LAS VEGAS FROM HOME.COM ENTERTAINMENT INC.

Condensed Interim Consolidated Financial Statements
Nine months ended September 30, 2013 and 2012
(Expressed in Canadian Dollars)
(Unaudited)

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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 September 30, 2013 and for the nine months ended September 30, 2013 and 2012.

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

	September 30, 2013	December 31, 2012
	(unaudited)	(audited)
Assets		
Current		
Cash and cash equivalents	$ 133,290	$ 23,288
Accounts receivable	15,583	23,411
Due from related parties (note 7)	-	44,973
Prepaid expenses	-	4,805
	148,873	96,477
Equipment	30,603	88,222
Total Assets	$ 179,476	$ 184,699
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 243,310	$ 413,311
Due to related parties (note 7)	665,534	743,257
Loan payable	4,999	-
Obligation to issue shares (note 5)	5,147	132,397
Total Liabilities	918,990	1,288,965
Shareholders' Equity (Deficiency)		
Capital Stock (note 6)	38,368,812	36,925,290
Reserves (note 6)	243,841	513,667
Deficit	(39,352,167)	(38,543,223)
Total Shareholders' Equity (Deficiency)	(739,514)	(1,104,266)
Total Liabilities and Shareholders' Equity (Deficiency)	$ 179,476	$ 184,699

On behalf of the Board:

"Bedo H. Kalpakian" (signed)
.... Director
Bedo H. Kalpakian

"Neil Spellman" (signed)
.... Director
Neil Spellman

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2013	2012	**2013**	2012
Revenues				
Sales	$ **3,190**	$ 4,450	$ **12,598**	$ 64,955
Licensing	**0**	41,861	**-**	71,754
	3,190	46,311	**12,598**	136,709
Expenses (Income)				
Advertising and promotion	**-**	15,258	**820**	47,199
Amortization	**2,140**	12,171	**11,785**	40,141
Consulting fees	**124,251**	80,852	**171,039**	163,417
Foreign exchange loss (gain)	**354**	(650)	**(1,597)**	(735)
Interest and other income	**(38)**	(54)	**(115)**	(2,229)
Legal, accounting and audit	**6,516**	47,632	**67,227**	121,985
Loss on disposal of equipment	**-**	-	**55,541**	4,847
Management fees (note 7)	**99,000**	99,000	**297,000**	297,000
Regulatory and transfer agent fees	**3,310**	1,569	**15,550**	4,995
Rent, office and miscellaneous	**28,958**	53,568	**98,485**	197,217
Salaries and benefits	**181,734**	239,826	**491,872**	752,587
Shareholder communications	**-**	-	**2,761**	1,052
Travel, meals and entertainment	**31,553**	17,429	**92,130**	116,245
	477,778	566,601	**1,302,498**	1,743,721
Net Loss and Comprehensive Loss for the Period	$ **(474,588)**	$ (520,290)	$ **(1,289,900)**	$ (1,607,012)
Basic and Diluted Loss per common share	$ **(0.01)**	$ (0.02)	$ **(0.03)**	$ (0.06)
Weighted average number of common shares outstanding	**55,921,382**	25,778,131	**38,271,398**	25,560,349

See notes to consolidated financial statements.

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

	Capital Stock			Reserves		
	Common Shares	Amount	Deficit	Warrants	Options	Total Shareholders' Equity (Deficiency)
Balance, January 1, 2012	24,694,194	$ 36,041,909	$ (36,074,881)	$ 91,826	$ 610,184	$ 669,038
Net loss for nine months	-	-	(1,607,012)	-	-	(1,607,012)
Private placement, net of issuance costs	1,083,938	389,195	-	1,055	-	390,250
Expiry of warrants	-	-	27,400	(27,400)	-	-
Expiry of options	-	-	122,178	-	(122,178)	-
Share–based payment	-	-	-	-	8,977	8,977
Balance, September 30, 2012	25,778,132	36,431,104	(37,532,315)	65,481	496,983	(538,747)
Net loss for three months	-	-	(1,068,201)	-	-	(1,068,201)
Private placement, net of issuance costs	3,436,250	494,186	-	5,814	-	500,000
Expiry of warrants	-	-	31,380	(31,380)	-	-
Expiry of options	-	-	(46,520)	-	46,520	-
Cancellation of options	-	-	72,433	-	(72,433)	-
Share-based payment	-	-	-	-	2,682	2,682
Adjustment due to fractional rounding up pursuant to consolidation	7	-	-	-	-	-
Balance, December 31, 2012	29,214,389	36,925,290	(38,543,223)	39,915	473,752	(1,104,266)
Net loss for nine months	-	-	(1,289,900)	-	-	(1,289,900)
Private placement, net of issuance costs	35,735,390	1,443,522	-	196,240	-	1,639,762
Expiry of warrants	-	-	34,101	(34,101)	-	-
Expiry of options	-	-	445,253	-	(445,253)	-
Cancellation of options	-	-	1,602	-	(1,602)	-
Share-based payment	-	-	-	-	14,890	14,890
Balance, September 30, 2013	**64,949,779**	**$ 38,368,812**	**$ (39,352,167)**	**$ 202,054**	**$ 41,787**	**$ (739,514)**

