VEGAS FROM HOME.COM ENTERTAINMENT INC.

Management's Discussion & Analysis
Audited Consolidated Financial Statements for the
Year Ended December 31, 2010

The following discussion and analysis of the financial position and results of operations for Las Vegas From Home.com Entertainment Inc. (the "Company" or "LVFH") should be read in conjunction with the audited consolidated financial statements and the notes thereto for the years ended December 31, 2010 and 2009, and which are prepared in accordance with Canadian generally accepted accounting principles. The audited consolidated financial statements and notes thereto have been reviewed by the Company's Auditor. The following discussion and analysis ***has not been reviewed by the Company's Auditor****.*

The following information will include all the disclosure required under Form 51-102F1 for Annual MD&A.

The following information is prepared as at May 2, 2011.

Forward-Looking Statements

Certain statements contained herein are "forward-looking" and are based on the opinions and estimates of management, or on opinions and estimates provided to and accepted by management. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Readers are therefore cautioned not to place reliance on any forward-looking statement.

Description of Business

The principal business of the Company is the developing and marketing of software for on-line Asian multi-player interactive games.

Las Vegas From Home.com Entertainment Inc. is a reporting issuer in the Provinces of British Columbia and Alberta and files all public documents on *www.sedar.com*. The Company was a foreign private issuer in the United States of America and used to file on EDGAR, its annual report on Form 20-F and other reports on Form 6K. The following link, http://www.sec.gov/cgi-bin/browse-edgar?company=&CIK=0001061612&filenum=&State=&SIC=&owner=include&action=getcompany will give you direct access to the Company's United States Securities and Exchange Commission ("U.S. S.E.C.") filings. On April 13, 2009, the Company filed a Form 15F to terminate the registration of its common stock under section 12(g) of the Securities Exchange Act and its reporting obligations under the Act. As a result, the Company's common stock is no longer quoted in the Over-The-Counter Bulletin Board but is quoted in the U.S.A. on the Pink Sheets.

Selected Annual Information

Selected annual information from the audited consolidated financial statements for the three years ended December 31, 2010, 2009 and 2008 is shown in the following table:

	2010	**2009**	**2008**
Revenues	$ 579,111	$ 766,524	$ 737,434
Interest Income	424	55,165	104,235
Loss before other items	(2,853,258)	(2,825,779)	(3,214,822)
Loss per common share before other items	*(0.02)	*(0.03)	*(0.03)
Comprehensive Loss (1)	(2,893,127)	(2,784,121)	(3,079,510)
Basic and Diluted Loss per common share	*(0.02)	*(0.03)	*(0.03)
Total Assets	1,566,950	1,404,498	4,023,322
Long term financial obligations	Nil	Nil	Nil
Cash dividends	Nil	Nil	Nil

* Earnings (loss) per common share in the above table is based on the number of weighted average number of shares outstanding for the periods (Canadian GAAP) as shown in the audited Consolidated Statements of Operations for the years ended December 31, 2010, 2009 & 2008.

(1) Comprehensive Income/(Loss) consists of Net Income/(Loss) and Other Comprehensive Income/(Loss).

For the twelve month period ended December 31, 2010, the Company has recorded revenues of $579,111 (2009: $766,524) (2008: $737,434). For the period ended December 31, 2010, the decline in revenues is due to declines in Sales (2010: $282,636 as compared to 2009: $450,000), and Licensing (2010: $296,475 as compared to 2009: $316,524). Interest income was $424 (2009: $55,165) (2008: $104,235). The decrease in the interest income during 2010 was mainly due to a significant reduction in the Company's term deposit. The loss before other items was $2,853,258 as compared to a loss in 2009 of $2,825,779 and as compared to a loss in 2008 of $3,214,822 and, the basic and diluted loss per common share in 2010 was $0.02 as compared to a basic and diluted loss per common shares of $0.03 in 2009 and as compared to a basic and diluted loss per common share of $0.03 in 2008. The Company's Operating Expenses slightly decreased during 2010 to $3,432,369 as compared to $3,592,303 in 2009 and as compared to $3,952,256 in 2008. The items that mainly contributed to the decrease in the Company's Operating Expenses were Salaries and benefits and Rent, office and miscellaneous.

