Form 51-102F1

LAS VEGAS FROM HOME.COM ENTERTAINMENT INC.

Management's Discussion & Analysis
Condensed Interim Unaudited Financial Statements for the
Six months ended June 30, 2014

The following discussion and analysis of the financial condition and financial position and results of operations of Las Vegas From Home.com Entertainment Inc. (the "Company" or "Las Vegas" or "LVFH") for the six months ended June 30, 2014 should be read in conjunction with the condensed interim unaudited financial statements and notes thereto for the six months ended June 30, 2014 and 2013 and the annual audited consolidated financial statements and notes thereto for the years ended December 31, 2013 and 2012. The condensed interim unaudited financial statements and notes thereto for the six months ended June 30, 2014 and 2013 have not been reviewed by the Company's Auditor.

These financial statements, including comparatives, have been prepared using accounting policies in compliance with International Financing Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's financial statements are expressed in Canadian (CDN) Dollars which is the Company's functional currency. All amounts in this MD&A are in CDN dollars unless otherwise stated.

The following information is prepared as at August 29, 2014.

Forward-Looking Statements

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

Overview

The principal business of the Company 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 (the "TSX-V" or the "Exchange") under the symbol "LVH". Furthermore, the Company's common shares trade in Germany on both the Frankfurt and Berlin Exchanges under the trading symbol "LVH", and are quoted in the USA on the OTC Pink tier of the OTC markets under the trading symbol "LVFHF".

The Company's office is located at Suite 300 – 570 Granville Street, Vancouver, British Columbia, Canada, V6C 3P1 and its registered office is located at Suite 1600 – 609 Granville Street, Vancouver, British Columbia, Canada, V7Y 1C3.

The Company's Registrar and Transfer Agent is Computershare Investor Services Inc. located at 510 Burrard Street, Vancouver, BC, Canada, V6C 3B9.

The Company is a reporting issuer in the Provinces of British Columbia and Alberta and files all public documents on www.sedar.com.

Results of Operations

All common shares and per share amounts have been restated to give retroactive effect to the 8:1 share consolidation, which took effect on April 4, 2013.

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

Starting in the fourth quarter of 2013, LVFH started development of its HTML5 mobile game suite, allowing users to play directly on the web browser of smart phones and tablets. Texas Hold'em and popular casino table games were completed by the end of the first quarter of 2014. Sixteen slot games were completed by end of the second quarter based on a combination of existing game assets and game assets purchased from Badda Media. The creation of additional HTML5 mobile games, will be the main product development focus through to the end of 2014.

In December 2013, LVFH announced the "soft launch" of Bingocrush.com, an innovative online gaming site that provides Mexican players with 90-ball Bingo games, as well as a suite of high quality casino games such as blackjack, roulette and slots. The soft launch allows the Company to fine tune its entertainment offerings and add more payment options, in preparation for the official real-money launch in 2014. Mexican residents will be able to play LVFH's games for real money in their native language and currency, and participate in an exciting array of promotions, such as deposit bonuses and progressive jackpots.

During 2012, LVFH launched its social casino product, **Real Vegas Casino**, on Facebook to the general public. **Real Vegas Casino** is a social casino product that provides players with a wide range of social features combined with a comprehensive selection of high quality casino games. Players can try out the games for free and purchase virtual currency in the form of Facebook Credits to extend and enhance their game play enjoyment. Despite very minimal marketing expenditures, the Company's **Real Vegas Casino** has been installed and has been used by approximately 900,000 players as of the date of this MD&A. The games are available in five languages namely English, Spanish, Traditional Chinese, Simplified Chinese and Russian. To view the social game application, please log in to the Facebook platform and visit https://apps.facebook.com/realvegascasino/. **Real Vegas** Casino is also available on Android phones and tablets through the Google Play Store.

At the Annual General Meeting of the Company's shareholders which was held on November 26, 2013 in Vancouver, BC, the shareholders received the Audited Consolidated Financial Statements for the year ended December 31, 2012 and the Auditor's report thereon; fixed the number of Directors for the ensuing year at four; elected Bedo H. Kalpakian, Jacob H. Kalpakian, Neil Spellman and Gregory T. McFarlane as Directors of the Company; re-appointed the Company's Auditor, Smythe Ratcliffe LLP, Chartered Accountants, for the ensuing year and authorized the Directors to fix the remuneration to be paid to the Auditor.

