



**August 26, 2011**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **OVERVIEW**

Fireswirl Technologies Inc. (TSX Venture: FSW; [the Company]) was founded in 1999 and operated as a software development and project management company specializing in payment platforms and online gaming software for the internet. In 2006, the Company became a publically listed company through a reverse takeover and a \$3.2 million equity financing accompanying its qualifying transaction.

In 2007, the Company formed its first wholly owned subsidiary in China to explore the rapidly emerging market. The Company has since increased its business presence in the country gradually.

In 2009, the Company successfully completed its acquisition of 50% (i) 1 -39 3 (f0 0(i) 1 (s) -u) -3 .

## **SUMMARY OF FINANCIAL RESULTS**

### **Key Financial Events**

- Total



## **QUARTERLY RESULTS**

### **Comparison of the three and six month period ended June 30, 2011 and June 30, 2010**

#### **Revenue**

The Company reported total operating revenue of \$5,001,975 and \$

## **Cost of Good Sold**

Previously, cost of goods sold was presented as a separate line item under GAAP which







**Related Party Transactions**

During the six months of 2011, the Company paid \$89,315 (same period in 2010: \$129,662) in salaries to its management. The decrease is due to company restructuring and eliminating the position of Chief Operating Officer. Also, the Company paid \$31,500 (same period in

Additionally, under IFRS, non-controlling interest in the consolidated balance sheet is classified as equity and is presented separately from equity attributable to equity holders of the Company.

Previously, Canadian GAAP did not provide the same level of specificity of expense analysis. IFRS

Advertising and service fees are recognized when the service is performed, there are no significant obligations remaining, the sales price is determinable and collectability is reasonably assured.

## **Financial Instruments and Other Instruments**

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