The Company has never paid any dividends and has no plans to pay any dividends in the future. For the period ended December 31, 2010, the Company's weighted average number of common shares was 140,026,757 as compared to 108,190,641 in the corresponding period of 2009 and as compared to 106,473,997 in the corresponding period of 2008.

Results of Operations

All financial figures presented herein are expressed in Canadian Dollars (CDN$) unless otherwise specified.

The principal business of the Company is the developing, and the marketing, through its wholly-owned foreign subsidiaries, of software for online Asian multi-player interactive card games.

Management determined that to comply with the U.S. S.E.C. requirements would result in incurring considerable expenses and as there was insufficient investor interest from the U.S.A. to justify such considerable expenses, Management decided that it would be in the best interest of the Company to terminate its U.S. S.E.C. registration. Consequently, on April 13, 2009, the Company filed a Form 15F to terminate the registration of its common stock under section 12(g) of the Securities Exchange Act and its reporting obligations under the Act. As a result, the Company's common stock is no longer quoted in the Over-The-Counter Bulletin Board but is quoted in the U.S.A. on the Pink Sheets under the symbol "LVFHF".

The Company's common shares continue to trade in Canada on the TSX Venture Exchange ("TSX.V") under the symbol "LVH", and in Germany on both the Frankfurt and Berlin Exchanges under the symbol "LVH".

The Company is continually enhancing and upgrading the Company's Gaming Software in order to enable the Company to increase its revenues.

The Company is presently not a party to any legal proceedings.

The Company has entered into a sublease agreement with an arm's length third party on September 15, 2009 which has a term of two years and seven months, and which has commenced on October 1, 2009 in respect to approximately 4,817 square feet of office space. Monthly payment for the sublease consists of $6,021 plus HST for rent and, $6,369 plus HST for the Company's proportionate share of the property taxes and operating expenses.

At the Annual General Meeting of the Company's shareholders which was held on June 25, 2010, the shareholders received the Audited Consolidated Financial Statements for the year ended December 31, 2009 and the Auditor's report thereon; fixed the number of Directors for the ensuing year at four; elected Bedo H. Kalpakian, Jacob H. Kalpakian, Neil Spellman and Gregory T. McFarlane as Directors of the Company; re-appointed the Company's Auditor, Smythe Ratcliffe, Chartered Accountants, for the ensuing year and authorized the Directors to fix the remuneration to be paid to the Auditor.

The Company entered into an Asset Purchase and Sales Agreement with certain parties in Mexico to acquire 99% of all the outstanding common shares of a Mexican company which operates online gaming in Mexico pursuant to Mexican laws (the "Mexican Gaming Company"). The consideration payable by the Company shall be as follows:

(i) A cash payment of $1,000,000 Canadian (paid);

(ii) A cash payment of 2,970,000 Mexican pesos on March 17, 2014;

(iii) The issuance of 30,000,000 LVFH units. Each unit shall consist of one common share and one share purchase warrant. Each share purchase warrant shall entitle the holder to purchase one additional common share of the Company at a price of $0.10 in the first year or at a price of $0.25 in the second year. Each LVFH unit will be subject to hold periods and restrictions on resale in accordance with applicable securities laws, and the rules and regulations of the TSX Venture Exchange (the "Exchange");

(iv) An earn-out bonus of one LVFH common share for each US $1.00 of net profit that shall be earned by the Mexican Gaming Company for a period of three years for a maximum number of 30,000,000 LVFH common shares;

(v) This transaction is subject to the approval of the Exchange; and,

(vi) Finder's fee may be payable in respect to this transaction in accordance with the policies of the Exchange.

As of December 31, 2010, the Company's Canadian operations employed 19 people (December 31, 2009: 26) consisting of staff and management.

Revenues

For the twelve month period ended December 31, 2010, the Company has recorded licensing revenues of $296,475 (December 31, 2009: $316,524), and sales revenues of $282,636 (December 21, 2009: $450,000).