See notes to consolidated financial statements.

LAS VEGAS FROM HOME.COM ENTERTAINMENT INC.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars, unless otherwise stated)

	September 30, 2013	September 30, 2012
Operating Activities		
Net loss	$ (1,289,900)	$ (1,607,012)
Items not affecting cash		
Amortization	11,785	40,141
Effect of foreign currency translation on cash	(1,597)	(735)
Share-based payment	14,890	8,977
Loss on disposal of equipment	55,541	4,847
Recognition of unearned revenues	-	(83,362)
Lease deposit	-	23,557
	(1,209,281)	(1,613,587)
Changes in non-cash working capital		
Short-term investment	-	50,000
Accounts receivable	7,828	(19,746)
Due from related parties	44,973	8,400
Inventory	-	660
Prepaid expenses	4,805	20,283
Accounts payable and accrued liabilities	(170,000)	34,216
Due to related parties	89,095	487,042
Loan payable	4,999	-
	(18,300)	580,855
Cash Used in Operating Activities	(1,227,581)	(1,032,732)
Financing Activities		
Due to related parties	(166,818)	-
Proceeds from common shares and warrants issued, net of share issuance costs	1,639,762	390,250
Share subscriptions	5,000	532,397
Share subscriptions cancelled or moved to share capital	(132,250)	-
Cash Provided by Financing Activities	1,345,694	922,647
Investing Activities		
Purchase of equipment	(9,708)	-
Cash Used in Investing Activities	(9,708)	-
Effect of Foreign Currency Translation on Cash	1,597	735
Net Change in Cash and Cash Equivalents	110,002	(109,350)
Cash and Cash Equivalents, Beginning of Period	23,288	149,756
Cash and Cash Equivalents (Cheques Issued in Excess of Funds on Deposit), End of Period	$ 133,290	$ 40,406

See notes to consolidated 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 multi-player interactive card games (the "Company's Gaming Software"). The Company's common shares trade on the TSX Venture Exchange ("TSX-V" or the "Exchange") under the symbol "LVH".

The Company's head office is located at Suite 300 – 570 Granville Street, Vancouver, British Columbia, Canada, V6C 3P1. The Company is the ultimate parent company.

On April 4, 2013, all of the issued common shares and equity instruments of the Company were consolidated on the basis of 8 pre-consolidation common shares for 1 post-consolidation common share. As a result of the consolidation, all share information in the interim consolidated financial statements has been retrospectively restated to reflect the consolidation, unless otherwise stated.

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 net loss of $1,289,900 during the past nine months (September 30, 2012 - $1,607,012) and has incurred significant operating losses over the past two fiscal years (2012: $2,675,213; 2011: $3,058,096). 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.

If the going concern assumption were not appropriate for these consolidated 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

(a) Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

3. BASIS OF PRESENTATION (Continued)

(a) Statement of compliance (continued)

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.

These consolidated financial statements have been prepared under the historical cost basis, except for financial instruments classified as for available-for-sale ("AFS") and assets and liabilities at fair value through profit or loss ("FVTPL"). These consolidated financial statements have been prepared under the accrual basis of accounting, except for cash flow information. The accounting policies set below have been applied consistently by the Company and its subsidiaries.

(b) Approval of the financial statements

The consolidated financial statements of LVFH for the nine months ended September 30, 2013 were approved and authorized for issue by the Board of Directors on November 26, 2013.

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

(d) New accounting pronouncements

IFRS 9 *Financial Instruments* (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognized in the profit or loss

The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the above guidelines.

This standard is only applicable if it is optionally adopted for annual periods beginning before January 1, 2015. For annual periods beginning on or after January 1, 2015, the Company must adopt IFRS 9 (2010). The Company has not yet assessed the impact of adopting this standard on its consolidated financial statements.

