Form 51-102F1

LAS VEGAS FROM HOME.COM ENTERTAINMENT INC.

Management's Discussion & Analysis
Audited Consolidated Financial Statements for the Year Ended December 31, 2009

The following discussion and analysis of the financial position and results of operations for Las Vegas From Home.com Entertainment Inc. (the "Company" or "LVFH") should be read in conjunction with the audited consolidated financial statements and the notes thereto for the years ended December 31, 2009 and 2008, and which are prepared in accordance with Canadian generally accepted accounting principles. The audited consolidated financial statements and notes thereto have been reviewed by the Company's Auditor. The following discussion and analysis ***has not been reviewed by the Company's Auditor****.*

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

The following information is prepared as at April 23, 2010.

Forward-Looking Statements

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

Description of Business

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

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

Selected Annual Information

Selected annual information from the audited consolidated financial statements for the three years ended December 31, 2009, 2008 and 2007 is shown in the following table:

	2009	2008	2007
Revenues	$ 766,524	$ 737,434	$ 1,568,732
Interest Income	55,165	104,235	304,305
Loss before other items	(2,825,779)	(3,214,822)	(4,326,242)
Loss per common share before other items	*(0.02)	*(0.03)	*(0.04)
Comprehensive Loss (1)	(2,784,121)	(3,079,510)	(3,988,276)
Basic and Diluted Loss per common share	*(0.02)	*(0.03)	*(0.04)
Total Assets	1,404,498	4,023,322	7,160,671
Long term financial obligations	Nil	Nil	Nil
Cash dividends	Nil	Nil	Nil

* Earnings (loss) per common share in the above table is based on the number of shares outstanding at year end, and not on the weighted average number of shares outstanding for the periods (Canadian GAAP) as shown in the audited Consolidated Statements of Operations for the years ended December 31, 2009, 2008 & 2007.

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

For the twelve month period ended December 31, 2009, the Company has recorded revenues of $766,524 (2008: $737,434) (2007: $1,568,732). Although the Company's licensing revenues declined to $316,524 during 2009 (2008: $737,343), the increase in revenues during 2009 is due to the fact that the Company sold a copy of its software and recorded a sales revenue of $450,000. Interest income was $55,165 (2008: $104,235) (2007: $304,305). The decrease in the interest income during 2009 was due to lower interest rates and a reduction in the Company's term deposits. The loss before other items was $(2,825,779) as compared to a loss in 2008 of $(3,214,822) as compared to a loss in 2007 of $(4,326,242) and, the basic and diluted loss per common share in 2009 was $(0.02) as compared to a basic and diluted loss per common share of $(0.03) in 2008 as compared to a basic and diluted loss per common share of $(0.04) in 2007. The Company's Operating Expenses during 2009 slightly decreased to $3,592,303 as compared to $3,952,256 in 2008 as compared to $5,894,974 in 2007. The items that mainly contributed to the decrease in the Company's Operating Expenses were Advertising and promotion, and Salaries and benefits.

The Company has never paid any cash dividends and has no plans to pay any cash dividends in the future. The weighted average number of common shares was 108,190,641 in 2009 as compared to 106,473,997 in 2008 as compared to 101,428,720 in 2007.

Results of Operations

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

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

During 2006, the Company incorporated MTV Ventures Inc. ("MTV"), a 100% wholly owned Antiguan subsidiary, which is in the business of marketing and licensing the Company's online Asian multi-player interactive card games software.

The principal revenues of MTV is from collecting licensing fees and royalties.

On November 10, 2006, the Company caused to incorporate MT Commerce Limited ("MT Commerce"), a United Kingdom corporation. MT Commerce is a 100% wholly-owned subsidiary of the Company. It is the Company's intention that MT Commerce Limited act as payment processor for the Company and its subsidiaries. Furthermore, the Company changed the name of its Cypriot subsidiary, APG Enterprises Ltd. to MTO Commerce Ltd.

On February 22, 2008, the Company caused to incorporate Blue Cactus Enterprises Inc. ("Blue Cactus"), a 100% wholly-owned Antiguan subsidiary. It is the Company's intention for Blue Cactus to act as a licensing and/or payment processing entity for the Company and its subsidiaries.

On January 5, 2009, the Company incorporated KT Communications Inc. ("KT Communications"), a 100% wholly-owned British Columbia subsidiary. It is the Company's intention for KT Communications to operate as a skill-based games site.