On March 12, 2013 the Company held a Special Meeting of its Shareholders at which time the Shareholders approved the consolidation of the share capital of the Company on the basis of eight (8) old common shares for one (1) new common share. Effective at the opening on April 5, 2013, the common shares of the Company commenced trading on the TSX.V on a consolidated basis. The new Cusip number is 517672200. The Company's corporate name and trading symbols remain unchanged.

As of June 30, 2014, the Company's operations employed 15 people (June 30, 2013: 13) consisting of staff and management.

In February 2013, the Company entered into a one-time agreement with a third party to develop a software platform (the "Platform"). Terms of the agreement included the third party reimbursing the Company's development and customization expenditures towards the platform. Upon the completion of the development of the Platform, the Company and the third party were entitled to share the net profits from future revenues. Funds of $218,755 have been offset against salaries and benefits in the consolidated statements of comprehensive loss for the year ended December 31, 2013. During 2013, the Company terminated the agreement due to delayed payments from the third party. All recorded reimbursements during 2013 had been received.

During 2013, the Company entered into a business development agreement with U.S. Digital Gaming of Beverly Hills, California. On August 20, 2013 the Agreement was terminated by mutual consent.

During 2013, the Company entered into a Service Agreement with Transcend Resource Group of Vancouver, British Columbia ("Transcend"). Under the Agreement, Transcend will provide investor relations services to the Company. The Agreement had an initial term of four months. On January 15, 2014, the Agreement was renewed for six months. The remuneration payable to Transcend is $5,000 per month plus GST and the Company has granted Transcend 30,000 incentive stock options which are vested and are exercisable at $0.10 per share until February 1, 2015.

During 2013, the Company entered into a joint venture agreement with Viral Network Inc. ("Viral"), whereby Viral shall assist the Company to develop a software product that can be utilized for use in the social media sphere (the "JV Software Product"). Upon the completion of the JV Software Product, the JV Software Product shall be equally owned by the Company and Viral. The Company has issued 1,500,000 common shares in the capital of the Company to Viral fair valued at $112,500 which was recorded as consulting fees in the statement of comprehensive loss. The Company is obligated to issue an additional 1,500,000 common shares in the capital of the Company to Viral after 12 months from the date when the JV Software Product commences generating its first revenue. All net revenues that shall be generated from the JV Software Product shall be equally shared by the Company and Viral. This transaction has received TSX-V approval.

During 2013, the Company entered into a Consulting Agreement with Atlanta Capital Partners, LLC of Woodstock, Georgia ("Atlanta Capital"). Pursuant to the Agreement, Atlanta Capital provided investor relations services to the Company. The Agreement had a term of two months which ended on January 31, 2014. The Company paid Atlanta Capital US $25,000.

During 2014, the Company entered into an investor and financial relations agreement with the Howard Group of Calgary, Alberta. Under the agreement, the Company is obligated to pay the Howard Group $7,500 plus applicable taxes per month. Furthermore, the Company has issued to the Howard Group 800,000 incentive stock options exercisable at $0.10 per share for a period of three years (of which 400,000 stock options will be released upon receipt of shareholder approval at the Company's upcoming annual general meeting). The agreement expires March 15, 2015 and has received TSX-V approval.

During 2014, the Company entered into an Advisory Agreement with Kingsdale Capital Markets Inc. of Toronto, Ontario ("Kingsdale"). Under the Agreement, Kingsdale will act as the Company's strategic market advisor on a non-exclusive basis for a period of twelve months. The cash remuneration payable to Kingsdale is $120,000 plus applicable taxes (paid). In addition, the Company shall issue to Kingsdale 1,500,000 common shares and 1,500,000 compensation warrants exercisable at $0.105 per common share for a period of three years. The common shares and compensation warrants will be issued in stages. This Agreement has received TSX-V approval. The first tranche of the share issuance totaling 375,000 common shares in the capital of the Company have been issued. The securities issued have a hold period that expires four months and a day after the issuance date.

During 2014, the Company entered into an Asset Purchase Agreement with BaddaMedia Inc. of Vancouver, BC ("Badda") whereby the Company agreed to purchase from Badda a copy of certain assets related to online slot machine games that have been developed by Badda. As consideration for the purchase, the Company issued to Badda 229,167 common shares in the capital of the Company. The securities issued have a hold period that expires four months and a day after the issuance date.