IFRS 9 *Financial Instruments* (2010)

A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*.

3. BASIS OF PRESENTATION (Continued)

(d) New accounting pronouncements (continued)

IFRS 9 *Financial Instruments* (2010) (continued)

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at FVTPL; in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income (loss) rather than within profit or loss.

This standard applies to annual periods beginning on or after January 1, 2015 and supersedes IFRS 9 (2009). However, for annual reporting periods beginning before January 1, 2015, an entity may early-adopt IFRS 9 (2009) instead of applying this standard. The Company has not yet assessed the impact of adopting this standard on its consolidated financial statements.

IFRS 13 *Fair Value Measurement*

This IFRS standard defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a “fair value hierarchy” based on the nature of the inputs:

- Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - unobservable inputs for the asset or liability.

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g., whether it is recognized in the financial statements or merely disclosed) and the level in which it is classified.

This standard is applicable to annual reporting periods beginning on or after January 1, 2013. The Company has not yet assessed the impact of adopting this standard on its consolidated financial statements.

IAS 27 *Separate Financial Statements*

This amended version now only deals with the requirements for separate financial statements, which have been carried over largely unamended from IAS 27 *Consolidated and Separate Financial Statements*. Requirements for consolidated financial statements are now contained in IFRS 10 *Consolidated Financial Statements*. This standard is applicable to annual periods beginning on or after January 1, 2013. If early-adopted, must be adopted together with IFRS 10, IFRS 11, IFRS 12 and IAS 28 (2011).

3. BASIS OF PRESENTATION (Continued)

(d) New accounting pronouncements (continued)

The Company has not early-adopted this revised standard and is currently assessing the impact that this standard will have on its consolidated financial statements.

IAS 28 *Investments in Associates and Joint Ventures* (2011)

This standard supersedes IAS 28 *Investments in Associates* and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The standard defines "significant influence" and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. This standard is applicable to annual periods beginning on or after January 1, 2013. If early-adopted, must be adopted together with IFRS 10, IFRS 11, IFRS 12 and IAS 27 (2011).

The Company has not early-adopted this revised standard and is currently assessing the impact that this standard will have on its consolidated financial statements.

IFRS 10 *Consolidated Financial Statements*

Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities*.

The standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

The standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in "special purpose entities"). Under IFRS 10, control is based on whether an investor has power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the returns. This standard is applicable to annual periods beginning on or after January 1, 2013. If early-adopted, must be adopted together with IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011).

The Company has not early-adopted this revised standard and is currently assessing the impact that this standard will have on its consolidated financial statements.

IFRS 11 *Joint Arrangements*

Replaces IAS 31 *Interests in Joint Ventures*. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

3. BASIS OF PRESENTATION (Continued)

(d) New accounting pronouncements (continued)

IFRS 11 *Joint Arrangements* (continued)

Joint arrangements are either joint operations or joint ventures:

- A **joint operation** is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognize their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly)

- A **joint venture** is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 *Investments in Associates and Joint Ventures* (2011). Unlike IAS 31, the use of "proportionate consolidation" to account for joint ventures is not permitted.

This standard is applicable to annual periods beginning on or after January 1, 2013. If early-adopted, must be adopted together with IFRS 10, IFRS 12, IAS 27 (2011) and IAS 28 (2011).

The Company has not early-adopted this revised standard and is currently assessing the impact that this standard will have on its consolidated financial statements.

IFRS 12 *Disclosure of Interests in Other Entities*

Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

In high-level terms, the required disclosures are grouped into the following broad categories:

- **Significant judgments and assumptions** – such as how control, joint control, significant influence has been determined
- **Interests in subsidiaries** – including details of the structure of the group, risks associated with structured entities, changes in control, and so on
- **Interests in joint arrangements and associates** – the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarized financial information)
- **Interests in unconsolidated structured entities** – information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities

IFRS 12 lists specific examples and additional disclosures that further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.

3. BASIS OF PRESENTATION (Continued)

(d) New accounting pronouncements (continued)

IFRS 12 *Disclosure of Interests in Other Entities* (continued)

This standard is applicable to annual periods beginning on or after January 1, 2013. If early-adopted, must be adopted together with IFRS 10, IFRS 11, IAS 27 (2011) and IAS 28 (2011). The Company has not early-adopted this revised standard and is currently assessing the impact that this standard will have on its consolidated financial statements.

