





***FIRESWIRL TECHNOLOGIES INC.***

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***FIRESWIRL TECHNOLOGIES INC.***





# FIRESWIRL TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements September 30, 2007

## Note 7 Related Party Transactions

|                                | Three months ended |                | Nine months ended |                                  |
|--------------------------------|--------------------|----------------|-------------------|----------------------------------|
|                                | Sep 30<br>2007     | Sep 30<br>2006 | Sep 30<br>2007    | Sep 30<br>2006                   |
| Expenses:                      |                    |                |                   |                                  |
| Salaries                       | \$ 67,500          | \$ 24,000      | \$ 178,615        | \$ 104,000                       |
| General administration         |                    |                | 32,500            | 7,815                            |
|                                | \$ 67,500          | \$ 24,000      | \$ 211,115        | \$ 111,815                       |
| Other item:                    |                    |                |                   |                                  |
| Research and development costs | \$ 40,500          | \$ -           | \$ 151,616        | \$ N .3.1(mbe\$ 30, -43)-11(\$1) |

**FIRESWIRL TECHNOLOGIES INC.**

*Notes to the Consolidated Financial Statements September 30, 2007*

**Note 9 Financial Instruments**

Credit risk

Currency risk

## **FIRESWIRL TECHNOLOGIES INC.**

*Notes to the Consolidated Financial Statements September 30, 2007*

### **Note 10 Commitments and Contingencies (continued)**

d) The Company's wholly owned subsidiary Fireswirl Asia Limited (the Company) has entered into a purchase and service agreement to acquire a 3G Video Portal Service Platform to be deployed in Macau with testing and installation scheduled for completion in November 2007. The platform allows interactive video content to be deployed by mobile phone carriers to users who are then charged fees based on their usage. It supports video streaming with interactivity that enables users to view and respond instantly to content through their 3G (third generation) mobile phones.

The turnkey price (including maintenance) is about \$310,000, plus a revenue sharing arrangement whereby the Company will receive 80% and the supplier will receive 20% of network revenues after the Company recovers 100% of its initial purchase price and related start up costs. 50% of the purchase price in the form of deposit was made so far with balance due some time in November 2007.