LAS VEGAS FROM HOME.COM
ENTERTAINMENT INC.

Condensed Interim Consolidated Financial Statements
Three months ended March 31, 2011 and 2010
(Expressed in Canadian Dollars)
(Unaudited)

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed interim consolidated financial statements as at March 31, 2011 and for the three months ended March 31, 2011 and 2010.

LAS VEGAS FROM HOME.COM ENTERTAINMENT INC.
Condensed Interim Consolidated Balance Sheets
(Expressed in Canadian Dollars)
(Unaudited)

	March 31, 2011	December 31, 2010	January 1, 2010
Assets			
Current			
Cash and cash equivalents	$ 58,443	$ 175,340	$ 851,006
Marketable securities	-	-	73,200
Accounts receivable	89,146	69,521	31,600
Due from related parties	27,167	22,127	4,534
Prepaid expenses	-	4,243	17,982
	174,756	271,231	978,322
Investment Deposit	1,000,000	1,000,000	-
Lease Deposit	23,557	23,557	23,557
Equipment and Software Development	252,641	272,162	402,619
Total Assets	$ 1,450,954	$ 1,566,950	$ 1,404,498
Liabilities			
Current			
Accounts payable and accrued liabilities	$ 229,112	$ 170,197	$ 160,360
Unearned revenues	20,362	41,998	-
	249,474	212,195	160,360
Shareholders' Equity			
Capital Stock	34,204,193	33,748,064	31,219,593
Warrants	63,780	66,780	-
Contributed Surplus	509,646	548,743	166,249
Accumulated Other Comprehensive Loss	-	-	(10,100)
Deficit	(33,576,139)	(33,008,832)	(30,131,604)
Total Shareholders' Equity	1,201,480	1,354,755	1,244,138
Total Liabilities and Shareholders' Equity	$ 1,450,954	$ 1,566,950	$ 1,404,498

Subsequent events (note 9)

On behalf of the Board:

"Bedo H. Kalpakian"
.... Director
Bedo H. Kalpakian

"Neil Spellman"
.... Director
Neil Spellman

See notes to condensed interim financial statements.

LAS VEGAS FROM HOME.COM ENTERTAINMENT INC.
Condensed Interim Consolidated Statement of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Revenues		
Sales	$ 101,558	$ -
Licensing	70,262	140,171
	171,820	140,171
Expenses		
Advertising and promotion	10,107	59,157
Amortization	19,522	49,336
Consulting and professional fees	85,973	23,071
Foreign exchange loss (gain)	2,833	5,750
Legal, accounting and audit	16,853	2,853
Management fees (note 12(b))	99,000	90,000
Regulatory and transfer agent fees	2,688	1,247
Rent, office and miscellaneous	94,887	60,657
Salaries and benefits	382,326	427,718
Travel, meals and entertainment	48,549	35,498
	762,738	755,287
Loss Before Other Items	(590,918)	(615,116)
Other Items		
Interest income	-	353
Gain (loss) on sale of equipment	10,000	(22,957)
	10,000	(22,604)
Net Loss for Period	(580,918)	(637,720)
Other Comprehensive Loss		
Unrealized loss on marketable securities	-	(10,200)
Comprehensive Loss for Period	$ (580,918)	$ (647,920)
Basic and Diluted Loss Per Share	$ (0.00)	$ (0.01)
Weighted Average Number of Common Shares Outstanding	180,170,305	117,149,545

See notes to condensed interim financial statements.