New Business Development

On July 29, 2014, LVFH announced that it has entered into and has executed a letter of Intent ("LOI") with the Mexican entity of the Codere Group ("Codere") and its Mexican partner the Salinas TV Azteca Group ("Azteca") in respect to a partnership for online gaming in Mexico.

Pursuant to the LOI, a new company shall be incorporated in Mexico ("NEWCO"). The shareholders of NEWCO shall be Codere as to 51% and LVFH as to 49%. NEWCO shall participate in 51.03% of the profits and losses of a Mexican partnership which was established by means of an association agreement entered into on September 28, 2012 between Codere and Azteca (the "Mexican Partnership"). Effectively, LVFH's ownership and share of profits from the Mexican Partnership shall be 25%. In addition to receiving its share of profits, LVFH shall also license its gaming platform to the Mexican Partnership and will receive ongoing software licensing royalties for its use thereof.

The Mexican Partnership has a federal gambling license and is one of the few legal online gaming portals in Mexico. The Mexican Partnership shall solely and exclusively use LVFH's Gaming Platform for its online gaming website www.greenplay.mx and also for its sister gaming websites. www.greenplay.mx was launched on August 21, 2014 and is currently generating revenue with LVFH slots and casino content. The website will be improved continually over the next few months adding sports betting, bingo, poker and other gaming content. All decisions of NEWCO and the Mexican Partnership shall be made jointly by the partners. LVFH shall also have the right of first refusal to participate in any business opportunities that may arise in any new territories in the Americas in which the Mexican Partnership decides to get involved in. LVFH shall contribute for its share the amount of US $4,000,000 in NEWCO for the development and marketing of the Mexican Partnership's online gaming business.

The parties to the LOI have agreed to enter into Definitive Agreements on or before September 15, 2014. The Definitive Agreements shall include, but shall not be limited to, anti-dilution provisions and other provisions which are customarily used in transactions of this nature. The Definitive Agreements shall be subject to the approvals of the TSX Venture Exchange, the Codere Group and Azteca.

Revenues

For the six months ended June 30, 2014, the Company has recorded licensing revenues of $49,025 (June 30, 2013: $nil), and sales revenues of $7,781 (June 30, 2013: $9,408).

Expenses

For the six months ended June 30, 2014, operating expenses were $1,476,986 as compared to $824,720 for the six months ended June 30, 2013. The increase in operating expenses during the six months ended June 30, 2014 was mainly due to the increase in Consulting fees and Salaries and benefits.

Net Loss and Comprehensive Loss

During the six months ended June 30, 2014, the Company had a net loss and comprehensive loss of $1,420,180 or $0.01 per share (weighted average) as compared to a net loss and comprehensive loss of $815,312 or $0.03 per share (weighted average) in the same period of 2013. During the six months ended June 30, 2014, the Company's weighted average number of common shares was 112,806,485 as compared to 29,300,135 for the same period in 2013.

Liquidity and Capital Resources

As at June 30, 2014, the Company's total assets were $805,097 as compared to $44,542 for the corresponding period in June 30, 2013. The Company's total liabilities were $196,291 as compared to $1,758,287 for the corresponding period in June 30, 2013. The reason for the reduction of the Company's total liabilities is due to the fact that the Company was able to pay down certain outstanding liabilities from the proceeds of the private placements which were completed during the first quarter of 2014. The Company has not paid any cash dividends and does not plan to pay any cash dividends in the future.

As at June 30, 2014, the Company had:-

- Cash and cash equivalents of 629,345 as compared to cheques issued in excess of funds on deposit in the amount of $14,609 at June 30, 2013.
- Accounts receivable of $39,977 as compared to $11,798 at June 30, 2013.
- Equipment of $53,061 as compared to $32,744 at June 30, 2013.
- Due from related parties of $57,714 as compared to $nil at June 30, 2013.
- Prepaid expenses of $25,000 as compared to $nil at June 30, 2013.

Operating Activities

During the six months ended June 30, 2014, the Company used $1,605,751 as compared to $523,373 of cash used in operating activities in the corresponding period of 2013.

Financing Activities

During the six months ended June 30, 2014, the Company received $1,954,587 as compared to $493,233 of cash from financing activities in the corresponding period of 2013.

Capitalization

In order for the Company to increase its revenues, the Company must dedicate more resources to marketing and promotion of the Company's products and services.

During the six months ended June 30, 2014, 2014, the Company has incurred a net loss and comprehensive loss of $1,420,180 (June 30, 2013: $815,312), has limited revenues and resources, and has no assurances that sufficient funding will be available to continue operations for an extended period of time.