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

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

Although Management believes that the Internet gaming related activities of MTV, Blue Cactus and KT Communications will represent lawful business, there is the risk that the legality of the Internet gaming related activities of MTV, Blue Cactus and KT Communications may be challenged by Canadian or other legal authorities. If the legality of the Internet gaming related activities is challenged and the challenge is sustained, it may have a material adverse impact on the financial affairs of the Company.

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

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

The Company has entered into a sublease agreement with an arm's length third party on September 15, 2009 which has a term of two years and seven months, and which has commenced on October 1, 2009 in respect to approximately 4,817 square feet of office space. Current monthly payment for the sublease consists of $6,017 plus GST for rent and, $5,761 plus GST for the Company's proportionate share of the property taxes and operating expenses.

At the Annual General Meeting of the Company's shareholders which was held on June 16, 2009, the shareholders received the Audited Consolidated Financial Statements for the year ended December 31, 2008 and the Auditor's report thereon; fixed the number of Directors for the ensuing year at four; elected Bedo H. Kalpakian, Jacob H. Kalpakian, Neil Spellman and Gregory T. McFarlane as Directors of the Company; re-appointed the Company's Auditor, Smythe Ratcliffe, Chartered Accountants, for the ensuing year and authorized the Directors to fix the remuneration to be paid to the Auditor.

On December 28, 2007, the Company's wholly-owned subsidiary, MTV, signed a Software Licensing Agreement ("SLA") with a subsidiary of CY Foundation Group Limited ("CY Foundation") (HKSE:1182) to provide CY Foundation and its subsidiaries with LVFH's software gaming platform in the People's Republic of China ("PRC"). In addition to entering into an SLA to provide CY Foundation with the LVFH software for the entire PRC, the Company also entered into a Definitive Agreement with CY Foundation to pay CY Foundation $850,000 (paid on March 4, 2008) in order for CY Foundation to exclusively use the LVFH Software ("Exclusivity Rights") to operate certain online games (the "Selected LVFH Software") in the Henan Province and in the city of Beijing including its suburbs (the "Designated Territory"). To acquire the Exclusivity Rights for its software in the Designated Territory for $850,000, LVFH completed a private placement with Special Opportunity Limited ("SPO"). In February 2008, the Company issued to SPO 5,000,000 units at $0.17 per unit, each unit consisted of one common share of the Company and one warrant to buy one additional share of the Company at $0.25 until February 19, 2009. All the warrants issued to SPO expired unexercised on February 19, 2009.

Subsequently and by mutual consent, the Definitive Agreement was terminated for a consideration of $500,000 which was paid to the Company by CY Foundation, and the Company renegotiated and entered into a revised Software Licensing Agreement with CY Foundation. As a result of the cancellation of the Definitive Agreement and in consideration of CY Foundation advertising the Company's software in the People's Republic of China, the Company paid CY Foundation the amount of $350,000 for their services, which is expensed in the Company's 2008 advertising and promotion.

During the first quarter of 2008, Equipment and Software Development costs were increased by $850,000 which was the amount paid to CY Foundation for the Exclusivity Rights. However, during the second quarter of 2008 the amount was reversed as a result of the termination of the Exclusivity Rights.

As of December 31, 2009, the Company's Canadian operations employed 26 people (December 31, 2008: 28) consisting of staff and management.

During 2008, in keeping with Management's commitment to support worthwhile causes the Company made a donation in the amount of $5,000 to the Zajac Ranch for Children. The Zajac Ranch is a camp dedicated to "raising the spirits" of children with life threatening, chronic illnesses or disabilities and the Zajac Ranch project is spear headed by the Zajac Foundation, a non-profit organization registered as a charitable institution with the Government of Canada.

Revenues

For the twelve month period ended December 31, 2009, the Company has recorded licensing revenues of $316,524 (December 31, 2008: $737,434), and sales revenues of $450,000 (December 31, 2008: $0).

Expenses

For the year ended December 31, 2009, operating expenses were $3,592,303 as compared to $3,952,256 for the year ended December 31, 2008. The Operating Expenses during 2009 were lower than the previous corresponding year mainly due to the Company downsizing its operations as a result of the global economic conditions. The items which mainly contributed to the decrease in Operating Expenses during 2009 were Advertising and promotion, and Salaries and benefits.

Interest Income

For the twelve month period ended December 31, 2009, the Company had interest income in the amount of $55,165 as compared to $104,235 during the corresponding period in 2008. The decrease in interest income during 2009 was due to lower interest rates and the reduction in the Company's term deposits.

Net Loss

During the year ended December 31, 2009, the Company had a net loss of $(2,774,021) or $(0.03) per share (weighted average) as compared to $(3,079,510) or $(0.03) per share (weighted average) in the same period in 2008. During the year ended December 31, 2009, the Company's weighted average number of common shares was 108,190,641 as compared to 106,473,997 for the same period in 2008.