LAS VEGAS FROM HOME.COM ENTERTAINMENT INC.
Condensed Interim Consolidated Statement of Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Capital Stock		Contributed	Share Purchase	Share	Accumulated Other Comprehensive		Total Shareholders'
	Shares	Amount	Surplus	Warrants	Subscriptions	Income	Deficit	Equity
Balance, January 1, 2010	117,149,545	$ 31,219,593	$ 166,249	$ -	$ -	$ (10,100)	$ (30,131,604)	$ 1,244,138
Net loss for the period	-	-	-	-	-	-	(637,720)	(637,720)
Unrealized loss on marketable securities	-	-	-	-	-	(10,200)	-	(10,200)
Transfer of contributed surplus on expiration of share options	-	-	(35,704)	-	-	-	35,704	-
Balance, March 31, 2010	117,149,545	31,219,593	130,545	-	-	(20,300)	(30,733,620)	596,218
Net loss for the period	-	-	-	-	-	-	(901,072)	(901,072)
Private placement, net of issuance costs	26,100,000	1,253,751	-	-	-	-	-	1,253,751
Share subscriptions	-	-	-	-	389,500	-	-	389,500
Transfer of contributed surplus on cancellation of options	-	-	(3,964)	-	-	-	3,964	-
Transfer of unrealized loss upon sale of marketable securities	-	-	-	-	-	20,300	-	20,300
Share-based compensation	-	-	233,351	-	-	-	-	233,351
Balance, June 30, 2010	143,249,525	32,473,344	359,932	-	389,500	-	(31,630,728)	1,592,048
Net loss for the period	-	-	-	-	-	-	(592,004)	(592,004)
Private placement, net of issuance costs	16,420,000	330,129	-	35,400	-	-	-	369,529
Share subscriptions	-	-	-	-	90,000	-	-	90,000
Transfer from share subscriptions to share capital	-	389,500	-	-	(389,500)	-	-	-
Transfer of contributed surplus on expiration of options	-	-	(93,243)	-	-	-	93,243	-
Share-based compensation	-	-	173,560	-	-	-	-	173,560
Balance, September 30, 2010	159,669,545	$ 33,192,973	$ 440,258	$ 35,400	$ 90,000	$ -	$ (32,129,489)	$ 1,629,142

See notes to condensed interim financial statements.

LAS VEGAS FROM HOME.COM ENTERTAINMENT INC.
Condensed Interim Consolidated Statement of Shareholders' Equity (Continued)
(Expressed in Canadian Dollars)
(Unaudited)

	Capital Stock		Contributed	Share Purchase	Share	Accumulated Other Comprehensive		Total Shareholders'
	Shares	**Amount**	**Surplus**	**Warrants**	**Subscriptions**	**Income**	**Deficit**	**Equity**
Balance, September 30, 2010	159,669,545	$ 33,192,973	$ 440,258	$ 35,400	$ 90,000	$ -	$ (32,129,489)	$ 1,629,142
Net loss for the period	-	-	-	-	-	-	(888,032)	(888,032)
Private placement, net of issuance costs	11,870,000	430,620	-	31,380	-	-	-	462,000
Transfer from share subscriptions to share capital	-	90,000	-	-	(90,000)	-	-	-
Exercise of options	226,000	22,600	-	-	-	-	-	22,600
Transfer of contributed surplus to capital stock on exercise of options	-	11,871	(11,871)	-	-	-	-	-
Transfer of contributed surplus on expiration of options	-	-	(8,689)	-	-	-	8,689	-
Share-based compensation	-	-	129,045	-	-	-	-	129,045
Balance, December 31, 2010	171,765,545	33,748,064	548,743	66,780	-	-	(33,008,832)	1,354,755
Net loss for the period	-	-	-	-	-	-	(580,918)	(580,918)
Exercise of options	1,725,000	172,500	-	-	-	-	-	172,500
Exercise of warrants	1,790,000	179,000	-	-	-	-	-	179,000
Transfer of contributed surplus on exercise of option	-	101,629	(101,629)	-	-	-	-	-
Transfer of contributed surplus on exercise of warrants	-	3,000	-	(3,000)	-	-	-	-
Transfer of contributed surplus on expiration and cancellation of options	-	-	(13,611)	-	-	-	13,611	-
Forfeiture of options	-	-	(961)	-	-	-	-	(961)
Share-based compensation	-	-	77,104	-	-	-	-	77,104
Balance, March 31, 2011	175,280,545	$ 34,204,193	$ 509,646	$ 63,780	$ -	$ -	$ (33,576,139)	$ 1,201,480

See notes to condensed interim financial statements.

