Condensed Interim Consolidated Financial Statements of

FIRESWIRL TECHNOLOGIES INC.

For the Three months ended March 31, 2014 and 2013

(Unaudited)

FIRESWIRL TECHNOLOGIES INC.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	March 31, 2014	December 31, 2013
ASSETS			
Current assets			
Cash and cash equivalents		$ 470,284	$ 364,988
Restricted cash	4	360,328	817,399
Amounts receivable	5	503,689	1,136,163
GST/VAT recoverable		14,115	65,532
Deposits and prepayments		3,478,143	2,689,224
Inventory	6	3,748,518	3,617,629
		8,575,077	8,690,935
Property and equipment	7	151,656	156,204
Trademark		19,176	19,176
Goodwill	8	306,926	306,926
TOTAL ASSETS		$ 9,052,835	$ 9,173,241
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	$ 1,301,174	$ 1,337,525
Taxes payable		2,539	11,294
Loans from shareholders	13	958,531	720,699
Short term loan	11	4,058,214	5,610,160
Total Current Liabilities		6,320,458	7,679,678
TOTAL LIABILITIES		6,320,458	7,679,678
SHAREHOLDERS' EQUITY			
Common shares	12	8,184,144	7,684,277
Share-based payments reserve - warrants	12	2,716,707	2,606,979
Share-based payments reserve - options	12	714,003	714,003
Contribution surplus	9	614,150	155,400
Accumulated other comprehensive Income		264,478	262,183
Accumulated deficit	1	(10,764,048)	(10,493,221)
Total equity attributable to equity holders of company		1,729,434	929,621
Non-controlling interest	9	1,002,943	563,942
TOTAL EQUITY		2,732,377	1,493,563
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 9,052,835	$ 9,173,241

See accompanying notes to the consolidated financial statements.

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 16)
Subsequent events (Note 19)

On behalf of the Board:

"Tony Lau" ***"Ji Yoon"***

Tony Lau
CEO

Ji Yoon
Interim CFO

FIRESWIRL TECHNOLOGIES INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Three months ended March 31, 2014	March 31, 2013
Operating revenues			
Sales revenue	3	9,277,366	8,824,527
Service revenue	3	859,896	761,267
Total operating revenues		10,137,262	9,585,794
Operating expenses			
Purchases	6	8,372,131	8,146,566
Delivery charges		107,297	120,691
Technical service charges		534,174	287,209
Other related expense		32,056	188,875
Foreign Exchange (gain)/loss		4,829	10,004
Depreciation and amortization	7	21,507	38,929
Sales and marketing		47,643	39,225
General administration		283,997	213,347
Salaries and benefits		875,552	598,007
Total operating expenses		10,279,186	9,642,853
Operating Loss		(141,923)	(57,059)
Finance income		4,310	2,832
Finance costs	11	(140,461)	(17,158)
Loss before income tax		(278,074)	(71,385)
Income tax expenses		(2,569)	(2,762)
Net loss for the period		(280,643)	(74,147)
Other comprehensive income/(loss)			
Foreign exchange currency adjustment		(7,638)	39,530
Net comprehensive loss		(288,281)	(34,617)
Net income/(loss) attributable to:			
Common shares		(270,827)	(75,378)
Non-controlling interest	9	(9,816)	1,231
		(280,643)	(74,147)
Comprehensive income/(loss) attributable to:			
Common shares		(268,532)	(42,498)
Non-controlling interest	9	(19,749)	7,881
		(288,281)	(34,617)
Loss per share			
Basic and diluted		(0.01)	(0.00)
Diluted		(0.01)	(0.00)
Comprehensive loss per common share			
Basic and diluted		(0.01)	(0.00)
Diluted		(0.01)	(0.00)
Weighted average number of common shares		53,282,396	45,571,285

See accompanying notes to the consolidated financial statements.

FIRESWIRL TECHNOLOGIES INC.

Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Share-based payments reserve - Warrants	Share-based payments reserve - Options	Contribution surplus	Other comprehensive income	Accumulated deficit	Total	Non-controlling interest	Total shareholders' equity
Balance at January 1, 2012	44,641,285	6,695,007	2,752,081	738,948	-	223,382	(9,160,633)	1,248,785	391,100	1,639,885
Net Income/(Loss) for the period							(750,398)	(750,398)	56,296	(694,102)
Compensation expense related to stock options				76,885				76,885		76,885
Contribution by sharholders (Note 9)					155,400			155,400	155,400	310,800
Warrants exercised	900,000	313,048	(142,047)	-				171,001		171,001
Option exercised	30,000	2,700	-	(1,200)				1,500		1,500
Option expired	-	6,280	-	(6,280)				-		-
Share issuance costs		3,055	(3,055)					-		-
Foreign currency translation difference						(101,565)		(101,565)	(86,264)	(187,829)
Balance at December 31, 2012	45,571,285	7,020,090	2,606,979	808,353	155,400	121,817	(9,911,031)	801,608	516,532	1,318,140
Net Income/(Loss) for the period							(75,378)	(75,378)	1,231	(74,147)
Option expired		88,350		(88,350)				-		-
Foreign currency translation difference						32,879		32,879	6,650	39,530
Balance at March 31, 2013	45,571,285	7,108,440	2,606,979	720,003	155,400	154,696	(9,986,409)	759,109	524,413	1,283,522
Net Income/(Loss) for the period							(506,812)	(506,812)	15,307	(491,505)
Option expired		6,000		(6,000)				-		-
Issuance of shares	4,500,000	585,000						585,000		585,000
Share issuance costs		(15,163)						(15,163)		(15,163)
Foreign currency translation difference						107,487		107,487	24,222	131,709
Balance at December 31, 2013	50,071,285	7,684,277	2,606,979	714,003	155,400	262,183	(10,493,221)	929,621	563,942	1,493,563
Net Income/(Loss) for the period							(270,827)	(270,827)	(9,816)	(280,643)
Contribution by sharholders (Note 9)					458,750			458,750	458,750	917,500
Warrants exercised								-		-
Option exercised								-		-
Option expired								-		-
Issuance of shares	3,400,000	570,272	109,728					680,000		680,000
Share issuance costs		(70,405)						(70,405)		(70,405)
Foreign currency translation difference						2,295		2,295	(9,933)	(7,638)
Balance at March 31, 2014	53,471,285	8,184,144	2,716,707	714,003	614,150	264,478	(10,764,048)	1,729,434	1,002,943	2,732,377

See accompanying notes to the consolidated financial statements.

FIRESWIRL TECHNOLOGIES INC.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Three months ended March 31, 2014	March 31, 2013
OPERATING ACTIVITIES		
Loss for the period	$ (280,643)	$ (74,147)
Income tax expenses	2,569	2,762
Loss before income tax	$ (278,074)	$ (71,385)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortization	21,507	38,929
Finance income	(4,310)	(2,832)
Finance costs	140,461	17,158
Changes in non-cash working capital items:		
Amounts receivable	656,954	679,152
GST/VAT recoverable	52,991	5,679
Deposits and prepayments	(778,967)	(3,867,939)
Inventory	(89,128)	(271,409)
Accounts payable and accrued liabilities	(36,715)	902,248
Loan from shareholders	242,016	2,560,758
	(73,266)	(9,641)
Interest received	4,310	2,832
Interest paid	(151,434)	(17,158)
Income taxes paid	(1,876)	(2,762)
	(222,266)	(26,729)
INVESTING ACTIVITIES		
Acquisition of property and equipment	(14,964)	(14,211)
	(14,964)	(14,211)
FINANCING ACTIVITIES		
Proceeds from short term loan	-	2,552,193
Repayment of short term loan	(1,646,317)	(2,217,738)
Change in restricted cash	466,300	(538,450)
Advance from related party	904,000	-
Shares issued for cash	609,595	
Shares issued for warrants/options exercised	-	-
	333,578	(203,995)
Increase in cash during the year	96,349	(244,935)
Effect of foreign exchange	8,947	44,145
Cash and cash equivalents, beginning of the year	364,988	594,921
Cash and cash equivalents, end of the year	$ 470,284	$ 394,131

See accompanying notes to the consolidated financial statements.

Note 1- Nature and Continuance of Operations

Fireswirl Technologies Inc. ("the Company") was founded in 1999 and became publicly listed in 2006. The address of the Company's registered office is Suite 2823, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia. The Company focuses on conducting e-commerce, including operating official online stores for international brands in China and reselling branded products on these online stores and technology development and deployment.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the balance sheet classifications used.

Several adverse conditions cast doubt on the validity of this assumption. The Company reported a loss attributable to common shares of $280,643 for the period ended March 31, 2014 compared to a loss attributable to common shares of $74,147 for the same period of 2013, and experienced negative operating cash flows which were primarily funded by private placement proceeds and borrowing of short term loans.

The continuation of the Company as a going concern is dependent upon its ability to renew its existing short term loans, raise additional financing and ultimately attain and maintain profitable operations. To the extent the Company is unable to cover its ongoing cash requirements through operations; the Company expects to raise additional equity financing to cover any shortfall. There can be no assurance that such financing and profitability will occur in the amounts and with terms expected. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying value and classification of assets and liabilities should the Company be unable to continue as a going concern.

In the event that cash flow from operations, if any, together with the proceeds of any future financings, are insufficient to meet the Company's current operating expenses, the Company will be required to re-evaluate its planned expenditures and allocate its total resources in such a manner as the Board of Directors and management deems to be in the Company's best interest. There is material uncertainty that the Company will be able to achieve profitable operations or continue raising funds in the future. These factors raise significant doubt about the Company's ability to continue as a going concern.

