

**MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS AS AT MAY 18, 2007.**

The following Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with Fireswirl Technologies Inc. (“Fireswirl” or the “Company”) audited consolidated financial statements and the accompanying notes for the year ended December 31, 2006, which have been prepared in accordance with Canadian Generally Accepted Accounting Principles (“Canada

Diluted loss per share was (\$0.02) for the three months ended March 31, 2007

Stock Based Compensation

Stock based compensation increased to \$161,807 for the three months ended March 31, 2007. There is no comparative expense for the same period of 2006. Stock based compensation expense relates to the amortization of the fair value of stock options granted to employees, directors and consultants. Expenses are amortized over the vesting period of options by using the Black-Scholes option pricing model to calculate the stock options expenses.

Software Development Costs

Software Development costs of \$245,456 for the quarter ended March 31, 2007 were capitalized and deferred to future periods. There is no comparative capitalization for the same period of 2006. The company capitalized development costs in relation to re-branding of the new software platform of the poker/casino suite, SMILES mobile lottery, and SMS translator. As the software development project-2(on of)3.0still-2(on n pr)3(og)10(r)3(e)4(s)-11(s)-

Contractual Obligations

•

values, except as noted below. It is management's opinion that the company is not exposed to significant interest risks. The Company's credit risk lies in its accounts

these systems are sufficient to execute the business plan and provide meaningful