Expenses

For the year ended December 31, 2010, operating expenses were $3,432,369 as compared to $3,592,303 for the year ended December 31, 2009. The Operating Expenses during 2010 were slightly lower than the previous corresponding year. The items which mainly contributed to the decrease in Operating Expenses during 2009 were Salaries and benefits and Rent, office and miscellaneous.

Interest Income

For the twelve month period ended December 31, 2010, the Company had interest income in the amount of $424 as compred to $55,165 during the corresponding period in 2009. The decrease in interest income during 2010 was mainly due to a significant reduction in the Company's term deposit.

Net Loss

During the year ended December 31, 2010, the Company had a net loss of $2,903,227 or $0.02 per share (weighted average) as compared to a net loss of $2,774,021 or $0.03 per share (weighted average) in the same period in 2009. During the year ended December 31, 2010, the Company's weighted average number of common shares was 140,026,757 as compared to 108,190,641 for the same period in 2009.

Liquidity and Capital Resources

As at December 31, 2010, the Company's total assets were $1,566,950 as compared to $1,404,498 for the corresponding period in 2009. The Company's total liabilities were $212,195 as compared to $160,360 for the corresponding period in 2009. The Company has not paid any dividends and does not plan to pay any dividends in the future. As at December 31, 2010 the Company has no long-term debt.

As at December 31, 2010, the Company's cash and cash equivalents were $175,340 as compared to $851,006 at December 31, 2009.

As at December 31, 2010, the Company's accounts receivable was $69,521 as compared to $31,600 at December 31, 2009. Due from related parties at December 31, 2010 was $22,127 as compared to $4,534 at December 31, 2008. Prepaids at December 31, 2010 were $4,243 as compared to $17,982 at December 31, 2009, and Lease Deposit at December 31, 2010 was $23,557 as compared to $23,557 at December 31, 2009.

Operating Activities

During the twelve month period ended December 31, 2010 the Company used $2,251,282 as compared to $2,573,320 of cash in operating activities during the corresponding period of 2009.

Financing Activities

During the twelve month period ended December 31, 2010, cash provided by financing activities was $2,583,380 as compared to $150,000 for the twelve months ended December 31, 2009.

Investing Activities

During the twelve month period ended December 31, 2010, the Company used $992,635 as compared to $97,749 for investing activities during the twelve months ended December 31, 2009.

Working Capital

For the year ended December 31, 2010, the Company had a working capital of $59,036 as compared to $817,962 for the same period in 2009.

Capitalization

In order for the Company to increase its revenues, the Company must dedicate more resources to marketing and to further upgrading the Company's Gaming Software so as to have additional games and features.

The Company has incurred significant operating losses over the past two fiscal years (2010: $2,903,227; 2009: $2,774,021), has a deficit of $36,116,856 (2009: $33,213,629), has limited revenues and resources, and has no assurances that sufficient funding will be available to continue operations for an extended period of time.

During 2011, the Company intends to seek equity financings through private placements and/or public offerings. While the Company does not give any assurances whatsoever that it will be successful in securing equity financings in order to conduct its operations uninterruptedly, it is the Company's intention to pursue these methods for future funding of the Company.

As at December 31, 2010, the Company's total number of issued and outstanding common shares was 171,765,545 as compared to 117,149,545 at December 31, 2009.

During the year ended December 31, 2010, the Company completed a non-brokered private placement financing with various investors and issued a total of 51,390,000 Units in the capital of the Company at the price of $0.05 per unit for total gross proceeds to the Company of $2,569,500. Each Unit consists of one common share and one share purchase warrant entitling the holder to acquire an additional common share at the price of $0.10 per share during the first year from Closing and at the price of $0.25 per share during the second year from Closing. The proceeds were allocated as $1,397,494 to common shares and $1,172,006 to warrants. Share issue costs associated with the private placement totaled $190,100, consisting of 3,000,000 common shares issued valued at $150,000, $8,720 in cash and $31,380 for the value of agent's warrants issued. All securities issued pursuant to this private placement financings were subject to a 4 month and a day hold period, which expired on March 18, 2011.

During the year ended December 31, 2009, the Company completed a non-brokered private placement financing with various investors and issued a total of 10,000,000 common shares in the capital of the Company at the price of $0.015 per common share for total gross proceeds to the Company of $150,000. All securities issued pursuant to this private placement financing had a hold period which expired on March 24, 2010. There were no finder's fees payable in respect to this private placement financing.