As at March 31, the Company reported the following:

		March 31, 2014		December 31, 2013		March 31, 2013
Deficit	$	(10,764,048)	$	(10,493,221)	$	(9,986,409)
Working Capital		2,254,619		1,011,257		747,275

Note 2 - Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Statement of Compliance

These condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ISA 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). The condensed interim consolidated financial statements do not include all the information required for complete financial statements under IFRS, including the notes, and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2013.

The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2013, except for the application of the following new interpretation and amendments to existing IFRSs, which were effective January 1, 2014:

• IFRIC 21 – *Levies* ("IFRIC 21"), an interpretation of IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37"), clarifies that the obligating event, as defined by IAS 37, that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Company has applied IFRIC 21 on a retrospective basis in compliance with the transitional requirements of IFRIC 21. The application of IFRIC 21 did not result in an adjustment to the Company's unaudited condensed interim consolidated financial statements.

• Certain amendments to IFRSs as issued by the IASB. These amendments did not have a significant impact on the Company's unaudited condensed interim consolidated financial statements.

The Company's interim results are not necessarily indicative of its results for a full year.

The unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 27, 2014.

b) Basis of Presentation

The Company's financial year corresponds to the calendar year. The unaudited condensed interim consolidated financial statements are prepared in Canadian dollars.

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries and associates as follows:

Name	Place of incorporation	Ownership
Fireswirl Systems Inc.	Province of British Columbia, Canada	100%
Fireswirl Asia Ltd.	Hong Kong, China	100%
Fireswirl Mobile Solutions Ltd.	Hong Kong, China	100%
M- Lingo Limited	British Virgin Island	51%
SMS Translators Limited	British Virgin Island	51%
Fireswirl Technologies (Shenzhen) Co.Ltd.	Shenzhen, China	100%
Fireswirl Technologies (Beijing) Co. Ltd.	Beijing, China	100%
Beijing Xingchang Xinda Technology Development Co., Ltd*	Beijing, China	50%

* The Company has control over Beijing Xingchang Xinda Technology Development Co., Ltd. ("XCXD") because it has 51% voting right in XCXD.

All significant inter-company transactions and balances have been eliminated upon consolidation.

c) Critical accounting estimates and judgments

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the application of the Company's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.
Critical estimates in applying accounting policies

i) Sales allowances and returns

Sales allowances for customer promotions, discounts and returns are recorded as a reduction of revenue when the related revenue is recognized. Revenue from product sales is recognized upon passing of title to the customer, generally at the time of shipment. Revenue from product sales, less related sales allowances, is reflected as net sales in the consolidated income statements. The Company routinely commits to promotional sales allowance programs with customers. These allowances primarily relate to fixed programs, which the customer earns based on purchases of the Company's products during the year. Discounts and allowances are recorded as a reduction of related revenue at the time of sale. While many of the allowances are based on fixed amounts, certain of the allowances, such as the returns allowance, are based on market data, historical trends and information from customers, and are therefore subject to estimation.

For its allowance programs that are not fixed, such as returns, the Company estimates these amounts using a combination of historical experience and current market conditions. These estimates are reviewed periodically against actual results and any adjustments are recorded at that time as an increase or decrease to net sales. During the three month period ended in March

31, 2014, there have been no material adjustments to the Company's estimates made in prior years.

ii) Allowance for doubtful accounts

The Company's allowance for doubtful accounts is based on management's assessment of the business environment, customers' financial condition, historical collection experience, accounts receivable aging, customer disputes and the collectability of specific customer accounts. If there were a deterioration of a major customer's creditworthiness, or actual defaults were higher than the Company's historical experience, estimates of the recoverability of amounts due could be overstated, which could have an adverse impact on operating results. The allowance for doubtful accounts is also affected by the time at which uncollectible accounts receivable balances are actually written off.

Major customers' accounts are monitored on an ongoing basis; more in depth reviews are performed based on changes in customer's financial condition and/or the level of credit being extended. When a significant event occurs, such as a bankruptcy filing by a specific customer, and on a quarterly basis, the allowance is reviewed for adequacy and the balance or accrual rate is adjusted to reflect current risk prospects.

iii) Reserve for inventory obsolescence

The Company's values inventory at the lower of cost or net realizable value. Based upon a consideration of quantities on hand, actual and projected sales volume, anticipated product selling prices and product lines planned to be discontinued, slow-moving and obsolete inventory is written down to its net realizable value. Failure to accurately predict and respond to consumer demand could result in the Company under producing popular items or overproducing less popular items. Furthermore, significant changes in demand for the Company's products would impact management's estimates in establishing its inventory provision.

Management estimates are monitored on a quarterly basis and a further adjustment to reduce inventory to its net realizable value is recorded, as an increase to cost of sales, when deemed necessary under the lower of cost or net realizable value.

iv) Depreciation

The amounts recorded for depreciation are based on estimates including economic life of the asset and residual values of the asset at the end of its economic life. The actual lives of the assets and residual values are assessed annually taking into account factors such as technological innovation and maintenance programs.

v) Share-based compensation

The Company uses the fair value method of valuing compensation expense associated with the Company's share-based compensation plan whereby notional shares are granted to employees, board of directors and key consultants. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. The assumptions are discussed in note 12.