During 2014, the Company intends to seek equity and/or debt financings. While the Company does not give any assurances whatsoever that it will be successful in securing such financings in order to conduct its operations uninterruptedly, it is the Company's intention to pursue these methods for future funding of the Company.

During June 2013, the Company closed the first tranche of the private placement financing, which was announced on June 4, 2013, and issued an aggregate 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 up to 12 months after issuance and thereafter at a price of $0.10 until 24 months after issuance. In connection with this first tranche closing, the Company also issued 20,000 common shares fair valued at $1,000 as finder's fee to an arm's length party. All the securities issued had a hold period that expired four months and a day after issuance date.

During July 2013, the Company closed the second, third and fourth tranches of the private placement financing, which was announced on June 4, 2013, and issued an aggregate 20,567,500 units at a price of $0.05 per unit for gross proceeds of $1,028,375. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 up to 12 months after issuance and thereafter at a price of $0.10 until 24 months after issuance. In connection with the closings of these tranches, the Company paid finder's fees of $41,670 cash, issued 90,000 common shares fair valued at $4,500, issued 47,850 units fair valued at $2,393, issued 79,750 broker warrants fair valued at $3,320 and issued 975,000 compound warrants valued at $120,023. The warrants are exercisable into common shares at a price of $0.075 per share up to 12 months after issuance and thereafter at a price of $0.10 per share until 24 months after issuance. Each compound warrant is exercisable into a unit for a two year period at $0.05 in both years. Each unit comprises of one common share and one share purchase warrant exercisable at a price of $0.075 up to 12 months after issuance and thereafter at a price of $0.10 until 24 months after issuance. All the securities issued had a hold period that expired four months and a day after issuance date.

During August 2013, the Company closed the fifth tranche of the private placement financing, which was announced on June 4, 2013, and issued an aggregate 10,449,000 units of the Company's securities at $0.05 per unit for gross proceeds of $522,450. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 up to 12 months after issuance and thereafter at a price of $0.10 until 24 months after issuance. In connection with the fifth tranche closing, the Company paid finder's fee of $46,993 cash, issued 701,040 units fair valued at $35,052 and issued 1,594,900 compound warrants fair valued at $258,616 to arm's length parties and the Company has incurred share issue cost of $15,000. All compound warrants are exercisable into units for a two year period at $0.05 in both years. Each unit comprises one common share and one share purchase warrant exercisable at a price of $0.075 up to 12 months after issuance and thereafter at a price of $0.10 until 24 months after issuance. All the securities issued had a hold period that expired four months and a day after issuance date.

During October 2013, the Company closed the first and second tranches of the private placement financing, which was announced on September 30, 2013, and issued an aggregate 18,320,000 units of the Company's securities at $0.05 per unit for gross proceeds of $916,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 up to 12 months after issuance and thereafter at a price of $0.10 until 24 months after issuance. In connection with the closings of the first and second tranches, the Company paid finder's fee of $84,000 cash, issued 30,000 common shares fair valued at $1,500 and issued 1,680,000 compound warrants fair valued at $255,936 to an arm's length party. All compound warrants are exercisable into units for a two year period at $0.05 in both years. Each unit comprises of one common share and one share purchase warrant exercisable at a price of $0.075 up to 12 months after issuance and thereafter at a price of $0.10 until 24 months after issuance. All the securities issued had a hold period that expired four months and a day after issuance date.

During November 2013, the Company closed the third and final tranche of the non-brokered private placement financing, which was announced on September 30, 2013, and issued an aggregate 1,680,000 units of the Company's securities at $0.05 per unit for gross proceeds of $84,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 up to 12 months after issuance and thereafter at a price of $0.10 until 24 months after issuance. In connection with the closing of this third tranche, the Company paid finder's fee of $3,360 cash, issued 100,800 units fair valued at $5,040 and issued 168,000 compound warrants fair valued at $30,408 to an arm's length party. All compound warrants are exercisable into units for a two year period at $0.05 in both years. Each unit comprises of one common share and one share purchase warrant exercisable at a price of $0.075 up to 12 months after issuance and thereafter at a price of $0.10 until

24 months after issuance. All the securities issued had a hold period that expired four months and a day after issuance date.