Liquidity and Capital Resources

As at December 31, 2009, the Company's total assets were $1,404,498 as compared to $4,023,322 for the corresponding period in 2008. The Company's total liabilities were $160,360 as compared to $149,209 at December 31, 2008. The Company has not paid any cash dividends and does not plan to pay any cash dividends in the future. As at December 31, 2009 the Company has no long-term debt.

As at December 31, 2009, the Company's cash and cash equivalents were $851,006 as compared to $3,373,352 at December 31, 2008.

As at December 31, 2009, the Company's accounts receivable was $31,600 as compared to $22,826 at December 31, 2008. Due from related parties at December 31, 2009 was $4,534 as compared to $3,150 at December 31, 2008. Prepaids and lease deposits at December 31, 2009 were $17,982 as compared to $7,384 at December 31, 2008, and lease deposit at December 31, 2009 was $23,557 as compared to $4,619 at December 31, 2008.

Operating Activities

During the period ended December 31, 2009 the Company used $2,573,320 of cash as compared to $2,418,686 of cash from operating activities in the corresponding period of 2008.

Financing Activities

During the twelve months ended December 31, 2009, cash provided by financing activities was $150,000 as compared to $9,200 for the twelve months ended December 31, 2008.

Investing Activities

The Company used $97,749 as compared to $23,693 for investing activities during the twelve months ended December 31, 2008.

Working Capital

For the year ended December 31, 2009, the Company had a working capital of $817,962 as compared to $3,257,503 for the same period in 2008.

Capitalization

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

The Company has incurred significant operating losses over the past two fiscal years (2009: $2,774,021; 2008: $3,079,510), has a deficit of $33,213,629 (2008: $30,439,608), 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 2010, the Company intends to seek equity financings through private placements and/or public offerings. While the Company does not give any assurances whatsoever that it will be successful in securing equity financings in order to conduct its operations uninterruptedly, it is the Company's intention to pursue these methods for future funding of the Company.

As at December 31, 2009, the Company's total number of issued and outstanding common shares was 117,149,545 as compared to 107,149,545 as at December 31, 2008.

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

During the year ended December 31, 2008, the Company completed the private placement entered into with Special Opportunity Ltd. ("SPO"), a foreign investment holding company, and issued 5,000,000 units at the purchase price of $0.17 per unit for total proceeds to the Company of $850,000. Each unit consisted of one common share and one non-transferable share purchase warrant to purchase an additional common share of the Company at the price of $0.25 per common share until February 19, 2009. The fair value attached to these warrants was $50,000. During 2009, the warrants expired and the fair value of $50,000 was reclassified to contributed surplus.

Proceeds received by the Company from all financings, with the exception of the $850,000 received from SPO in 2008, are being utilized for general working capital purposes. The $850,000 received from SPO was used to acquire the Exclusivity Rights from CY Foundation. Subsequently and by mutual consent, the Definitive Agreement was terminated for a consideration of $500,000 which was paid to the Company by CY Foundation (See Results of Operations). This $500,000 has been utilized by the Company for general working capital purposes.

During 2004, the Company's shareholders adopted and approved the Company's 2004 Stock Option Plan (the "2004 Plan"). The 2004 Plan, which has received the approval of the TSX.V, reserved 11,290,154 common shares for issuance representing 20% of the Company's issued and outstanding common shares on April 12, 2004. At the Annual and Special General Meeting of the Company's shareholders, which was held on June 30, 2005, the shareholders approved the amendment to the Company's 2004 Plan by increasing the maximum number of common shares that may be reserved for issuance pursuant to the Stock Option Plan to 15,866,936 common shares (the "Company's Amended 2004 Stock Option Plan"). Pursuant to the Company's Amended 2004 Stock Option Plan which has received TSX.V approval, the Company grants stock options to employees, directors, officers and consultants. As at December 31, 2009, there are 10,455,094 stock options available for granting. The number available for granting is based on the difference between the reserved number of options for issuance (15,866,936) less outstanding stock options at December 31, 2009 (2,192,500) less the number of stock options exercised since May 12, 2005 up to and including December 31, 2009 (3,219,342); (therefore 15,866,936 – 2,192,500 – 3,219,342 = 10,455,094 available for granting as at December 31, 2009).

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

During the year ended December 31, 2009, there were 2,192,500 stock options outstanding with a weighted average exercise price of $0.15 per share. Subsequently, a total of 350,000 stock options expired unexercised.