(e) Use of estimates

The preparation of financial statements in conformity with IFRS 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 consolidated financial statements include impairment of financial and non-current assets, recognition of revenue in accordance with contract terms, allowance for doubtful accounts, accrued liabilities, assumptions used in the determination of fair value of share-based compensation, rates of amortization for equipment and recognition of 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.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Company include the following:

(a) Principles of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of the Company's wholly-owned subsidiaries, MT Ventures Inc. and Blue Cactus Enterprises Inc., are included in the consolidated financial statements from the date that control commenced.

(ii) Transactions eliminated on consolidation

Intercompany balances and transactions and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: financial assets at FVTPL, loans and receivables, held-to-maturity and AFS. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value and changes therein are recognized in profit or loss.

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.

Held-to-maturity

Held-to-maturity financial assets are recognized on a trade-date basis and are initially measured at fair value using the effective interest rate method.

Available-for-sale

AFS financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial assets categories. Changes in the fair value of AFS financial assets other than impairment losses are recognized as other comprehensive income and classified as a component of equity.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial instruments (continued)

(ii) Financial liabilities

The Company classifies its financial liabilities as FVTPL, or other financial liabilities.

Fair value through profit or loss

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Other financial liabilities

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost using the effective interest rate method. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method. Other financial liabilities are classified as current or non-current based on their maturity date.

(iii) 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.

(iv) Fair value hierarchy

IFRS 7 *Financial Instruments: Disclosures* requires classification of fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for assets or liabilities that are not based on observable market data.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) 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 IFRS. The criteria includes identifiable costs attributable to a clearly defined product, the establishment of technical feasibility, demonstration of the Company's intention and ability to complete the software and use or sell it, 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.

(e) Amortization

Amortization of software and development costs, 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

(f) 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 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.

(ii) 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.

(g) Income taxes

Income tax expense consists of current and deferred tax expense and 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 regard to previous years.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Income taxes (continued)

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.

(h) Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments 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 based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as an expense with a corresponding increase in option reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Consideration received on the exercise of stock options is recorded in capital stock and the related share-based payment in option reserves is transferred to capital stock. For those options that expire or are cancelled after vesting, the recorded value is transferred to deficit.

(i) 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)

(i) 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.

(j) 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. Amounts included in option or warrant reserve related to the warrant or option exercised are transferred to capital stock. 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 warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. For those options or warrants that expire unexercised the amount recorded in options or warrants reserve is transferred to deficit.

(k) Foreign currency translation

The accounts of foreign operations are translated into Canadian dollars as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect at the balance sheet date;

(ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and

(iii) Revenue and expense items (excluding amortization, which is translated at the same rate as the related asset), at the rate of exchange prevailing at the transaction date.

Gains and losses arising from translation of foreign currency are included in the determination of net loss.

(l) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Impairment (continued)

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in profit or loss.

Non-financial assets

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit (“CGU”)). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived.

An impairment loss would be recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in net income.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

(m) Operating segment

The Company has only one operating segment, the licensing of gaming software.

5. OBLIGATION TO ISSUE SHARES

The Company received $5,147 in advance of the shares being issued in respect to a private placement.

6. 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 issued preferred shares.

6. CAPITAL STOCK (Continued)

(b) Issued (continued)

Private placement financing during 2013 were:

i) On August 9, 2013, the Company completed the fifth tranche of the private placement which was announced on June 4, 2013 and issued 10,449,000 units of the Company's securities at $0.05 per unit for an aggregate total proceeds of $522,450. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 per share until August 9, 2014 and thereafter at a price of $0.10 per share until August 9, 2015. In connection with the fifth tranche closing, the Company has paid as finder's fee $46,993 cash, issued 701,040 units of the Company's securities and 1,594,900 broker warrants to arm's length parties and the Company has incurred share issue cost of $15,000. Each broker warrant is exercisable at $0.05 per unit for two years. Each unit comprises of one common share and one share purchase warrant exercisable at $0.075 in the first year and at $0.10 in the second year. In respect to the fifth tranche closing, all the securities issued have a hold period expiring on December 10, 2013.

ii) On July 24, 2013, the Company completed the fourth tranche of the private placement which was announced on June 4, 2013 and issued 12,670,000 units of the Company's securities at $0.05 per unit for an aggregate total proceeds of $633,500. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 per share until July 24, 2014 and thereafter at a price of $0.10 per share until July 24, 2015. In connection with the fourth tranche closing, the Company has paid as finder's fee $40,075 cash, issued 90,000 common shares and issued 975,000 broker warrants to arm's length parties. Each broker warrant is exercisable at $0.05 per unit for two years. Each unit comprises of one common share and one share purchase warrant exercisable at $0.075 in the first year and at $0.10 in the second year. All the securities issued have a hold period expiring on November 25, 2013.

