

OVERVIEW

Fireswirl was founded in 1999 and operated as a software development and project management company specializing in payment platforms for the internet. In 2004, the Company began licensing (in eligible jurisdictions) the “Fireswirl Poker Suite”. Fireswirl in its entirety has never operated a wagering website or processed any

company's VAT account status in China in preparation for bundling value-added services with handsets.

Three months ended		Six months ended	
June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008

Salaries and Benefits

Salaries and benefits expenses decreased by 50% and 52% to \$128,062 and \$251,140 for the three and six months ended June 30, 2009 compared to \$255,124 and \$521,031 during the same periods of 2008. The decrease in salary expenditures is due to overall staff reduction in North

Stock Based Compensation

Stock based compensation expense decreased by 94% and 86% to \$2,000 and \$23,146 for the three and six months ended June 30, 2009 compared to \$32,587 and \$168,799 during the same

The following new accounting standards will be adopted January 1, 2008: Financial Instruments – Disclosures, Financial Instruments – Presentation and Capital Disclosures. These standards will require the Company to provide additional disclosures relating to its financial instruments, including hedging instruments, and about its equity.

It is not anticipated that the adoption of these new accounting standards will impact the amounts in the Company financial statements as they primarily related to disclosure.

CRITICAL ACCOUNTING ESTIMATES

The following table summarizes the critical accounting estimates used in the preparation of the financial statements:

Allowance for Doubtful Accounts
The Company charges bad debts against the allowance for doubtful accounts based on an analysis of the aging of accounts receivable and the historical experience of the Company.