During 2004, the Company's shareholders adopted and approved the Company's 2004 Stock Option Plan (the "2004 Plan"). The 2004 Plan, which has received the approval of the TSX.V, reserved 11,290,154 common shares for issuance representing 20% of the Company's issued and outstanding common shares on April 12, 2004. At the Annual and Special General Meeting of the Company's shareholders, which was held on June 30, 2005, the shareholders approved the amendment to the Company's 2004 Plan by increasing the maximum number of common shares that may be reserved for issuance pursuant to the Stock Option Plan to 15,866,936 common shares (the "Company's Amended 2004 Stock Option Plan"). Pursuant to the Company's Amended 2004 Stock Option Plan which has received TSX.V approval, the Company grants stock options to employees, directors, officers and consultants. As at December 31, 2010, there are 420,094 stock options available for granting. The number available for granting is based on the difference between the reserved number of options for issuance (15,866,936) less outstanding stock options at December 31, 2010 (12,001,500) less the number of stock options exercised since May 12, 2005 up to and including December 31, 2010 (3,445,342); therefore 15,866,936 – 12,001,500 – 3,445,342 = 420,094 available for granting as at December 31, 2010.

The Company has granted stock options to acquire common shares of the Company, at certain prices, to various parties. Should any outstanding stock options be exercised by any party, then any funds received by the Company shall be used for general working capital purposes. However, there are no assurances whatsoever that any stock options will be exercised.

During the year ended December 31, 2010, there were 12,001,500 stock options outstanding with a weighted average exercise price of $0.10 per share. Subsequently, a total of 200,000 stock options expired unexercised.

During the year ended December 31, 2009, there were 2,192,500 stock options outstanding with a weighted average exercise price of $0.15 per share.

During the year ended December 31, 2010, the Company issued 226,000 common shares of the Company to a director and employees as a result of exercising stock options at the price of $0.10 per common share for total proceeds to the Company of $22,600. Subsequent to December 31, 2010, a total of 1,825,000 common shares were issued to directors, employees and consultants as a result of exercising stock options at the price of $0.10 per common share for total proceeds to the Company of $182,500.

During the year ended December 31, 2010, there were 51,690,000 share purchase warrants outstanding with a weighted average exercise price of $0.25 per share. Subsequent to December 31, 2010, 2,190,000 share purchase warrants were exercised at the price of $0.10 per share for total proceeds to the Company of $219,000.

Should any share purchase warrants be exercised by any party, then any funds received by the Company shall be used for general working capital purposes. However, there are no assurances whatsoever that any share purchase warrants will be exercised.

During the year ended December 31, 2009, a total of 5,000,000 share purchase warrants exercisable at $0.25 per share expired unexercised.

Summary of Quarterly Results

The following are the results for the eight most recent quarterly periods, starting with the three month quarterly period ended December 31, 2010:

For the Quarterly Periods ended		**December 31, 2010**	**September 30, 2010**	**June 30, 2010**	**March 31, 2010**
Total Revenues	$	98,361	257,688	82,891	140,171
Loss before other items		(546,688)	(479,083)	(1,212,251)	(615,236)
Loss per common share before other items		(0.00)	(0.00)	(0.01)	(0.01)
Net loss for the period		(546,664)	(480,755)	(1,237,968)	(637,840)
Basic and diluted loss per common share		(0.00)	(0.00)	(0.01)	(0.01)

For the Quarterly Periods ended		**December 31, 2009**	**September 30, 2009**	**June 30, 2009**	**March 31, 2009**
Total Revenues	$	56,123	127,885	200,315	382,201
Loss before other items		(769,779)	(792,723)	(744,353)	(518,924)
Loss per common share before other items		(0.01)	(0.01)	(0.01)	(0.00)
Net loss for the period		(758,787)	(784,577)	(729,736)	(500,921)
Basic and diluted loss per common share		(0.01)	(0.01)	(0.01)	(0.00)

Note: Gain (loss) per common share calculations in the above tables are based on the number weighted average number of shares outstanding (Canadian GAAP) as shown in the Consolidated Statements of Operations for the above mentioned periods.