LAS VEGAS FROM HOME.COM ENTERTAINMENT INC.
Condensed Interim Consolidated Statement of Cash Flow
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Operating Activities		
Net loss	$ (580,918)	$ (637,720)
Items not involving cash		
Amortization	19,522	49,336
Effect of foreign currency translation on cash	1,680	1,080
Share-based compensation	77,104	-
Recognition of Unearned revenues	(29,393)	-
Gain on sale of equipment	(10,000)	-
Write-off of equipment	-	22,957
Forfeiture of share-based options	(961)	-
	(522,966)	(564,347)
Changes in non-cash working capital		
Accounts receivable	(19,625)	(30,818)
Due from related parties	(5,040)	(6,843)
Prepaid expenses	4,243	8,060
Accounts payable and accrued liabilities	58,914	22,650
Unearned revenues	7,757	-
	46,249	(6,951)
Cash Used in Operating Activities	(476,717)	(571,298)
Financing Activity		
Issuance of common shares, net of share issuance costs	351,500	-
Cash provided by Financing Activities	351,500	-
Investing Activities		
Proceeds from sale of equipment	10,000	1,900
Cash Provided by Investing Activities	10,000	1,900
Effect of Foreign Currency Translation on Cash	(1,680)	(1,080)
Net Change in Cash and Cash Equivalents	(116,897)	(570,478)
Cash and Cash Equivalents, Beginning of Period	175,340	851,006
Cash and Cash Equivalents, End of Period	$ 58,443	$ 280,528

See notes to condensed interim financial statements.

1. NATURE OF OPERATIONS

The principal business of Las Vegas From Home.com Entertainment Inc. (the "Company" or "LVFH") is the developing and marketing of software for online Asian multi-player interactive card games. The Company's head office is located at 1000 – 1177 West Hastings Street, Vancouver, British Columbia, Canada.

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast substantial doubt on the validity of this assumption. The Company has incurred a loss of $580,918 over the past quarter (March 31, 2010 - $637,720) and has incurred significant operating losses over the past fiscal years. The Company has limited revenues and resources, and has no assurances that sufficient funding will be available to continue operations for an extended period of time.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its shareholders. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management's plan will be successful.

Although management believes that the Internet gaming related activities of the Company's subsidiaries represent lawful business, there is the risk that the legality of the Internet gaming related activities of the Company's subsidiaries 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 may have a material adverse impact on the financial affairs of the Company.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

3. BASIS OF PRESENTATION AND ADOPTION OF IFRS

The Company adopted International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board effective January 1, 2011. These are condensed interim consolidated financial statements for the first quarter of the period covered by the first IFRS financial statements to be presented in accordance with IFRS for the year ending December 31, 2011 and IFRS 1, *First-Time Adoption of International Financial Reporting Standards*, has been applied. The impact of the transition from Canadian generally accepted accounting principles ("GAAP") to IFRS is explained in note 8.

These condensed interim consolidated financial statements were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements.

3. BASIS OF PRESENTATION AND ADOPTION OF IFRS (Continued)

The significant accounting policies set out in note 4 have been applied consistently to all periods presented including the preparing of the opening balance sheet at January 1, 2010 (note 8) for purposes of transition to IFRS. The accounting policies have been applied consistently by the Company. The Company's functional and reporting currency is the Canadian dollar.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Company include the following:

(a) Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated.

(b) Cash and cash equivalents

Cash and cash equivalents comprises cash and highly liquid investments that are readily convertible into known amounts of cash with original maturities of three months or less.

(c) Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made in the preparation of these financial statements include accrued revenue receivable, accrued liabilities, assumptions used in the determination of fair value of share-based compensation, rates of amortization for equipment and software development costs, and determination of valuation allowance for deferred income tax assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

(d) Financial instruments

Financial assets are classified into one of four categories:

- fair value through profit or loss ("FVTPL");
- held-to-maturity investments ("HTM Investments");
- available-for-sale ("AFS"); and
- loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

(i) FVTPL financial assets

Financial assets classified as FVTPL are stated at fair value with any resultant change in fair value recognized in comprehensive loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

(ii) HTM investments

HTM investments are recognized on a trade-date basis and are initially measured at fair value using the effective interest rate method. The Company does not have any assets classified as HTM investments.

(iii) AFS financial assets

Short-term investments and other assets not otherwise designated are classified as AFS and stated at fair value on the date of acquisition and each subsequent reporting date. Any change in fair value is recognized as other comprehensive income.

(iv) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss on receivables is based on a review of all outstanding amounts at period-end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate method.

(v) Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(vi) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(vii) Other financial liabilities

Other financial liabilities are initially measured at fair value and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

(viii) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

(e) 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 commence.

(f) Amortization

Amortization of software and development costs and furniture and equipment is calculated on the following bases and annual rates:

Software and development costs	- 5 years straight-line
Computer equipment	- 30% - 55% declining-balance
Office furniture	- 20% declining-balance

(g) Revenue recognition

The Company recognizes revenues from licensees upon completion of each game according to the terms and conditions of each individual license agreement.