Critical judgments in applying accounting policies

The following are the critical judgments that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

i) Income taxes

The Company is subject to income taxes in Canada and in China. Management has estimated the income tax provision and deferred tax balances in accordance with its interpretation of the various income tax laws and regulations, and has estimated the recoverability of deferred tax balances. It is possible, due to complexity inherent in estimating income taxes that the tax provision and deferred tax balances could change.

ii) Key assumptions used in discounted cash flow projections

Key assumptions used in the calculation of impairment tests and valuation of goodwill are forecast growth rates for revenue, estimated margins, discount rates, and other assumptions (Note 8).

iii) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances (Note 1).

d) Standards issued but not yet effective

The Company has not yet applied the following new standards, interpretations or amendments to standards that have been issued as at March 31, 2014 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations and intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material, unless otherwise stated.

IFRS 2 Share-based payment
The amendments to IFRS 2, issued in December 2013 clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

IFRS 3 Business combinations
The amendments to IFRS 3, issued in December 2013, clarify the accounting for contingent consideration in a business combination. At each reporting period, an entity measures contingent consideration classified as an asset or a financial liability at fair value, with changes in fair value recognized in profit or loss. The amendments are effective for business combinations for which the acquisition date is on or after July 1, 2014.

IFRS 8 Operating segments
The amendments to IFRS 8, issued in December 2013, require an entity to disclose the judgments made by management in applying the aggregation criteria for reportable segments. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

IFRS 9 Financial instruments
IFRS 9 was issued in November 2009 and subsequently amended as part of an ongoing project to replace IAS 39 Financial instruments: Recognition and measurement. The standard requires the classification of financial assets into two measurement categories based on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The two categories are those measured at fair value and those measured at amortized cost. The classification and measurement of financial liabilities is primarily unchanged from IAS 39. However, for financial liabilities measured at fair value, changes in the fair value attributable to changes in an entity's "own credit risk" is now recognized in other comprehensive income instead of in profit or loss. This new standard will also impact disclosures provided under IFRS 7 Financial instruments: disclosures.

In November 2013, the IASB amended IFRS 9 for the significant changes to hedge accounting. In addition, an entity can now apply the "own credit requirement" in isolation without the need to change any other accounting for financial instruments. The mandatory effective date of January 1, 2018 has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements.

IAS 14 Regulatory Deferral Accounts
IFRS 14 is intended to enhance the comparability of financial reporting by entities engaged in rate-regulated activities and is effective for annual periods beginning on or after January 1, 2016. IFRS14 is not expected to be applicable to the Company.

IAS 16 Property, plant and equipment and IAS 38 Intangible assets
The amendments to IAS 16 and IAS 38, issued in December 2013, clarify how an entity calculates the gross carrying amount and accumulated depreciation when a revaluation is performed. The amendments are effective for annual periods beginning on or after July 1, 2014.

IAS 24 Related party disclosures
The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

Note 3 – Revenue

The Company generated revenue from merchandise resale and service and maintenance fees during the three month periods ended March 31, 2014 and 2013.

During the three month period ended March 31, 2014, the Company recognized $9,277,366 of revenue from the merchandise sales in China (same period 2013: $8,824,527). Within this amount, $9,277,366 (same period 2013: $8,824,527) was generated by Beijing Xingchang Xinda Technology Development Co., Ltd. ("XCXD"), a subsidiary in China.

The Company recorded $859,896 (same period 2013: $761,267) of revenue from service and maintenance fees during the three month ended March 31, 2014. Within this amount, $787,525 (same period 2013: $586,150) was made by XCXD. This revenue is mainly generated from e-commerce platform development and maintenance services.

Note 4 – Restricted Cash

The Company's subsidiary Beijing Xingchang Xinda Technology Development Co., Ltd ("XCXD") is required to maintain a deposit of RMB 2,000,000 (equivalent to $355,600 as of March 31, 2014 and $351,400 as of December 31, 2013) with its financial institution for its short term loan account. The restricted cash earns interest at the prime rate (3.10% for savings in 2014 and 2013) and is redeemable when the loan is paid off.

The Company's subsidiary Beijing Xingchang Xinda Technology Development Co., Ltd ("XCXD") is has maintained a deposit of RMB 25,591, equivalent to $4,550 as of March 31, 2014 (RMB1,000,702 equivalent to $175,823 at December 31, 2013) with its financial institution for its short term loan account.

The Company's subsidiary Beijing Xingchang Xinda Technology Development Co., Ltd ("XCXD") is required to maintain a deposit of RMB1,000 (equivalent to $178 as of March 31, 2014) with its financial institution for its short term loan account.