Fourth Quarterly Results (December 31, 2010)

During the three months [fourth quarter] period ended December 31, 2010:-

- The Company had a net loss of $546,664 or $0.00 per share as compared to a net loss of $758,787 or $0.01 per share in the same three months [fourth quarter] period of 2009.

- The Company's total revenues were $98,361 as compared to total revenues of $56,123 in the same three months [fourth quarter] period of 2009.

- The Company's total operating expenses were $645,049 as compared to total operating expenses of $825,902 in the same three months [fourth quarter] period of 2009.

Risks related to our Business

The Company, and the Securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's Securities:

General legislative risk

Although Management of the Company believes that the conduct of Internet gaming related activities by the Company's subsidiaries represent lawful business, there is the risk that the legality of the Internet gaming related activities may be challenged by Canadian or other legal authorities. If the legality of the Internet gaming related activities is challenged and the challenge is sustained, it can have a material adverse impact on the business and financial affairs of the Company.

Competition

The marketplace for the Company's Gaming Software is constantly undergoing changes, is intensely competitive and is subject to changes in customer preferences. Consequently, new products are being developed continuously by the Online Gaming Industry in order to satisfy customer demands, and new costly venues of advertising and promotion are being used by the Online Gaming Industry so as to attract new customers and retain existing ones. The Company's products and services compete against those of other companies that have greater financial, marketing, technical and other resources than those of the Company.

Internet and system infrastructure viability

Any changes in the internet's role as the premier computer network information service or any shutdown of internet services by significant internet service providers will have an adverse material impact on the Company's ability to generate revenues. Furthermore, the Company can be severely and adversely affected from power failures, internet slowdowns or failures, software slowdowns or failures and hackings.

Reliance on key personnel

The Company relies heavily on its employees, the loss of any of whom could have an adverse effect on the Company.

Customer concentration

The Company also relies on its licensees for the operation of the Company's Gaming Software, the loss of any of which could have an adverse effect on the affairs of the Company.

Payment processing

Changes in policies of companies, financial institutions or banks, that handle credit card transactions and/or other types of financial transactions for on-line gaming, can have an adverse impact on the business and financial affairs of the Company.

Foreign exchange rates

The profitability of the Company can be affected by fluctuations in the exchange rate of the US Dollar in relation to the Canadian Dollar due to the fact that the Company's revenues are generated in US Dollars while a major portion of the Company's expenses are incurred in Canadian Dollars.

Share price volatility and liquidity

The market price of the Company's common shares has experienced considerable volatility and may continue to fluctuate in the future. Factors such as the Company's quarterly results, changes in existing legislation, new legislation, technological changes and general market conditions may adversely affect the market price of the Company's common shares. There is a limited trading market for the Company's common shares and the ability of investors to sell their shares or the price at which those shares may be sold cannot be assured.

Growth management

If the Company's software gains traction in the market, rapid growth may occur which may result in certain strains on the Company.

Dilution

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This would result in further dilution to the Company's shareholders.

Revenues and Dividends

While the Company currently generates revenues, the Company has not yet established a long term pattern of consistently generating meaningful revenues. The Company intends to retain its earnings in order to finance growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the future.

Related Party Transactions

The Company shares office space and certain expenses with Kokomo Enterprises Inc. ("Kokomo") and Active Growth Capital Inc. ("Active Growth"), companies related by certain common officers and directors. Rent for the office premises is paid by the Company. Kokomo and Active Growth are charged for their proportionate share of office rent and office services provided by the Company. Effective January 1, 2008, First Lithium Resources Inc. ("FLRI") and

Colt Resources Inc. ("CRI"), companies that were formerly related to the Company by certain common officers and directors, have relocated offices and terminated the services previously provided by the Company. Effective December 1, 2009, Touchdown Resources Inc. ("Touchdown"), a company that was formerly related by certain common directors and officers, has relocated offices and has terminated the services previously provided by the Company. Effective July 1, 2010, Giyani Gold Corp. (formerly 99 Capital Corporation) ("Giyani") a company that was formerly related by certain common directors and officers relocated its offices and terminated the services previously provided by the Company.