(i) Rake revenue from Company operated games

Rake revenue from customers playing on the Company's website is recognized when hands are played at a table, and is non-refundable.

(ii) Rake percentages from licensees

Rake revenue from licensees is recognized based on negotiated percentages of gross rake revenue as specified in the agreements with licensees, which varies from agreement to agreement. The Company recognizes its percentage of rake revenue at the end of each month based on the rake collected on behalf of the licensees.

(iii) Sales revenue

From time to time the Company may sell copies of its source code. Revenue from these sales is recognized in accordance with the specific terms of the respective sale agreement.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(i) Share-based compensation

The Company grants share options to acquire common shares of the Company to directors, officers and employees. The fair value of the options to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received, at either the fair value of the goods or services received or the fair value of the equity instruments issued using the Black-Scholes option pricing model. For both employees and non-employees, the fair value is recognized as an expense with a corresponding increase in contributed surplus. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

(j) Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Earnings (loss) per share (Continued)

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(k) Capital stock

Proceeds from the exercise of stock options and warrants are recorded as capital stock in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Capital stock issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to capital stock based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

(l) Foreign currency translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities are translated using the historical rate on the date that the carrying value was determined. All gains and losses on translation of these foreign currency transactions are included in the income statements.

5. CAPITAL STOCK

a) Authorized

Unlimited number of common shares and an unlimited number of preferred shares, in each case without par value.

b) Issued

There are no preferred shares issued.

During the three months period ended March 31, 2011, the Company issued a total of 1,790,000 common shares pursuant to the exercise of share purchase warrants for total proceeds to the Company of $179,000.

During the three months period ended March 31, 2011, the Company issued a total of 1,725,000 common shares pursuant to the exercise of stock options for total proceeds to the Company of $172,500.

During the year ended December 31, 2010, the Company completed non-brokered private placement financings with various investors and issued a total of 51,390,000 units in the securities of the Company at a price of $0.05 per unit for total gross proceeds of $2,569,500. Each unit consists of one common share and one share purchase warrant,

(Expressed in Canadian Dollars, unless otherwise stated)

5. CAPITAL STOCK (Continued)

b) Issued (Continued)

which entitles the warrant holder to purchase an additional common share of the Company at a price of $0.10 in the first year from closing and at a price of $0.25 in the second year from closing. The proceeds were allocated as $2,534,100 to common shares and $35,400 to warrants. The allocation was made using the relative fair value method with the following weighted average assumptions: risk-free interest rate: 1.62%; expected dividend yield: 0; expected stock price volatility: 238.08%; expected life in years: 2.

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 warrants issued. All the securities issued pursuant to this private placement financing had a hold period of four months, with the final hold period 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 at a price of $0.015 per common share for total gross proceeds of $150,000. All the securities issued pursuant to this private placement financing had a hold period which expired on March 24, 2010.

c) Warrants

During the year ended December 31, 2010, the Company issued 51,390,000 share purchase warrants (as previously disclosed above under 5(b)) and 300,000 finder warrants in connection with the private placements conducted in 2010. Each share purchase warrant entitles the warrant holder to purchase an additional common share of the Company at a price of $0.10 in the first year and at a price of $0.25 in the second year. The fair value of the warrants of $31,380 was recorded as share issuance costs with a corresponding increase in warrants and was calculated using the Black Scholes pricing model with the following weighted average assumptions: risk-free interest rate: 1.62%; expected dividend yield: 0; expected stock price volatility: 238.08%; expected life in years: 2.

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2009	0	N/A
Issued*	51,690,000	$ 0.25
Balance, December 31, 2010	51,690,000	$ 0.25
Exercised	(1,790,000)	0.10
Balance, March 31, 2011	49,900,000	$0.25

*Includes 300,000 agent warrants.

(Expressed in Canadian Dollars, unless otherwise stated)

5. CAPITAL STOCK (Continued)

d) Stock options

Pursuant to the Company's Amended 2004 Stock Option Plan, which has received TSX Venture Exchange approval, the Company grants stock options to employees, directors, officers and consultants. As at March 31, 2011, there are 650,094 stock options available for granting.

The following summarizes the officer, director, employee and consultant stock options that were granted, exercised, forfeited and expired during the three months ended March 31, 2011. The options vest 25% on grant and thereafter at 25% every six months.