iii) On July 17, 2013, the Company completed the third tranche of the private placement which was announced on June 4, 2013 and issued 797,500 units at a price of $0.05 per unit for gross proceeds of $39,875. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 per share up to July 17, 2014 and thereafter at a price of $0.10 per share until July 17, 2015. In connection with the third tranche closing, the Company has paid as finder's fee $1,595 cash, has issued 47,850 common shares, 47,850 share purchase warrants and 79,750 broker warrants to an arm's length party. The share purchase warrants and broker warrants are exercisable for a two year period at $0.075 in year 1 and at $0.10 in year 2. All the securities issued have a hold period expiring November 18, 2013.

iv) On July 10, 2013, the Company completed the second tranche of the private placement which was announced on June 4, 2013 and issued 7,100,000 units at a price of $0.05 per unit for gross proceeds of $355,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 per share up to July 10, 2014 and thereafter at a price of $0.10 per share until July 10, 2015. There was no finder's fee paid in connection with the second tranche closing. All the securities issued have a hold period expiring on November 11, 2013.

6. CAPITAL STOCK (Continued)

(b) Issued (continued)

Private placement financings during 2013 were:

v) On June 26, 2013, the Company completed the first tranche of the private placement which was announced on June 4, 2013 and issued 3,860,000 units at a price of $0.05 per unit for gross proceeds of $193,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 per share up to June 26, 2014 and thereafter at a price of $0.10 per share until June 26, 2015. In connection with this first tranche closing, the Company has also issued 20,000 common shares as finder's fee to an arm's length party. All the securities issued have a hold period expiring on October 27, 2013.

Private placement financings during 2012 were:

vi) During January 2012, the Company completed the second tranche of a private placement and issued 325,000 units at a price of $0.40 per unit for gross proceeds of $130,000. Each unit consists of one common share and one-half of one share purchase warrant. One whole warrant entitles the holder to purchase one additional common share of the Company at $1.20 until January 25, 2014. Finder's fees paid in connection with the private placement consisted of $13,000 paid in cash, 32,500 common shares of the Company valued at $13,000 and 16,250 agent warrants to purchase a common share at $1.20 until January 25, 2013, valued at $1,055 (see note 6(c)).

vii) During February 2012, the Company completed the third tranche of a private placement and issued 433,125 units at a price of $0.40 per unit for gross proceeds of $173,250. Each unit consists of one common share and one-half of one share purchase warrant. One whole warrant entitles the holder to purchase one additional common share of the Company at $1.20 until February 28, 2014. Finder's fees paid in connection with the private placement consisted of 18,313 common shares of the Company valued at $7,325.

viii) During March 2012, the Company completed the final tranche of a private placement and issued 250,000 units at a price of $0.40 per unit for gross proceeds of $100,000. Each unit consists of one common share and one-half of one share purchase warrant. One whole warrant entitles the holder to purchase one additional common share of the Company at $1.20 until March 30, 2014. Finder's fees paid in connection with the private placement consisted of 25,000 common shares of the Company valued at $10,000.

ix) During October 2012, the Company completed a non-brokered private placement and issued 3,125,000 units at a price of $0.16 per unit for gross proceeds of $500,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.40 until October 10, 2013, and thereafter at an exercise price of $0.80 until October 10, 2014. Finder's fees paid in connection with the private placement consisted of 311,250 common shares of the Company valued at $49,800 and 62,500 finder warrants exercisable at $0.40 per common share in the first year from closing and at an exercise price of $0.80 per common share in the second year from closing valued at $5,813 (see note 6(c)).

6. CAPITAL STOCK (Continued)

(c) Warrants

i) On August 9, 2013, the Company issued 10,449,000 share purchase warrants exercisable at a price of $0.075 per share until August 9, 2014 and thereafter at a price of $0.10 per share until August 9, 2015. In addition, the Company issued 701,040 share purchase warrants exercisable at $0.075 in year one and at $0.10 in year two. Furthermore, the Company issued 1,594,900 broker warrants to arm's length parties (see note 6(b)(i) above).

ii) On July 24, 2013, the Company issued 12,670,000 share purchase warrants exercisable at a price of $0.075 per share until July 24, 2014 and thereafter at a price of $0.10 per share until July 24, 2015. In addition, the Company issued 975,000 broker warrants to arm's length parties (see note 6(b)(ii) above).

