

FIRESWIRL TECHNOLOGIES INC.

**MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL
CONDITION AND RESULTS OF OPERATIONS, FOR THE THREE AND NINE
MONTH PERIODS ENDED SEPTEMBER 30, 2006 AND SEPTEMBER 30, 2005**

As at November 23, 2006

The following Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) for the nine-month period ending September 30, 2006, should be read in conjunction with Fire

modes. Fireswirl's target market includes

graphics, web design, software implementation services, software licensing fees and the

Foreign Exchange

The company operates internationally with its revenue mainly generated from non Canadian sources. Under the Company's licensing agreements, the majority of the Company's revenue is foreign is exposed to currency fluctuations, which results in a net gain of \$2.8 million in 2006 compared to a net loss of \$1.2 million in 2005.

Accounts receivable associated with the companies refocus on its product markets. There are no comparable expenses for the same period of 2005.

Software Development Costs

The company capitalized development cost