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2009	2,192,500	$ 0.15
Granted	11,660,000	$ 0.10
Exercised	(226,000)	$ 0.10
Cancelled	(130,000)	$ 0.10
Expired	(1,495,000)	$ 0.17
Balance, December 31, 2010	12,001,500	$ 0.10
Exercised	(1,725,000)	$0.10
Forfeited	(15,000)	$0.10
Cancelled	(15,000)	$0.10
Expired	(200,000)	$0.10
Balance, March 31, 2011	10,046,500	$0.10

At March 31, 2011 and December 31, 2010, the following stock options were outstanding:

March 31, 2011			
	Options Outstanding		Options Exercisable
Expiry Date	Weighted Average Exercise Price	Number of Shares Under Option	Number of Shares Under Option
2012	$ 0.10	1,250,000	625,000
2013	$ 0.10	8,796,500	5,205,000
	$ 0.10	10,046,500	5,830,000

(Expressed in Canadian Dollars, unless otherwise stated)

5. CAPITAL STOCK (Continued)

e) Stock options

December 31, 2010			
	Options Outstanding		Options Exercisable
Expiry Date	Weighted Average Exercise Price	Number of Shares Under Option	Number of Shares Under Option
2011	$ 0.12	500,000	500,000
2012	$ 0.10	1,250,000	312,500
2013	$ 0.10	10,251,500	5,205,000
	$ 0.10	12,001,500	6,017,500

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, compensation expense of $57,011 (March 31, 2010 - $ nil) was recognized as salaries expense and $20,093 (March 31, 2010 - $nil) was recognized as consulting fees for options granted to consultants.

The fair value of each option grant was calculated using the following weighted average assumptions:

	March 31, 2011	December 31, 2010
Expected life (years)	N/A	2.90
Interest rate	N/A	1.93%
Volatility	N/A	206.34%
Dividend yield	N/A	0.00%
Fair value of options granted	N/A	$ 0.09

6. INVESTMENT DEPOSIT

During the year ended December 31, 2010, the Company entered into an Advance Payment Agreement by paying a $1,000,000 refundable deposit in respect to an Asset Purchase/Sales Agreement to acquire 99% of a Mexican online gaming company.

(Expressed in Canadian Dollars, unless otherwise stated)

7. 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 are 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 formerly related by certain common directors and officers, have relocated offices and terminated the services provided previously by the Company. Effective December 1, 2009, Touchdown Resources Inc. (“Touchdown”), a company formerly related by certain common directors and officers, terminated the services previously provided by the Company. Effective July 1, 2010, Giyani Gold Corp (formerly 99 Capital Corporation) (“Giyani”), a company formerly related by certain common directors and officers, has relocated offices and has terminated the services provided previously by the Company.

Related party transactions are measured at the exchange amount and the amounts due to (from) related parties are unsecured, without interest and are payable on demand.

	March 31, 2011	March 31, 2010
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	2,165
	0	3,740
Receivable from Kokomo		
Rent charged by LVFH	5,229	1,260
Office expenses charged by LVFH	20,916	5,040
Other expenses paid by LVFH on behalf of Kokomo	1,022	77
	27,167	6,377
Receivable from CRI		
Office expenses charged by LVFH	0	1,260
Receivable from related parties	$ 27,167	$ 11,377

Related party transactions not otherwise disclosed during the period:

(i) management fees paid to a company owned by two directors in the amount of $99,000 (March 31, 2010 - $90,000);

(ii) charged by the Company:

The Company charged Kokomo for:

(a) rent of $900 (March 31, 2010 - $900);
(b) office expenses of $3,600 (March 31, 2010 - $3,600); and
(c) other expenses paid on behalf of Kokomo of $nil (March 31, 2010 - $35).

7. RELATED PARTY TRANSACTIONS (Continued)

The Company charged Giyani for:

(d) rent of $nil (March 31, 2010 - $900);
(e) office expenses of $nil (March 31, 2010 - $3,600); and
(f) other expenses paid on behalf of Giyani of $nil (March 31, 2010 - $2,219).

The Company charged Active Growth for:

(g) rent of $900 (March 31, 2010 - $nil);
(h) office expenses of $6,000 (March 31, 2010 - $nil); and
(i) other expenses paid on behalf of Active Growth of $599 (March 31, 2010 - $nil).