iii) On July 17, 2013, the Company issued 797,500 share purchase warrants exercisable at a price of $0.075 per share up to July 17, 2014 and thereafter at a price of $0.10 per share until July 17, 2015. In addition, the Company issued 47,850 share purchase warrants and 79,750 broker warrants to an arm's length party as finder's fee (see note 6(b)(iii) above).

iv) On July 10, 2013, the Company issued 7,100,000 share purchase warrants exercisable at a price of $0.075 per share up to July 10, 2014 and thereafter at a price of $0.10 per share until July 10, 2015 (see note 6(b)(iv) above).

v) On June 26, 2013, the Company issued 3,860,000 share purchase warrants exercisable at a price of $0.075 per share up to June 26, 2014 and thereafter at a price of $0.10 per share until June 26, 2015 (see note 6(b)(v) above).

vi) During the year ended December 31, 2012, the Company issued 504,063 share purchase warrants exercisable at $1.20 per share until 2014 and 16,250 agent warrants exercisable at $1.20 per share until January 2013 in connection with the private placements that closed during the first quarter in 2012 (as previously described in notes 6(b)(vi), (vii) and (viii)). The fair value of the agent warrants issued of $1,055 (as previously disclosed in note 6(b)(vi)) was recorded as share issuance costs with a corresponding increase in warrants and was calculated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate: 1.05%; expected dividend yield: 0%; expected stock price volatility: 85%; expected life in years: 1; and a grant date fair value of $0.40. Expected stock price volatility is based on the historical volatility of the Company to the extent of the expected life of the warrant.

Furthermore, during the year ended December 31, 2012, the Company issued an additional 3,125,000 share purchase warrants exercisable at $0.40 per common share until October 10, 2013, and thereafter at an exercise price of $0.80 per common share until October 10, 2014 in connection with the private placement that closed in October 2012 (as previously disclosed in note 6(b)(ix)).

Finder's fees paid in connection with the private placement included 62,500 finder warrants exercisable at $0.40 per common share in the first year from closing and at an exercise price of $0.80 per common share in the second year from closing valued at $5,813 (as previously described in note 6(b)(ix)). The fair value of the agent warrants issued of $5,813 was recorded as share issuance costs with a corresponding increase in warrants and was calculated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate: 1.15%; expected dividend yield: 0; expected stock price volatility: 125%; expected life in years: 2; and a

(Expressed in Canadian Dollars, unless otherwise stated)

6. CAPITAL STOCK (Continued)

(c) Warrants (continued)

grant date fair value of $0.24. Expected stock price volatility is based on the historical volatility of the Company to the extent of the expected life of the warrant.

	Number of Warrants	Weighted Average Exercise Price
Balance, January 1, 2012	8,012,250	$ 2.00
Issued	3,707,813	$ 0.88
Expired	(5,871,875)	$ 2.00
Balance, December 31, 2012	5,848,188	$ 1.20
Issued	35,625,390	$ 0.10
Issued (broker warrants)	2,649,650	$ 0.05
Expired	(1,881,625)	$ 1.99
Balance, September 30, 2013	42,241,603	$ 0.17

At September 30, 2013 and 2012, the following warrants were outstanding and exercisable:

Expiry Date	Exercise Price	Number of Warrants 2013	2012
October 6, 2012	$ 2.00*	-	815,625
November 18, 2012	$ 2.00*	-	500,000
January 23, 2013	$ 1.20	-	178,750
June 8, 2013	$ 2.00	-	934,125
June 22, 2013	$ 2.00	-	931,250
December 29, 2013	$ 1.20	275,000	275,000
January 23, 2014	$ 1.20	162,500	-
February 28, 2014	$ 1.20	216,563	216,562
March 30, 2014	$ 1.20	125,000	125,000
October 10, 2014	$ 0.80**	3,187,500	-
June 26, 2015	$ 0.075/0.10	3,860,000	-
July 10, 2015	$ 0.075/0.10	7,100,000	-
July 17, 2015	$ 0.075/0.10	845,350	-
July 17, 2015 (broker warrants)***	$ 0.075/0.10	79,750	-
July 24, 2015	$ 0.075/0.10	12,670,000	-
July 24, 2015 (broker warrants)****	$ 0.05/$0.05	975,000	-
August 9, 2015	$ 0.075/0.10	11,150,040	-
August 9, 2015 (broker warrants)****	$ 0.05/$0.05	1,594,900	-
	$ 0.17	42,241,603	3,976,312

* Exercisable at $0.80 in the first year and at $2.00 in the second year
** Exercisable at $0.40 in the first year and at $0.80 in the second year
***Exercisable at $0.075 in the first year and at $0.10 in the second year
**** Exercisable at $0.05 per unit. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.075 in the first year and at $0.10 in the second year.