Kokomo is related to the Company by virtue of the fact that Kokomo's CEO and CFO, namely Bedo H. Kalpakian, is the Chairman and CFO of the Company, and the Vice President of Kokomo namely Jacob H. Kalpakian, is the CEO and President of the Company. Furthermore, Gregory T. McFarlane is a director of both the Company and Kokomo.

Active Growth is related to the Company by virtue of the fact that Active Growth's President and CEO, namely Jacob H. Kalpakian, is the President and CEO of the Company, and a director of Active Growth namely Bedo H. Kalpakian, is the Chairman and CFO of the Company.

Giyani was related to the Company by virtue of the fact that the Company's Chairman and CFO namely Bedo H. Kalpakian, was the Chairman and CFO of Giyani from November 2009 up to June 2010 and the Company's President and CEO namely Jacob H. Kalpakian was the President and CEO of Giyani from November 2009 up to June 2010.

Touchdown was related to the Company by virtue of the fact that the Company's President and CEO, namely Jacob H. Kalpakian was a director of Touchdown until June 2010 and the Company's Chairman and CFO namely Bedo H. Kalpakian was also a director of Touchdown until June 2010. Furthermore, Neil Spellman is a director of the Company and was a former director of Touchdown.

Amounts due from related parties are due on demand without interest.

CRI was related to the Company by virtue of the fact the Company's Chairman & CFO namely Bedo H. Kalpakian was a director and officer of CRI, and the Company's President and CEO namely Jacob H. Kalpakian was a director and officer of CRI.

Amounts payable to directors are for expenses incurred on behalf of the Company and are payable on demand with no interest.

For the twelve months ended December 31, 2010, Kalpakian Bros. of B.C. Ltd. ("Kalpakian Bros.") was paid $360,000 (December 31, 2009: $360,000). The principals of Kalpakian Bros. are Bedo H. Kalpakian and Jacob H. Kalpakian, both Company directors and officers. Pursuant to a Management Services Agreement (the "Agreement") effective July 1, 2005, the remuneration payable to Kalpakian Bros. is $30,000 plus HST per month. Kalpakian Bros. is also entitled to reimbursement for all traveling and other expenses incurred by it in connection with performing its services. The term of the Agreement was for five years. The Agreement was renewed effective as of July 1, 2010 which has a term of five years. If the Agreement is terminated by the Company other than for just cause, or is terminated by Kalpakian Bros. for good reason, then Kalpakian Bros. is entitled to be paid the annual remuneration for the unexpired term of the Agreement and is also entitled to immediate vesting of all unvested stock options. Kalpakian Bros. may terminate the Agreement on giving four months notice.

As of December 31, 2010, a total amount of $22,127 (December 31, 2009: $4,534) is due from related parties which consists of the following:

	2010	2009
Receivable from Giyani		
Rent charged by LVFH	$ 0	$ 315
Office expenses charged by LVFH	0	1,260
Other expenses paid by LVFH on behalf of Giyani	0	83
	0	1,658
Receivable from Kokomo		
Rent charged by LVFH	4,221	315
Office expenses charged by LVFH	16,884	1,260
Other expenses paid by LVFH on behalf of Kokomo	1,022	41
	22,127*	1,616
Receivable from CRI		
Office expenses charged by LVFH	0	1,260
Receivable from related parties	$ 22,127	$ 4,534

*Subsequent to December 31, 2010, Kokomo has paid the sum of $22,127 to the Company.

As at December 31, 2010, the following amounts were charged by the Company:

The Company charged Kokomo for:
(a) rent of $3,600 (2009 - $3,600);
(b) office expenses of $14,400 (2009 - $14,400); and
(c) other expenses paid on behalf of Kokomo of $981 (2009 - $1,247).

The Company charged CRI for:
(d) office expenses of $nil (2009 - $1,200); and
(e) other expenses paid on behalf of CRI of $nil (2009 - $417).

The Company charged Giyani for:
(f) rent of $1,800 (2009 - $450);
(g) office expenses of $7,200 (2009 - $1,800); and
(h) other expenses paid on behalf of Giyani of $2,279 (2009 - $113).