As at December 31, 2008, there were 10,328,750 stock options outstanding with a weighted average exercise price of $0.12 per share. Subsequent to December 31, 2008 a total of 180,000 stock options with exercise prices ranging from $0.10 to $0.12 per share were cancelled on February 24, 2009.

During the year ended December 31, 2008, the Company issued 78,750 common shares of the Company to employees as a result of exercising stock options at prices ranging from $0.10 to $0.12 per common share for total proceeds to the Company of $9,200.

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

Summary of Quarterly Results

The following are the results for the eight most recent quarterly periods, starting with the three month quarterly period ended December 31, 2009:

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

For the Quarterly Periods ended		**December 31, 2008**	**September 30, 2008**	**June 30, 2008**	**March 31, 2008**
Total Revenues	$	165,798	137,190	235,298	199,148
Loss before other items		(827,606)	(657,702)	(1,045,263)	(684,251)
Loss per common share before other items		(0.01)	(0.01)	(0.01)	(0.01)
Net loss for the period		(776,583)	(641,135)	(1,030,089)	(631,703)
Basic net earnings/ (loss) per common share		(0.01)	(0.01)	(0.01)	(0.01)

Note: Gain (loss) per common share calculations in the above tables are based on the number of shares outstanding for the periods, and not on the weighted average number of shares outstanding (Canadian GAAP) as shown in the Consolidated Statements of Operations for the above mentioned periods.

Fourth Quarterly Results (December 31, 2009)

During the three months [fourth quarter] period ended December 31, 2009:-

- The Company had a net loss of $(758,787) or $(0.01) per share as compared to a net loss of $(776,583) or $(0.01) per share in the same three months [fourth quarter] period of 2008.

- The Company's total revenues were $56,123 as compared to total revenues of $165,798 in the same three months [fourth quarter] period of 2008.

- The Company's total operating expenses were $825,902 as compared to total operating expenses of $993,404 in the same three months [fourth quarter] period of 2008.

Risks related to our Business

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

General legislative risk

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

Competition

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

Internet and system infrastructure viability

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

Reliance on key personnel

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

Customer concentration

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

Payment processing

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

Foreign exchange rates

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

Share price volatility and liquidity

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

Growth management

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

Dilution

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

Revenues and Dividends

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

Related Party Transactions

The Company shares office space and certain expenses with Kokomo Enterprises Inc. (formerly Zab Resources Inc.) ("Kokomo") and 99 Capital Corporation ("99 Capital"), companies related by certain common officers and directors. Rent for the office premises is paid by the Company. Kokomo and 99 Capital are charged for their proportionate share of office rent and office services provided by the Company. Effective January 1, 2008, First Lithium Resources Inc. ("FLRI") and Colt Resources Inc. ("CRI"), companies that were formerly related to the Company by certain common officers and directors, have relocated offices and terminated the services previously provided by the Company. Effective December 1, 2009, Touchdown Resources Inc. ("TDCI"), a company related by certain common directors and officers, has relocated and has terminated the services previously provided by the Company.

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

99 Capital is related to the Company by virtue of the fact that 99 Capital's President and CEO, namely Jacob H. Kalpakian, is the President and CEO of the Company, and the Chairman and CFO of 99 Capital namely, Bedo H. Kalpakian, is the Chairman and CFO of the Company.

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

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

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

For the twelve months ended December 31, 2009, Kalpakian Bros. of B.C. Ltd. ("Kalpakian Bros.") was paid $360,000 (December 31, 2008: $360,000). The principals of Kalpakian Bros. are Bedo H. Kalpakian and Jacob H. Kalpakian, both Company directors and officers. Pursuant to a Management Services Agreement (the "Agreement") effective July 1, 2005, the remuneration payable to Kalpakian Bros. is $30,000 plus GST per month. Kalpakian Bros. is also entitled to reimbursement for all traveling and other expenses incurred by it in connection with performing its services. The term of the Agreement is for five years and the term automatically extends for additional one-year periods on each anniversary date of the Agreement, unless the Company, not less than 180 days prior to any such anniversary, gives written notice to Kalpakian Bros. that it does not wish to further extend the Agreement. If the Agreement is terminated by the Company other than for just cause, or is terminated by Kalpakian Bros. for good reason, then Kalpakian Bros. is entitled to be paid the annual remuneration for the unexpired term of the Agreement and is also entitled to immediate vesting of all unvested stock options. Kalpakian Bros. may terminate the Agreement on giving four months notice.