Note 5 – Amounts Receivable

	Total	Neither past due nor impaired	31 - 60 Days	61 - 90 Days	> 90 Days
March 31, 2014	$ 503,689	$ 347,997	$ 87,887	$ 1,067	$ 66,738
December 31, 2013	$ 1,136,163	$ 940,369	$ 56,471	$ 34,191	$ 105,132

Note 6 – Inventory

	March 31, 2014	December 31, 2013
Finished Goods	$ 3,748,518	$ 3,617,629

For the three month period ended March 31, 2014, inventory recognized as an expense in purchases amounted to $8,372,131 (same period 2013 - $8,146,566). There was $Nil (same period 2013 - $Nil) write down of inventory included in the above amounts. As of March 31, 2014, the Company anticipates the net inventory will be realized within one year.

Note 7 - Property and equipment

	Furniture & Fixtures	Computers & Office Equipment	Leasehold Improvement	Total
Asset Costs				
Balance Dec 31, 2012	$ 5,873	$ 423,518	$ 176,956	$ 606,347
Foreign Exchange	588	42,573	16,595	59,756
Additions	-	31,127	29,004	60,131
Disposals	(1,948)	(10,175)	-	(12,123)
Balance Dec 31, 2013	$ 4,513	$ 487,043	$ 222,555	$ 714,111
Foreign Exchange	54	5,675	2,374	8,103
Additions	-	14,809	-	14,809
Balance Mar 31, 2014	$ 4,567	$ 507,527	$ 224,929	$ 737,023
Accumulated Depreciation				
Balance Dec 31, 2012	$ 4,317	$ 228,454	$ 134,097	$ 366,867
Foreign Exchange	462	26,519	12,750	39,731
Amortization of the period	809	112,527	49,642	162,978
Disposals	(1,892)	(9,778)	-	(11,671)
Balance Dec 31, 2013	$ 3,696	$ 357,722	$ 196,489	$ 557,907
Foreign Exchange	44	4,191	2,062	6,297
Amortization of the period	200	18,410	2,553	21,163
Balance Mar 31, 2014	$ 3,940	$ 380,323	$ 201,104	$ 585,367
Carrying Amounts				
At December 31, 2012	$ 1,556	$ 195,065	$ 42,859	$ 239,480
At December 31, 2013	$ 817	$ 129,321	$ 26,066	$ 156,204
At March 31, 2014	$ 627	$ 127,203	$ 23,826	$ 151,656

During the three month period ended March 31, 2014, the Company recorded depreciation of $21,163 (same period 2013 - $38,929).

Note 8 – Goodwill

	2014
Balance, January 1, 2008	$ -
Acquisition of XCXD on October 1, 2009	306,926
Balance, December 31, 2009 to 2013	$ 306,926
Change in Q1, 2014	$ -
Balance, March 31, 2014	**$ 306,926**

The Company tests goodwill annually for impairment or more frequently if there are indicators of impairment. The recoverable amount in most cases is estimated based on the value in use determined as the present value of future cash flows using a pre-tax discount rate that reflects the time value of money and the risk specific to the asset. The estimation process is complex and different assumptions may result in material differences. In particular, if different estimates of the projected future cash flows or different selection of an appropriate discount rate were made, these changes could materially alter the present value of the cash flows and as a consequence materially different amounts could be reported in the consolidated financial statements.

In 2013, the Company performed an impairment test, based on value in use, of its goodwill. The Company concluded that no impairment existed in the goodwill associated with XCXD as of December 31, 2013.

The value in use has been estimated using the forecast prepared by management for the next four years. The key assumptions for the estimate are those regarding revenue growth, gross margin and the level of working capital required to support the business. These estimates are based on past experience and management's expectations of future changes in the market. The discount rate is based on the Company's pretax weighted average cost of capital of approximately 8% to reflect a market participant's view of XCXD.

Note 9 – Net Income attributable to non-controlling Interest (NCI)

Balance – September 30, 2009	$	-
Acquisitions on October 1, 2009		186,519
Net income attributable to non-controlling interest - Q4 2009		315,973
Balance – December 31, 2009		502,492
Net income attributable to non-controlling interest - 2010		11,564
Balance – December 31, 2010	$	514,056
Net loss attributable to non-controlling interest - 2011		(122,956)
Balance – December 31, 2011	$	391,100
Net loss attributable to non-controlling interest - 2012		(29,968)
Cash attributable to non-controlling interest 2012		155,400
Balance – December 31, 2012	$	516,532
Net income attributable to non-controlling interest - 2013		47,410
Balance – December 31, 2013	$	563,942
Net income attributable to non-controlling interest - Q1 2014		(19,749)
Cash attributable to non-controlling interest 2014		458,750
Balance – March 31, 2014	$	1,002,943

Financial information of XCXD is provided below. This information is based on amounts before inter-company eliminations.