During November 2013, the Company closed the first and second tranches of the private placement financing, which was announced on October 31, 2013, and issued an aggregate 4,869,385 units of the Company's securities at $0.065 per unit for gross proceeds of $316,510. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.075 up to 12 months after issuance and thereafter at a price of $0.10 until 24 months after issuance. In connection with the closings of the first and second tranches, the Company paid as finder's fee $29,261 cash, issued 20,000 common shares fair valued at $1,300, issued 15,240 units fair valued at $991 and issued 466,938 compound warrants fair valued at $93,294 to arm's length parties. All compound warrants are exercisable into units for a two year period at $0.065 in both years. Each unit comprises of one common share and one share purchase warrant exercisable at a price of $0.075 up to 12 months after issuance and thereafter at a price of $0.10 until 24 months after issuance. All the securities had a hold period that expired four months and a day after issuance date.

On January 30, 2014 the Company closed a non-brokered private placement financing and issued a total of 14,375,000 units of the securities of the Company at $0.08 per unit to various subscribers for total gross proceeds to the Company of $1,150,000. Each Unit consists of one common share in the capital of the Company and one share purchase warrant, each warrant will entitle the holder thereof to purchase one common share of the Company at a price of $0.10 per common share for a period of two years until January 30, 2016. In connection with this closing, the Company has paid as finder's fee $10,000 cash, has issued 125,000 broker warrants fair valued at $9,983 and has issued a total of 1,142,500 units fair valued at $91,400 to three arm's length parties. The securities issued pursuant to this private placement financing are subject to a hold period of four months and a day from the issuance date.

On March 25, 2014, the Company closed a non-brokered private placement financing and issued an aggregate 15,000,000 units of the Company's securities at $0.08 per unit for gross proceeds of $1,200,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.10 per share up to March 25, 2016. In connection with the private placement, the Company has paid as finder's fees $102,400 cash, issued 1,280,000 compound warrants fair valued at $278,437, and 98,250 units fair valued at $7,860 to arm's length parties and the Company has incurred share issue cost of $500. Each compound warrant is exercisable at $0.08 per unit for two years. Each unit comprises of one common share and one share purchase warrant exercisable at $0.10 for two years. In respect to this non-brokered private placement financing, a total of 1,217,500 units have been subscribed by a private company which is owned by two directors of the Company. The securities issued pursuant to this private placement financing are subject to a hold period of four months and a day from the issuance date.

During the six months ended June 30, 2014, 560,000 warrants which were issued during 2013 were exercised for total proceeds to the Company of $42,000. Subsequent to the six month period ended June 30, 2014, an aggregate of 4,565,000 warrants which were issued during 2013 were exercised for total proceeds to the Company of $342,375. In addition, 165,000 compound warrants which were issued during 2013 were exercised for total proceeds to the Company of $8,250.

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

During 2004, the Company's shareholders adopted and approved the Company's 2004 Stock Option Plan (the "2004 Plan"). The 2004 Plan, which has received the approval of the TSX-V, reserved 11,290,154 common shares for issuance representing 20% of the Company's issued and outstanding common shares on April 12, 2004. At the Annual and Special General Meeting of the Company's shareholders, which was held on June 30, 2005, the shareholders approved the amendment to the Company's 2004 Plan by increasing the maximum number of common shares that may be reserved for issuance pursuant to the Stock Option Plan to 1,983,367 common shares (the "Company's Amended 2004 Stock Option Plan"). Pursuant to the Company's Amended 2004 Stock Option Plan which has received TSX.V approval, the Company grants stock options to employees, directors, officers and consultants. As at June 30, 2014, there are 203,512 stock options available for granting (June 30, 2013: 1,156,762). The number available for granting is based on the difference between the reserved number of options for issuance (1,983,367) less outstanding stock options at June 30, 2014 (1,119,500) less the number of stock options exercised since May 12, 2005 up to and including June 30, 2014 (660,355); therefore 1,983,367 – 1,119,500 – 660,355 = 203,512 stock options available for granting as at June 30, 2014. Subsequent to the six month ended June 30, 2014, a total of 18,750 stock options exercisable at $0.80 per share which were granted to a consultant have expired.

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

As at June 30, 2014, there were 1,119,500 stock options outstanding with a weighted average exercise price of $0.12 per share (June 30, 2013: there were 166,250 stock options outstanding with a weighted average exercise price of $0.80 per share).