8. TRANSITION TO IFRS

As stated in note 3, these are the Company's first interim financial statements for the period covered by the first annual financial statements prepared in accordance with IFRS. An explanation of how the transition from previous GAAP to IFRS has affected the Company's financial position and comprehensive loss is set out in this note.

The accounting policies set out in note 4 have been applied in preparing the financial statements for the period ended March 31, 2011, the comparative information presented in these financial statements for the period ended March 31, 2011 and in the preparation of an opening IFRS balance sheet at 1 January 2010 (the Company's date of transition).

IFRS 1, "First-time Adoption of International Financial Reporting Standards" (IFRS 1)

IFRS 1 generally requires that first-time adopters retrospectively apply all effective IFRS standards and interpretations in effect as at the reporting date. IFRS 1 also provides for certain optional exemptions and certain mandatory exceptions to this general principle.

The Company has elected under IFRS 1 to not apply IFRS 2 to options that were granted on or before November 7, 2002 or to options that were granted subsequent to November 7, 2002 but vested before the date of transition to IFRS.

Adjustments on transition to IFRS

IFRS has many similarities to Canadian GAAP as it is based on a similar conceptual framework. However, there are important differences with regards to recognition, measurement and disclosure. While adoption of IFRS did not change the Company's actual cash flows, it resulted in changes to the Company's balance sheet, statement of comprehensive loss and statement of shareholders' equity as set out below:

(a) Share options

On transition to IFRS the Company changed its accounting policy for the treatment of share-based payments whereby amounts recorded in contributed surplus for unexercised stock options are transferred to deficit upon their expiration. Previously, the Company's Canadian GAAP policy was to leave such amounts in contributed surplus.

In addition, under IFRS, the fair value of the share-based awards is recognized based on a graded method as opposed to the straight-line method under Canadian GAAP. The

8. TRANSITION TO IFRS (Continued)

difference arises in the recognition of the share-based expense. Each tranche of an award with different vesting dates is considered a separate tranche and the fair value of each tranche is amortized over the vesting period of the respective tranches under IFRS. Under Canadian GAAP, the fair value of share-based awards is calculated as one grant and the resulting fair value is recognized on a straight-line basis over the vesting period of the entire grant.

(i) As of January 1, 2010, $3,032,025 of contributed surplus related to options that were no longer outstanding as of that date, has been transferred from contributed surplus to deficit.

(ii) During the three months ended March 31, 2010, 350,000 options expired and the carrying balance of $35,704 in contributed surplus has been transferred to deficit.

In compliance with IFRS relating to share-based payment, salaries and benefits expense has been reduced by $120 with a corresponding decrease in contributed surplus.

(iii) During the second quarter and up to and including the fourth quarter of the year ended December 31, 2010, 1,275,000 options expired and cancelled and the carrying balance of $105,896 in contributed surplus has been transferred to deficit. In addition, 226,000 options were exercised during the same period for which $12,342 was transferred from contributed surplus to capital stock under Canadian GAAP. Under IFRS, the transfer should have been for $11,871. As a result, the difference of $471 has been re-allocated from capital stock back into contributed surplus.

In compliance with IFRS relating to share-based payment, salaries and benefits expense has been increased by $191,313 and consulting and professional fees have decreased by $75,592 for a net adjustment of $115,721 with a corresponding increase in contributed surplus.

(b) Warrants

The Company has changed its accounting policy for the treatment of unit offerings to the residual value method, whereby proceeds exceeding the fair value of the common shares are allocated to the share purchase warrants. Previously, the Company's Canadian GAAP policy was to allocate proceeds based on the relative fair value method. In addition, the Company has changed its accounting policy for the treatment of unexercised expired warrants. Previously the Company had transferred the carrying amount of unexercised expired warrants from the warrants account to contributed surplus. Under the new policy, the carrying amounts of unexercised expired warrants will be transferred from the warrants account to deficit.

(i) During the year ended December 31, 2009, 5,000,000 warrants with a carrying value of $50,000 expired and the carrying value was transferred from warrants to contributed surplus. Under IFRS, the $50,000 should be transferred from warrants to deficit. As a result, the $50,000 has been transferred from contributed surplus to deficit.

(ii) During the three months ended March 31, 2010, there were no adjustments relating to warrants.