As of December 31, 2009, a total amount of $4,534 (December 31, 2008: $3,150) is due from related parties which consists of the following:

	2009	**2008**
Receivable from 99 Capital		
Rent charged by LVFH	$315	$ 0
Office expenses charged by LVFH	1,260	0
Other expenses paid by LVFH on behalf of 99 Capital	83	0
	1,658	0
Receivable from Touchdown		
Rent charged by LVFH	0	315
Office expenses charged by LVFH	0	1,260
	0	1,575
Receivable from Kokomo		
Rent charged by LVFH	315	315
Office expenses charged by LVFH	1,260	1,260

Other expenses paid by LVFH on behalf of Kokomo	41	0
	1,616	1,575
Receivable from CRI		
Office expenses charged by LVFH	1,260	0
Receivable from related parties	$ 4,534	$ 3,150

As at December 31, 2009, the following amounts were charged by the Company:

The Company charged Kokomo for:
(a) rent of $3,600 (2008 - $3,600);
(b) office expenses of $14,400 (2008 - $14,400); and
(c) other expenses paid on behalf of Kokomo of $1,247 (2008 - $2,563).

The Company charged CRI for:
(d) office expenses of $1,200 (2008 - $nil);
(e) other expenses paid on behalf of CRI of $417 (2008 - $144).

The Company charged 99 Capital for:
(f) rent of $450 (2008 - $nil);
(g) office expenses of $1,800 (2008 - $nil); and
(h) other expenses paid on behalf of 99 Capital of $113 (2008 - $nil).

The Company charged Touchdown for:
(i) rent of $3,300 (2008 - $3,600);
(j) office expenses of $13,200 (2008 - $14,400); and
(k) other expenses paid on behalf of Touchdown of $206 (2008 - $45).

As at December 31, 2009, the following amounts were paid to related parties:

Kokomo charged the Company for:
(a) certain expenses paid by Kokomo on behalf of LVFH of $2,575 (2008 - 3,950).

In connection with the non-brokered private placement financing which the Company completed during the year ended December 31, 2009 (see Capitalization on page 6 of this MD&A), an aggregate of 2,417,668 common shares in the capital of the Company were subscribed for by the family of two directors of the Company. In addition, an aggregate of 1,060,000 common shares in the capital of the Company were subscribed for by a director and an officer of the Company. All the securities issued pursuant to this private placement financing had a hold period which expired on March 24, 2010.

Financial Instruments

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

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

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

(a) Credit risk

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

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

	2009	2008
Bank accounts	$ 51,006	$ 100,747
Term deposits	800,000	3,272,605
Balance	$ 851,006	$ 3,373,352

The Company is not exposed to significant credit risk.

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

(b) Liquidity risk

Liquidity risk is the risk the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company maintains substantially sufficient cash and cash equivalents at December 31, 2009 in the amount of $851,006 (2008 - $3,373,352) in order to meet short-term business requirements. At December 31, 2009, the Company had accounts payable excluding accrued liabilities of $90,360 (2008 - $74,209), which are due within 30 days.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company's cash and cash equivalents consists of cash held in bank accounts and term deposits that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2009. Future cash flows from interest income on cash and cash equivalents will be affected by interest rate fluctuations. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. The Company's sensitivity analysis suggests that a 1% change in interest rates would not have a significant effect on the Company.

(ii) Foreign 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 at year end. The Company's reported earnings include gain/losses on foreign exchange, largely reflecting revaluation of its foreign operations. The future foreign exchange gain or loss would change based on the level of foreign operating activities.

(iii) Other price risk

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

Off-balance sheet arrangements

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

Significant Accounting Policies

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

Disclosure over Internal Controls

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

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

International Financial Reporting Standards ("IFRS")

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

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

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

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

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

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

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

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

Financial Instruments – The Company's current financial instruments are simple and require no analysis.

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

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

Income Taxes – Analysis of IFRS requirements will be done when the new standards become available. With no anticipated contentious issues regarding the tax value of assets or non-capital losses carried forward, no complications are anticipated.

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

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

Capital Stock

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

Outstanding Share Data	Number of Common Shares	Number of Preferred Shares	Exercise($) Price per common share	Expiry Dates
Issued and Outstanding as at April 23, 2010	117,149,545	Nil	N/A	N/A
Stock Options as at April 23, 2010	1,842,500	Nil	$0.10 to $0.205	July 9/2010 – Oct 1/2011
Fully Diluted as at April 23, 2010	118,992,045	Nil		

Outlook

The Company shall primarily focus its operations in the Asian Market. The Company shall concentrate its efforts on developing new games and licensing the Company's Asian Multiplayer Software Platform to third parties.