Summary of Quarterly Results

The following are the results for the eight most recent quarterly periods, starting with the three month quarterly period ended June 30, 2014:

For the Quarterly Periods ended		**June 30, 2014**	**March 31, 2014**	**December 31, 2013**	**September 30, 2013**
Total Revenues	$	25,707	31,099	1,482	3,190
Net loss and comprehensive loss for the period	$	(777,923)	(642,257)	(947,806)	(474,588)
Basic and diluted loss per common share	$	(0.01)	(0.01)	(0.01)	(0.01)

For the Quarterly Periods ended		**June 30, 2013**	**March 31, 2013**	**December 31, 2012**	**September 30, 2012**
Total Revenues	$	4,916	4,492	6,531	46,311
Net loss and comprehensive loss for the period	$	(467,370)	(347,942)	(1,068,201)	(520,290)
Basic and diluted loss per common share	$	(0.02)	(0.01)	(0.03)	(0.02)

Second Quarterly Results (June 30, 2014)

During the three months [second quarter] period ended June 30, 2014:-

- The Company had a net loss and comprehensive loss of $777,923 or $0.01 per share as compared to $467,370 or $0.02 per share in the same three months [second quarter] period of 2013.

- The Company's total revenues were $25,707 as compared to $4,916 in the same three months [second quarter] period of 2013.

- The Company's total operating expenses were $803,630 as compared to $472,286 in the same three months [second quarter] period of 2013.

Risks related to our Business

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

General legislative risk

Although management believes that the revenues generated from the Company's Gaming Software represents lawful business, there is the risk that the legality may be challenged by Canadian or other legal authorities. If the legality is challenged by any legal authority and the challenge is sustained, it may have a material adverse impact on the financial affairs of the Company.

Competition

The marketplace for the Company's Gaming Software is constantly undergoing changes, is intensely competitive and is subject to changes in customer preferences. The Company's products and services compete against those of other companies that have greater financial, marketing, technical and other resources than those of the Company.

Internet and system infrastructure viability

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

Reliance on key personnel

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

Customer concentration

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

Payment processing

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

Foreign exchange rates

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

Share price volatility and liquidity

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

Growth management

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

Dilution

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

Revenues and Dividends

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

Disruption in Trading

Trading in the common shares of the Company may be halted or suspended or may be subject to cease trade orders at any time and for any reason, including, but not limited to, the failure by the Company to submit documents to the Regulatory Authorities within the required time periods.

Related Party Transactions

The Company shares office space and certain expenses with 37 Capital Inc. (formerly High 5 Ventures Inc.) ("37 Capital") and Green Arrow Resources Inc. ("Green Arrow"), companies related by certain common officers and directors.

The Company together with 37 Capital and Green Arrow entered into a sub-lease agreement with an arm's length party for office space which expired on July 30, 2014. Under the sub-lease agreement, the three companies were required to pay a base rent of $5,687.50 plus property and operating expenses for the leased premised.

The Company, together with 37 Capital and Green Arrow, have entered into an office lease agreement with an arm's length party (the "Lease"). The Lease has a one year term with a commencement date of August 1, 2014. Under the Lease, the three companies are required to pay monthly basic rent of $7,769.25 plus property and operating expenses. In respect to the Lease, the Company has paid a deposit in the amount of $10,000.

37 Capital is related to the Company by virtue of the fact that 37 Capital's CEO and CFO, namely Bedo H. Kalpakian, is the Chairman and CFO of the Company, and the Vice President of 37 Capital namely Jacob H. Kalpakian, is the CEO and President of the Company. Furthermore, Gregory T. McFarlane is a director of both the Company and 37 Capital.

Green Arrow is related to the Company by virtue of the fact that Green Arrow's President and CEO namely Jacob H. Kalpakian, is the President and CEO of the Company. Furthermore, Bedo H. Kalpakian and Neil Spellman are directors of both the Company and Green Arrow.

Amounts payable to directors are for expenses incurred on behalf of the Company or for funds that have been lent to the Company and are payable on demand.

Effective as of July 1, 2005, the Company has a Management Services Agreement (the "Agreement") with Kalpakian Bros. of B.C. Ltd. ("Kalpakian Bros."), a private company. Kalpakian Bros. is owned by Bedo H. Kalpakian and Jacob H. Kalpakian, who are both directors and officers of LVFH. The Agreement has been renewed effective as of July 1, 2010 for a term of five years. Pursuant to an Addendum to the Agreement, the remuneration payable to Kalpakian Bros. has been increased from $30,000 to $33,000 plus applicable taxes per month effective as of January 1, 2011. Kalpakian Bros. is also entitled to reimbursement for all traveling and other expenses incurred by it in connection with performing its services. If the Agreement is terminated by the Company other than for just cause, or is terminated by Kalpakian Bros. for good reason, then Kalpakian Bros. is entitled to be paid the annual remuneration for the unexpired term of the Agreement and is also entitled to immediate vesting of all unvested stock options. Kalpakian Bros. may terminate the Agreement on giving four months' notice.