(Expressed in Canadian Dollars, unless otherwise stated)

6. CAPITAL STOCK (Continued)

(d) Stock options

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 September 30, 2013, there are 734,762 (2012 – 156,887) stock options available for granting. The terms of the options are determined at the date of grant.

The following summarizes the officer, director, employee and consultant stock options that were granted, exercised, forfeited and expired during the nine months ended September 30, 2013 and 2012. The options vest 25% on grant and thereafter at 25% every four or six months.

	Number of Options	Weighted Average Exercise Price
Balance, January 1, 2012	1,313,625	$ 0.80
Granted	143,750	$ 0.80
Cancelled	(141,250)	$ 0.80
Expired	(156,250)	$ 0.80
Balance, December 31, 2012	1,159,875	$ 0.80
Granted	425,750	$0.11
Cancelled	(3,125)	$0.80
Expired	(994,250)	$0.80
Balance, September 30, 2013	588,250	$0.30

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, share-based payments of $94 (2012 - $nil) was recognized as salaries expense and share-based payment recovery of $14,796 (2012 - $8,977) was recognized as consulting fees for options granted to consultants.

7. RELATED PARTY TRANSACTIONS

The Company shares office space and certain employees with High 5 Ventures Inc. (formerly Kokomo Enterprises Inc.) ("High 5") and Green Arrow Resources Inc. [formerly Bulldog Explorations Ltd.] ("Green Arrow"), companies related by common key management personnel.

Amounts due from/(due to) related parties are unsecured, payable on demand and consist of the following:

	September 30, 2013	September 30, 2012
Entities controlled by key management personnel	$ (34,650)	$ -
Key management personnel	(506,999)	(479,522)
Entities with common directors	(123,885)	(7,520)
	$ (665,534)	$ (487,042)

(Expressed in Canadian Dollars, unless otherwise stated)

7. RELATED PARTY TRANSACTIONS (Continued)

Included in amounts payable to key management personnel is $173,000 in unsecured advances due on demand, with an interest rate of prime plus 1%.

In addition, during the year ended December 31, 2012, the Company entered into two credit facilities with two directors, whereby the Company may draw-down up to $170,000 from each of the two facilities ($340,000 in the aggregate) as and when needed by the Company. Amounts advanced under the facilities bear interest at 5% per annum and are due on demand. As at September 30, 2013, the Company has drawn $300,000 from these two credit facilities. Included in amounts due to related parties is accrued interest of $20,548 related to these two credit facilities. The remaining amounts due to related parties do not bear interest.

Related party transactions during the period:

		September 30, 2013		September 30, 2012
Rent charged by an entity with common directors	$	65,846	$	45,000
Rent recovered from entities with common directors	$	-	$	2,400
Office and other expenses recovered from entities with common directors	$	87,687	$	45,559
Interest charged on amounts due to related parties	$	21,748	$	7,222

During the nine months ended September 30, 2013, the Company has accrued management fees totaling $297,000 payable to a company owned by two directors (September 30, 2012: $297,000).

Effective as of May 1, 2012, the Company has entered into an Agreement for Office Support Services with Green Arrow, whereby Green Arrow is obligated to pay to the Company a monthly sum of Cdn $5,000 plus applicable taxes for certain office support services.

Effective as of May 1, 2013, the Company is being charged by Green Arrow the amount of $6,268 per month for basic rent, operating costs and applicable taxes.

Effective as of May 1, 2013, the Company has entered into an Agreement for Office Support Services with High 5 whereby High 5 is obligated to pay to the Company a monthly sum of Cdn $7,000 plus applicable taxes for certain office support services.

8. COMMITMENTS

The Company has a management services agreement with a private company controlled by two directors of LVFH effective as of January 1, 2011 until July 1, 2015. The remuneration for the services provided is $33,000 per month plus applicable taxes.

The Company together with High 5 and Green Arrow have entered into a sub-lease agreement with an arm's length party for office space which expires on July 30, 2014. Under the sub-lease agreement, the three companies are required to pay a base rent of $5,687.50 plus property and operating expenses for the leased premised.

