



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the three months ended March 31, 2009 and 2008**



## **OVERVIEW**

Fireswirl was founded in 1999 and operated as a so

The total acquisition cost in Tysen was \$509,038 consisting of \$376,068 of purchase consideration, \$48,440 of legal fees associated with the deal, and \$84,530 as part of a contingent consideration.

From the acquisition of 21% of the shares, FSZL is entitled to nominate two out of the three board members and 30% of Tysen's earnings until December 31, 2009. FSZL has an option to acquire a further 30% of Tysen's share prior the end of 2011 at a consideration equal to price earning (Tysen's after tax earnings in 2010) ratio of 5.

The terms of the contract with Tysen requires an additional cash payment on some specified future event. The accounting for contingent consideration is contained in the CICA Handbook

**RESULTS OF OPERATIONS**  
**SELECTED QUARTERLY FINANCIAL DATA**

The following table sets out selected unaudited









In the first quarter of 2009, salaries and severance expense included \$69,209 of salary paid to management or officers, and general administration expenses included \$2,000 of director fees and \$15,000 of consulting fees paid to a director of the Company in the normal course of business.

## **CRITICAL ACCOUNTING POLICIES**

Critical accounting policies and methods used in preparation of the Company's financial statements are described in Note 2 of consolidated financial statements of the Company for the year ended March 31, 2009. The Company has not affected any changes to its significant accounting policies during the three months ended March 31, 2009 except as follows:

### **Financial Instruments, Comprehensive Income and Hedges**

On January 1, 2007 the Company adopted the new CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement" Section 1530, "Comprehensive Income", and



As at March 31, 2009 the Company has not entered into any off balance sheet arrangements.

**Financial Instruments and Other Instruments**

The Company's financial instruments consists of cash, short term investments, accounts