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

		June 30, 2014		**June 30, 2013**
An entity controlled by key management personnel	$	-	$	(165,305)
Key management personnel		-		(635,990)
Entities with common directors		57,714		(325,710)
	$	57,714	$	(1,127,005)

During the year ended December 31, 2012, the Company entered into two credit facilities with two directors, whereby the Company could have drawn-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 bore interest at 5% per annum and were due on demand. The Company drew down $300,000 from these two credit facilities. On April 1, 2014, the Company repaid the principal amounts totaling $300,000 plus $28,027 accrued interest to the two directors.

The amounts due to related parties do not bear interest.

	June 30, 2014	June 30, 2013
Rent charged by entities with common directors	$ 35,815	$ 47,938
Office and other expenses recovered from entities with common directors	$ 74,420	$ 49,424
Interest charged on amounts due to related parties	$ 3,699	$ 15,632

During the six months ended June 30, 2014, the Company has paid management fees totaling $198,000 to a company owned by two directors (June 30, 2013: $198,000).

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 $5,000 plus applicable taxes for certain office support services that shall be provided by the Company.

From May 1, 2013 up to July 1, 2014, the Company was charged by Green Arrow the amount of $6,268 per month for basic rent, operating costs and applicable taxes. Effective, August 1, 2014, the Company pays the amount of $7,769.25 per month for basic rent plus operating costs and applicable taxes to the Landlord, and charges 37 Capital and Green Arrow for their proportionate share.

Effective as of May 1, 2013, the Company has entered into an Agreement for Office Support Services with 37 Capital whereby 37 Capital is obligated to pay to the Company a monthly sum of $7,000 plus applicable taxes for certain office support services that shall be provided by the Company.

Financial Instruments and Risk Management

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash and cash equivalents are classified as financial asset at FVTPL; accounts receivable (excluding GST/HST receivables) and due from related parties, as loans and receivable; and accounts payable and accrued liabilities, loans from related parties and due to related parties, as other financial liabilities, which are measured at amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk, in respect of cash and cash equivalents, by purchasing highly liquid, short-term investment-grade securities held at a major Canadian financial institution in accordance with the Company's investment policy.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

		June 30, 2014		June 30, 2013
Bank accounts	$	629,345	$	-
Term deposits		-	$	-
	$	629,345	$	-

The Company is exposed to credit risk on its accounts receivable from licensees and online processors. In order to reduce its credit risk with its licensees, the Company reviews all new licensees' credit history before extending credit. The credit risk associated with amounts due from online processors has been assessed as low by management, as the Company has strong working relationships with all its online processors.

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

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At June 30, 2014, the Company has cash and cash equivalents of $629,345 (June 30, 2013: $nil) available to apply against short-term business requirements and current liabilities of $196,291 (June 30, 2013: $1,758,287). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of June 30, 2014. Amounts due to related parties and loans from related parties are due on demand.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

(i) Currency risk

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

The Company is not exposed to significant currency risk on its financial instruments as at June 30, 2014. The Company's reported earnings include gains/losses on foreign exchange.

At June 30, 2014, the Company is exposed to currency risk for its US dollar equivalent of financial assets and liabilities denominated in currencies other than US dollars as follows:

	Held in US dollars (stated in Canadian dollars)	
	June 30, 2014	**June 30, 2013**
Cash	$ 21,652	$ 872
Accounts receivable	-	324
Accounts payable	-	(720)
Net financial assets	$ 21,652	$ 476

Based upon the above net exposure as at June 30, 2014 and assuming all other variables remain constant, a 6% depreciation or appreciation of the US dollar relative to the Canadian dollar would result in a nominal change in the Company's net loss and comprehensive loss.

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash and cash equivalents is at nominal interest rates and therefore the Company does not consider interest rate risk to be significant.

(iii) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

Off-balance sheet arrangements

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

Significant Accounting Policies

The Condensed Interim Unaudited Financial Statements for the six months ended June 30, 2014 and 2013 have been prepared in accordance with IFRS.