The Company charged Touchdown for:
(i) rent of $nil (2009 - $3,300);
(j) office expenses of $nil (2009 - $13,200); and
(k) other expenses paid on behalf of Touchdown of $nil (2009 - $206).

The Company charged Active Growth for:

(l) rent of $300 (2009: $nil);

(m) office expenses of $2,000 (2009: $nil); and
(n) office expenses paid on behalf of Active Growth of $110 (2009 - $nil).

As at December 31, 2010, the following amounts were paid to related parties:

Kokomo charged the Company for:
(a) certain expenses paid by Kokomo on behalf of LVFH of $2,575 (2009 -$2,575).

In connection with the non-brokered private placement financing which the Company completed during the year ended December 31, 2009 (see Capitalization of this MD&A), an aggregate of 2,417,668 common shares in the capital of the Company were subscribed for by the family of two directors of the Company. In addition, an aggregate of 1,060,000 common shares in the capital of the Company were subscribed for by a director and an officer of the Company. All the securities issued pursuant to this private placement financing had a hold period which expired on March 24, 2010.

Financial Instruments

The Company has classified its cash and cash equivalents as held-for-trading; marketable securities as available-for-sale; accounts receivable as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities.

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of those financial instruments. Marketable securities are disclosed at fair value using quoted market prices, which is a Level 1 valuation technique.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

The Company manages credit risk, in respect of cash and cash equivalents, by purchasing highly liquid, short-term investment-grade securities held at a major Canadian financial institution in accordance with the Company's investment policy. The risk arises from the non-performance of counterparties of contractual financial obligations.

The Company's concentration of credit risk and maximum exposure thereto is as follows relating to funds held in Canada:

	2010	2009
Bank accounts	$ 158,090	$ 51,006
Term deposits	17,250	800,000
Balance	$ 175,340	$ 851,006

The Company is not exposed to significant credit risk.

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company is exposed to credit risk on its accounts receivable from licensees and online processors. In order to reduce its credit risk with its licensees, the Company reviews all new licensees' credit history before extending credit. The credit risk associated with amounts due from online processors has been assessed as low by management, as the Company has strong working relationships with all its online processors.

Credit risk associated with amounts due from related parties has been assessed as low by management as the Company has strong working relationships with the related parties involved.

(b) Liquidity risk

Liquidity risk is the risk the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company maintains substantially sufficient cash and cash equivalents at December 31, 2010 in the amount of $175,340 (2009 - $851,006) in order to meet short-term business requirements. At December 31, 2010, the Company had accounts payable excluding accrued liabilities of $100,197 (2009 - $90,360), which are due within 30 days.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The significant market risk exposures to which the Company is exposed are interest rate risk and foreign currency risk.

(i) Interest rate risk

The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. As of December 31, 2010, the Company did not have any cash equivalents and therefore the Company is not exposed to significant interest rate risk.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk, as it holds cash denominated in US dollars and in British pounds. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company is not exposed to significant currency risk on its financial instruments at year-end. The Company's reported earnings include gains/losses on foreign exchange, largely reflecting revaluation of its foreign operations. The future foreign exchange gain or loss would change based on the level of foreign operating activities.

At December 31, 2010, the Company is exposed to currency risk for its US dollar equivalent of financial assets and liabilities denominated in currencies other than US dollars as follows:

		Held in US dollars (stated in Canadian dollars)
Cash	$	148,842
Accounts receivable		39,263
Accounts payable		(38,352)
Net financial assets (liabilities)	$	149,753

Based upon the above net exposure as at December 31, 2010 and assuming all other variables remain constant, a 5% depreciation or appreciation of the US dollar relative to the Canadian dollar could result in a decrease/increase of $7,488 in the Company's net losses.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company's marketable securities are carried at market value and are therefore directly affected by fluctuations in the market value of the underlying securities. The Company's sensitivity analysis suggests that a 10% change in market prices would not have a significant effect on the Company.

Off-balance sheet arrangements

The Company does not have any off-balance sheet arrangements.

Significant Accounting Policies

The audited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), consistently applied, which include the significant accounting policies as described in Note 4 of the audited consolidated financial statements.