	March 31, 2014	December 31, 2013
Current assets	8,441,458	7,969,211
Non-current assets	134,577	143,973
Current liabilities	6,145,198	7,362,549
Non-current liabilities	-	-
Revenue	10,064,891	45,315,587
Profit or (loss)	(19,631)	33,074
Total comprehensive income/(loss)	(39,499)	94,820

The Company's foreign subsidiary XCXD recognized net comprehensive loss of $39,499 for the three month period ended March 31, 2014 (same period 2013 – net comprehensive income of $15,761). Based on the Company's ownership of 50%, the remaining 50% of non controlling interest of net comprehensive loss of $19,749 (same period 2013: net comprehensive income $7,881) was attributable to the non-controlling interest.

During the year ended December 31, 2012, shareholders of XCXD, including the non-controlling interest of XCXD and shareholders of Fireswirl Technologies Inc., contributed $310,800 cash to XCXD and recorded a corresponding increase in the registered capital of XCXD. There was no change in ownership percentages or voting rights. On consolidation $155,400 has been presented as contributed surplus and $155,400 has been presented as an increase in non-controlling interest.

During the three month period ended March 31, 2014, shareholders of XCXD, including the non-controlling interest of XCXD and shareholders of Fireswirl Technologies Inc., contributed $917,500 cash to XCXD and recorded a corresponding increase in the registered capital of XCXD. There was no change in ownership percentages or voting rights. On consolidation $458,750 has been presented as contributed surplus and $458,750 has been presented as an increase in non-controlling interest.

Note 10 - Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as of March 31, 2014 consisted of accounts payable and accrued expenses, wages and vacation payable, payroll remittances and customer deposits.

		March 31, 2014		December 31, 2013
Accounts payable and accrued expenses	$	1,151,516	$	900,260
Wages and vacation payable		14,090		13,123
Payroll remittances		1,400		787
Sales Tax Payable		4,798		4,520
Customer deposits		129,371		128,835
Subscription deposits				290,000
Total accounts payable and accrued liabilities	$	1,301,174	$	1,337,525

Note 11 - Short Term Loan

Continuity		2014		2013
Balance, January 1	$	5,610,160	$	3,799,683
Foreign exchange		94,371	$	88,033
Short term loans received				1,880,422
Repayment of principals		(1,646,317)		(1,634,000)
Balance, March 31	$	4,058,214	$	4,134,138
Foreign exchange			$	359,379
Short term loans received				1,738,701
Repayment of principals				(622,058)
Balance, December 31	$	-	$	5,610,160

Outstanding balance at:		2014		2013
a) Short term loan received on May 27, 2009	$	1,689,993	$	2,271,684
b) Short term loan received in January, 2013		1,834,643		2,811,200
c) Short term loan received in June, 2013		178		176
d) Short term loan received on August 5, 2013		533,400		527,100
	$	4,058,214	$	5,610,160

As at March 31, 2014, the Company had total short term loans outstanding of RMB22,824,601 (equivalent to $4,058,214). As of December 31, 2013, the Company had total short term loans of RMB31,930,336 (equivalent to $5,610,160). The outstanding short term loans were comprised of the following facilities:

a) On May 27, 2009, RMB 5,000,000 (equivalent to $770,000 as of December 31, 2009) was received from Standard Chartered Bank. The loan bears variable interest at prime plus 1.25% per annum. This loan is revolving every six months. During the year ended December 31, 2010, the Company made a repayment of RMB1,000,000 (equivalent to $152,219) in June 2010. On September 22, 2010, the agreement had been renewed to September 21, 2015 and extended the loan limit to RMB10,000,000 (equivalent to $1,539,000 as of December 31, 2010) with 90 day revolving credit and carried variable interest rate at prime plus 1.25% per annum. On May 31, 2012, the loan limit has been extended to RMB14,000,000. The loan is secured by apartments owned by XCXD’s management and XCXD's restricted cash of RMB2,000,000 (equivalent to $351,400). The outstanding loan balance is RMB9,505,027 (equivalent to $1,689,993) as of March 31, 2014 (December 31, 2013 – RMB12,929,334 equivalent to $2,271,684).

b) On November 8, 2012, the Beijing Branch of Citibank (China) Company Limited has agreed to a short term financing revolving credit every four months with a limit of RMB12,000,000 and has been extended to RMB16,000,000 during October, 2013. The revolving credit bears an interest rate at an average approximately 7.5% per annum. The drawdown started during January 2013 and the outstanding loan balance is RMB10,318,576(equivalent to $1,834,643) as of March 31, 2014 (December 31, 2013 – RMB16,000,000 equivalent to $2,811,200). The loan is secured apartments owned by management.

c) On June 30, 2013, RMB50,000 was received from Bank of Communications. As of December 31, 2013, the remaining balance of this loan is RMB1,000, equivalent to $178 as of March 31, 2014 (December 31, 2013 – RMB1,000 equivalent to $176). The loan is secured by XCXD's restricted cash of RMB 1,000 equivalent to $178 (December 31, 2013 – RMB1,000 equivalent to $176). The loan is for bridging and bears an interest rate of 6% per year.

d) On August 5, 2013, RMB3,000,000 (equivalent to $527,100 as of December 31, 2013) was received from SDIC Trust Co., Ltd. in China through an intermediary. Guarantee fee of RMB75,000 (equivalent to $13,178) was paid to the intermediary. The loan has a term of 12 months and bears fixed interest at 7.65% per annum. Interest will be paid out when the principal amount of RMB3M is due on August 4, 2014.