(Expressed in Canadian Dollars, unless otherwise stated)

8. TRANSITION TO IFRS (Continued)

(iii) During the second quarter and up to and including the fourth quarter of the year ended December 31, 2010, warrants were issued by the Company in conjunction with unit offerings and under Canadian GAAP; $1,172,006 of proceeds was allocated to warrants. Under the residual value method, the warrants would have a $35,400 value and, therefore, $1,136,606 has been re-allocated from warrants to capital stock.

Reconciliation of Assets, Liabilities and Equity

The table below provides a summary of the adjustments to the Company's balance sheets at December 31, 2010, March 31, 2010 and January 1, 2010:

	December 31, 2010	March 31, 2010	January 1, 2010
Total Assets per Canadian GAAP	$ 1,566,950	$ 779,228	$ 1,404,498
Adjustments required on adoption of IFRS	0	0	0
Total Assets per IFRS	$ 1,566,950	$ 779,228	$ 1,404,498
Total Liabilities under Canadian GAAP	$ 212,195	$ 183,010	$ 160,360
Adjustments required on adoption of IFRS	0	0	0
Total Liabilities under IFRS	212,195	183,010	160,360
Shareholders' Equity			
Total Equity under Canadian GAAP	1,354,755	596,218	1,244,138
Adjustments required on adoption of IFRS			
Capital stock	1,136,135	-	-
Warrants	(1,136,606)	-	-
Contributed surplus	(3,107,553)	(3,117,849)	(3,082,025)
Deficit	3,108,024	3,117,849	3,082,025
Total Equity under IFRS	1,354,755	596,218	1,244,138
Total Liabilities and Equity under IFRS	$ 1,566,950	$ 779,228	$ 1,404,498

Reconciliation of Net Income and Comprehensive Income

The table below provides a summary of the adjustments to net income for the year ended December 31, 2010 and for the three months ended March 31, 2010:

(Expressed in Canadian Dollars, unless otherwise stated)

8. TRANSITION TO IFRS (Continued)

	December 31, 2010	March 31, 2010
Comprehensive Loss per Canadian GAAP	$ (2,893,127)	$ (648,040)
Adjustments required on adoption of IFRS		
Consulting and professional fees	75,592	-
Salaries and benefits	(191,193)	120
Net Loss and Comprehensive Loss per IFRS	$ (3,008,728)	$ (647,920)

Reconciliation of Cash Flow

The table below provides a summary of the adjustments to cash flow for the year ended December 31, 2010 and for the three months ended March 31, 2010:

	December 31, 2010	March 31, 2010
Operating Activities per Canadian GAAP	$ (2,251,282)	$ (571,298)
Adjustments required on adoption of IFRS		
Net loss for the period	(115,601)	120
Share-based compensation included in consulting and professional fees	(75,592)	-
Share-based compensation included in salaries and benefits	191,193	(120)
Operating Activities per IFRS	$ (2,251,282)	$ (571,298)
Investing Activities per Canadian GAAP	$ (992,635)	$ 1,900
Adjustments required on adoption of IFRS	-	-
Investing Activities per IFRS	$ (992,635)	$ 1,900
Financing Activities per Canadian GAAP	$ 2,583,380	$ -
Adjustments required on adoption of IFRS	0	-
Financing Activities per IFRS	$ 2,583,380	$ -

9. SUBSEQUENT EVENTS

(a) During the month of June 2011, the Company completed a non-brokered private placement financing which consisted of 14,135,500 units at $0.10 per Unit for total proceeds to the Company of $1,413,550. Each Unit consists of one common share and one share purchase warrant entitling the holders to acquire an additional common share of the Company at a price of $0.25 per share for a period of two years until June 8, 2013 as to the first tranche and until June 22, 2013 as to the second and third tranches. All the securities issued in this private placement have hold periods which expire on October 9, 2011 as to the first tranche and October 23, 2011 as to the second and third tranches.

Finder's fees paid in connection with the private placement consisted of $78,750 paid in cash, 360,000 common shares of the Company and 787,500 share purchase warrants.

(b) During the month of May 2011, a total number of 25,000 stock options at $0.10 per common share were forfeited and a total number of 25,000 stock options at $0.10 per common share were cancelled.

(c) During the month of June 2011, a total number of 2,725,000 share purchase warrants were exercised for total proceeds to the Company of $272,500.

(d) During the month of June 2011, a total number of 112,500 stock options were exercised for total proceeds to the Company of $11,250.

(e) During the month of June 2011, a total number of 150,000 stock options have been granted which are exercisable at $0.12 per common share until June 1, 2014.