All of the Company's significant accounting policies and estimates are included in Note 4 of the Company's condensed interim unaudited financial statements for the six months ended June 30, 2014 and 2013.

Capital Stock

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

Outstanding Share Data	Number of Common Shares	Number of Preferred Shares	Exercise($) Price per common share	Expiry Dates
Issued and Outstanding as at August 29, 2014	128,015,121	Nil	N/A	N/A
Warrants as at August 29, 2014	3,187,500 3,460,000 7,100,000 925,100 8,590,000 10,850,040 14,010,000 4,150,000 1,780,800 3,121,000 1,763,625 15,642,500 15,098,250 1,500,000 91,178,815	Nil	$0.80 $0.10 $0.10 $0.10 $0.10 $0.075/$0.10 $0.075/$0.10 $0.075/$0.10 $0.075/$0.10 $0.075/$0.10 $0.075/$0.10 $0.10/$0.10 $0.10./$0.10 $0.105	October 10, 2014 June 26, 2015 July 10, 2015 July 17, 2015 July 24, 2015 August 9, 2015 Oct 3, 2015 Oct 22, 2015 Nov 5, 2015 Nov 5, 2015 Nov 18, 2015 January 30, 2016 March 25, 2016 May 6, 2017
Compound Warrant is a unit comprising of a common share and a warrant. Each Compound Warrant is exercisable at $0.05. Each warrant is exercisable for a period of two years at $0.075 in year 1 and at $0.10 in year 2.	165,000 2,219,900 1,280,000 400,000 168,000 4,232,900	Nil	$0.05 $0.05/$0.05 $0.05/$0.05 $0.05/$0.05 $0.05/$0.05	July 24, 2015 August 9, 2015 Oct 3, 2015 Oct 22, 2015 Nov 5, 2015
Compound Warrant is a unit comprising of a common share and a warrant. Each Compound Warrant is exercisable at $0.065. Each warrant is exercisable for a period of two years at $0.075 in year 1 and at $0.10 in year 2.	312,100 154,838 466,938	Nil	$0.065/$0.065 $0.065/$0.065	Nov 5, 2015 Nov 18, 2015
Compound Warrant is a unit comprising of a common share and a warrant. Each Compound Warrant is exercisable at $0.08. Each warrant is exercisable for a period of two years at $0.10 per share.	1,280,000	Nil	$0.08/$0.08	March 25, 2016
Stock Options as at	3,750		$0.80	January 3, 2016

August 29, 2014	30,000 200,000 192,000 100,000 400,000 75,000 100,000 1,100,750	Nil	$0.10 $0.10 $0.10 $0.10 $0,10 $0.12 $0.11	February 1, 2015 August 8, 2016 August 26, 2016 January 16, 2016 March 24, 2017 April 2, 2016 May 5, 2016
Fully Diluted as at August 29, 2014	226,274,524	Nil		

Director Approval

The contents of this MD&A and the sending thereof to the Shareholders of the Company have been approved by the Company's Board of Directors.

Outlook

The proliferation of mobile devices is dramatically changing the consumer habits as more players look to mobile consumption. Analysts expect mobile gambling yield to rise 130% between 2011 and 2015, a key growth channel for the online gambling industry. Starting in 2013, LVFH began the development of its own HTML5 mobile game suite, allowing users to play directly on the web browser of smart phones and tablets. Texas Hold'em and popular casino table games were completed by the end of the first quarter of 2014. Sixteen slot games were completed by end of the second quarter based on a combination of existing game assets and game assets purchased from Badda Media. The creation of additional HTML5 mobile games, will be the main product development focus through to the end of 2014.

The Company has received strong interest from industry operators with its new mobile gaming platform, and recently completed several software licensing deals, including the partnership with Mondia Media. This deal enables the Company to offer its latest mobile games to customers of one of the leading telecommunication companies in Latin America, covering more than 70% of mobile subscribers in Mexico. The Company's management expects significant growth in the licensing side of the business in 2014 due to the Company's strong mobile offerings, and believes the Company is well positioned to reap benefits from real money gaming operations in Mexico through the official launch of Bingocrush.com.

LVFH will continue to grow the Greenplay.mx website launched on August 21, 2014 with its partners the Codere Group and the Salinas TV Azteca Group. The Greenplay.mx website will be improved continually over the next few months adding sports betting, bingo, poker and other gaming content.