The prime rate for short term loans in China was 5.31% in 2009. In 2010, the People's Bank of China announced an increase of 0.25% in its benchmark interest rate twice, on October 20, 2010 and December 26, 2010, which resulted in a prime rate of 5.81%. In 2011, the benchmark interest rate has been raised three times, each time at 0.25%, on February 8, 2011, April 6, 2011 and July 6, 2011. On June 8, 2012, the benchmark interest rate for one year loan has been reduced by 0.25%. On July 6, 2012, the benchmark interest rate has been reduced again. As of December 31, 2013, the benchmark interest rate is at 6%.

During the three month period ended March 31, 2014, the Company recorded total interest expense on short term loans of $140,461 (same period in 2013 - $17,158). In 2013, interest expense was offset by a government subsidy received in January 2013 of $71,775 (RMB450,000) and December 2013 of $61,285 (RMB350,000).

Note 12 - Share Capital

The authorized share capital of the Company is an unlimited number of common shares without par value.

	Number of Shares	Share Capital	Reserves	
			Warrants	Options
Balance, December 31, 2011	44,641,285	$ 6,695,007	$ 2,752,081	$ 738,948
Fair value of options granted on August 29, 2011				16,791
Fair value of options granted on December 7, 2011				60,094
Warrants exercised	900,000	212,916	(41,915)	
Warrants expired		100,132	(100,132)	(1,200)
Option exercised	30,000	2,700		
Option expired		6,280		(6,280)
Share Issuance cost (warrants expired)		3,055	(3,055)	
Balance, December 31, 2012	45,571,285	$ 7,020,090	$ 2,606,979	$ 808,353
Option expired		94,350		(94,350)
Shares issued by private placement on Aug 27, 2013	4,500,000	585,000		
-Issuance cost		(15,163)		
Balance, December 31, 2013	50,071,285	$ 7,684,277	$ 2,606,979	$ 714,003
Shares issued by private placement on Jan 6, 2014	3,400,000	570,272	109,728	
-Issuance cost		(70,405)		
Balance, March 31, 2014	53,471,285	$ 8,184,144	$ 2,716,707	$ 714,003

On August 27, 2013, the Company completed a private placement for 4,500,000 common shares at a price of $0.13 per share for total gross proceeds of $585,000. All shares issued with respect to the private placement are subject to a holding period that expires four months and a day from the closing. In connection with the private placement, the Company paid legal and filing fees of $15,163 as share issuance costs.

On January 6, 2014, the Company completed a private placement for 3,400,000 common shares at a price of $0.20 per share for total gross proceeds of $680,000. Each Unit consisted of one common share (a "Share") and one-half of a share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to purchase one Share at a price of $0.25 for a period of one year from the date of issue. All shares issued with respect to the private placement are subject to a hold period that expires four months and a day from the closing. In connection with the private placement, the Company paid a 7% cash commission to certain finders, including Mackie Research Capital Corporation, Raymond James Ltd., and Canaccord Genuity Corp., based on the gross proceeds derived from the sale of Units to investors introduced by each finder and legal and filing fees, a total of $70,405 as share issuance costs.

Stock option plan

The Company has established three stock option plans under which stock options to purchase common shares may be granted to directors, officers and employees of the Company and to any other person or Company permitted by the applicable regulatory authorities to purchase unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the plan shall not exceed 10% of the common shares of the corporation.

	2014		2013	
	Number of options	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)
Outstanding, beginning of year	1,550,000	0.14	2,215,000	0.19
Expired	-	-	(465,000)	0.30
Outstanding, March 31	1,550,000	0.14	1,750,000	0.16
Exercisable, March 31	1,550,000	0.14	1,750,000	0.16

There were nil options granted during the three month period ended March 31, 2014 (same period 2013 – nil granted and 465,000 options expired). The Company estimated forfeiture rate 0%.

	Options Outstanding		Options Exercisable	
Exercise Price ($)	Number of options	Weighted average remaining life (Years)	Number of options	Weighted average remaining life (Years)
0.05	150,000	0.61	150,000	0.61
0.15	1,400,000	2.61	1,400,000	2.61
	1,550,000	2.42	1,550,000	2.42

Warrants

	2014		2013	
	Number of warrants	Weighted average exercise price ($)	Number of warrants	Weighted average exercise price ($)
Outstanding, beginning of year	-	-	-	-
Issued	1,700,000	0.25	-	-
Outstanding, March 31	1,700,000	0.25	-	-
Exercisable, March 31	1,700,000	0.25	-	-

	Warrants Outstanding		Warrants Exercisable	
Exercise Price ($)	Number of warrants	Weighted average remaining life (Years)	Number of warrants	Weighted average remaining life (Years)
0.25	1,700,000	0.77	1,700,000	0.77
	1,700,000	0.77	1,700,000	0.77

Pursuant to the term of the private placement that took place on January 6, 2014, the Company issued 1,700,000 share purchase warrants with an exercise price of $0.25 exercisable for a period of one year from the date of issue.