Disclosure over Internal Controls

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported within the time periods required by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

Venture Issuers are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishments and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded and reported within the time periods specified in securities legislation and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a Venture Issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board confirmed that Canadian GAAP for publicly accountable enterprises will be replaced by IFRS for fiscal years beginning on or after January 1, 2011. IFRS uses a conceptual framework similar to Canadian GAAP, however there may be significant differences on recognition, measurement and disclosures required by some companies.

A detailed analysis of the differences between IFRS and the Company's accounting policies as well as an assessment of the impact of various alternatives is being carried out. The Company's project plan involves four phases: analysis, identification of changes, solution development and implementation, where necessary.

The Company is in the business of developing and marketing of software for online Asian multi-player interactive card games. In a number of cases, the Company will be adopting IFRS as an initial policy, rather than a change from existing policies to IFRS. The current analysis indicates that there will be very little effect on financial reporting as a result of the adoption of the IFRS.

Some of the specific areas reviewed and considered to date are:

Revenue Recognition – The Company recognizes revenues from licensees on an actual basis upon completion of each game according to the terms and conditions of each individual license agreement. Allowances for non-collection of revenues are made when collectability becomes uncertain. The Company will be adopting appropriate policies to satisfy IFRS requirements. No complications in adopting IFRS are foreseen.

Inventories – The Company does not have any inventories at present.

Computers, Furniture and Software – IFRS requires that the Company identify the different components of its fixed assets. At present the Company has fixed assets and compliance will not result in a change. IFRS allows the revaluation of assets at fair value.

Software Development Costs – IFRS permits the capitalization of software development costs.
Previously, the Company capitalized its software development costs. Research costs are expensed as incurred. Costs related to the development of software are expensed as incurred unless such costs meet the criteria for deferral and amortization under Canadian GAAP. The criteria includes identifiable costs attributable to a clearly defined product, the establishment of technical feasibility, identification of a market for the software, the Company's intent to market the software, and the existence of adequate resources to complete the project. Software development costs are amortized over an estimated useful life of five years or prorated over its expected revenue stream whichever is higher, beginning in the year when commercial sales of the products commences.

Actuarial Valuations – The Company has employee benefits which are expensed as incurred. The Company will be adopting appropriate policies to satisfy IFRS requirements.

Impairment Tests – Impairment tests have been applied on the carrying value of the Company's software and development costs, on a quarterly basis, as required under Canadian GAAP. Although the methodology of testing for impairment under IFRS is slightly different, no complications are expected on the transition to IFRS. Should the Company change its policy on the recording of software and development costs, as explained above, the carrying costs of software and development costs will also be assessed for fair value justification.

Income Taxes – With no anticipated contentious issues regarding the tax value of assets or non-capital losses carried forward, no complications are anticipated.

Financial Disclosure – Based on publications to date, none of the requirements to comply with reporting under IFRS presents any foreseeable difficulty.

In summary, an analysis of the requirements for making the transition to IFRS and the subsequent compliance for financial reporting purposes indicates that there should not be any difficulty due to the simplicity of the Company's current operations and the fact that IFRS will be adopted as initial policy, rather than a change from an existing policy.

Capital Stock

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

Outstanding Share Data	Number of Common Shares	Number of Preferred Shares	Exercise($) Price per common share	Expiry Dates
Issued and Outstanding as at May 2, 2011	175,780,545	Nil	N/A	N/A
Warrants as at May 2, 2011	49,500,000	Nil	$0.10/ $0.25	June 17/2012- November 18/2012
Stock Options as at May 2, 2011	9,976,500	Nil	$0.10	Aug 9/2012 – June 21/2013
Fully Diluted as at May 2, 2011	235,257,045	Nil		

Outlook

The Company shall primarily focus its operations in the Asian and Latin American markets.

By entering into the Mexican online gaming business, Management is optimistic that in due course, the Company's investment to acquire 99% of the Mexican online gaming company, subject to Exchange approval, shall prove to be worthwhile.

Additionally, the Company shall concentrate its efforts on developing new games and licensing the Company's Asian Multiplayer Software Platform to third parties.