9. JOINT VENTURE AGREEMENT

The Company has entered into a joint venture agreement (the "Agreement") with Viral Network Inc. ("Viral") for the development and marketing of a software product that can be utilized in the social media sphere (the "JV Software Product"). Pursuant to the Agreement, the consideration payable to Viral is 1,500,000 common shares in the capital of LVFH upon the approval of the Agreement by the Exchange, and an additional 1,500,000 common shares in the capital of LVFH within a period of 12 months from the date when the JV Software Product commences generating its first revenue. Upon the completion of the JV Software Product, the JV Software Product shall be equally owned by LVFH and Viral, and all net revenues that shall be generated by the JV Software Product shall be equally shared by LVFH and Viral. Subject to certain terms and conditions, LVFH shall have the right to purchase Viral's 50% interest in the JV Software Product for the amount of Cdn $10,000,000. The Agreement has received Exchange Approval. Subsequent to September 30, 2013, pursuant to the Agreement, the Company has issued to Viral 1,500,000 common shares of the Company at a deemed price of $0.075 per share.

10. CAPITAL MANAGEMENT

The Company considers its capital to be comprised of shareholders' equity.

The Company's objective when managing capital is to maintain adequate levels of funding to support the development and marketing of the Company's online multi-player interactive games while maintaining the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds on acceptable terms in the future.

There were no changes to the Company's approach to capital management during the nine months ended September 30, 2013. The Company is not subject to externally imposed capital requirements.

11. EVENTS AFTER THE REPORTING PERIOD

a) The Company has closed the first tranche of the non-brokered private placement financing which was announced on September 30, 2013 by issuing 14,020,000 units of the Company's securities at $0.05 per unit for total gross proceeds of $701,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 per share up to October 3, 2014 and thereafter at a price of $0.10 per share until October 3, 2015. In connection with the first tranche closing, the Company has paid as finder's fee $64,000 cash and has issued 1,280,000 broker warrants to an arm's length party. All the securities issued have a hold period expiring on February 4, 2014.

b) The Company has closed the second tranche of the non-brokered private placement financing which was announced on September 30, 2013 by issuing 4,300,000 units of the Company's securities at $0.05 per unit for total gross proceeds of $215,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 per share up to October 22, 2014 and thereafter at a price of $0.10 per share until October 22, 2015. In connection with this second tranche closing, the Company has paid as finder's fee $20,000 cash, has issued 400,000 broker warrants and has issued 30,000 common shares to arm's length parties. All the securities issued have a hold period expiring on February 23, 2014.

11. EVENTS AFTER THE REPORTING PERIOD (Continued)

c) The Company has closed the third and final tranche of the non-brokered private placement financing which was announced on September 30, 2013 and has issued 1,680,000 units of the Company's securities at $0.05 per unit for total gross proceeds of $84,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 per share up to November 5, 2014 and thereafter at a price of $0.10 per share until November 5, 2015. In connection with this third and final tranche closing, the Company has paid as finder's fee $3,360 cash, 100,800 units of the Company's securities and 168,000 broker warrants to an arm's length party. All the securities issued have a hold period expiring on March 6, 2014.

d) The Company has closed the first tranche of the non-brokered private placement financing which was announced on October 31, 2013 and has issued 3,121,000 units of the Company's securities at $0.065 per unit for total gross proceeds of $202,865. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 per share up to November 5, 2014 and thereafter at a price of $0.10 per share until November 5, 2015. In connection with this first tranche closing, the Company has paid as finder's fee $20,286.50 cash and has issued 312,100 broker warrants to arm's length parties. All the securities issued have a hold period expiring on March 6, 2014.

e) The Company entered into a Consulting Agreement (the "Agreement") with Atlanta Capital Partners, LLC of Woodstock, Georgia ("Atlanta Capital"). Under the Agreement, Atlanta Capital will provide investor relations services to the Company. The Agreement has a term of two months which may be renewed by mutual consent. The remuneration payable to Atlanta Capital will be US $25,000 for the services to be provided by Atlanta Capital. The Agreement is subject to the approval of the Exchange.

f) The Company has closed the second and final tranche of the non-brokered private placement financing which was announced on October 31, 2013 by issuing 1,748,385 units of the Company's securities at $0.065 per unit for total gross proceeds of $113,645. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 per share up to November 18, 2014 and thereafter at a price of $0.10 per share until November 18, 2015. In connection with this second and final tranche closing, the Company has paid as finder's fee $9,073.90 cash, has issued 154,838 broker warrants, has issued 20,000 common shares and has issued 15,240 units of the Company's securities to arm's length parties. All the securities issued have a hold period expiring on March 19, 2014.