During the three month period ended March 31, 2014, no warrant was being exercised and there were 1,700,000 outstanding and exercisable warrants as at March 31, 2014.

Note 13 - Related Party Transactions

The Company had the following transactions with directors and officers of the Company:

	Three months ended	
	March 31, 2014	March 31, 2013
Short-term employee benefits		
- Salaries and severance	$ 60,900	$ 60,900
- Director fees	4,000	4,000
	$ 64,900	$ 64,900

Short-term employee benefits correspond to the amounts paid during the period and share-based payments correspond to the amounts recorded as expenses. During the three month period ended March 31, 2014, the Company paid $60,900 (same period in 2013: $60,900) in salaries to its management. Also, the Company paid $4,000 (same period in 2013: $4,000) as director fees.

	March 31, 2014	December 31, 2013	March 31, 2013
Accounts payable	$ 42,825	$ 53,519	$ 62,867
Due to Shareholders of Fireswirl Technologies Inc.	629,405	688,002	609,783
Due to Shareholders of XCXD	329,126	32,697	2,544,628
	$ 1,001,356	$ 774,218	$ 3,217,278

As of March 31, 2014, the accounts payable balance included $42,825 (December 31, 2013: $53,519) incurred from regular operational expenses outstanding to officers of the Company. As of March 31, 2014, the Company also had $629,405 (December 31, 2013: $688,002) due to shareholders of Fireswirl Technologies Inc. and $329,126 (December 31, 2013: $32,697) due to a shareholder of XCXD.

All of the above transactions were in the normal course of operations and are measured and recorded at the exchange amount of consideration established and agreed to by the related parties.

Note 14 - Segmented Information

The Company operates in one segment, being the operation of official online stores for international brands in China and reselling branded products on these online stores.
The Company's sales revenues are allocated to geographic segments as follows:

	Three Months Ended			
	March 31, 2014		March 31, 2013	
China	$	10,131,301	$	9,440,629
Europe		-		-
USA		5,961		145,165
	$	10,137,262	$	9,585,794

No customer accounted for greater than 10% of the Company's sales during the three month periods ended March 31, 2014 and March 31, 2013.

The Company's long-term assets are located in Canada and China at March 31, 2014 as follows:

	China		Canada		Total	
Capital Assets	$	148,624	$	3,032	$	151,656
Goodwill		306,926				306,926
Trademark		19,176				19,176
Total	$	474,726	$	3,032	$	477,758

The Company's long-term assets are located in Canada and China at December 31, 2013 as follows:

	China		Canada		Total	
Property and equipment	$	152,517	$	3,687	$	156,204
Goodwill		306,926				306,926
Trademark		19,176				19,176
Total	$	478,619	$	3,687	$	482,306

Note 15 - Credit Risk and Financial Instruments

Credit risk

The Company grants credit to its customers in the normal course of business. Credit evaluations are performed on a regular basis and the financial statements take into account an allowance for bad debts. The business also depends on new customers using the product and there is additional risk when credit is granted to new and unproven customers. Credit evaluations are also performed on new customers. Maximum credit risk relates to amounts receivable of $503,689 as at March 31, 2014 (December 31, 2013 - $1,136,163).

There were no overdue amounts receivables outstanding as of March 31, 2014. As at March 31, 2014, there is one receivable from an online payment process provider and one receivable from a client over 10% of the total AR Balance which accounted for $194,221 (equivalent to RMB1,092,356) while as at December 31, 2013, $629,368 (RMB3,582,062) due from the online payment process provider over 10% of the total AR Balance.

Currency risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
The Company uses the Canadian dollar as its reporting currency for these consolidated financial statements. The Company operates internationally, giving rise to exposure to market risks from changes in foreign exchange rates. The Company currently does not use derivative instruments to hedge its exposure to those risks. Most of the Company's businesses are organized geographically so that many of its expenses are incurred in the same currency as its revenues thus mitigating some of its exposure to currency fluctuations.

	March 31, 2014	December 31, 2013	March 31, 2013
US dollars:			
- Cash and cash equivalents	$1,597 (US$1,445)	$113 (US$107)	$69 (US$68)
- Amounts receivable	$22,896 (US$20,715)	$19,823 (US$18,638)	$34,184 (US$33,659)
Hong Kong Dollars			
- Cash and cash equivalents	$31,753 (HK$222,830)	$11,438 (HK$83,386)	$9,833 (HK$75,180)
- Amounts receivable	$23,594 (HK$165,537)	$5,705 (HK$41,590)	
Chinese RMB			
- Cash and cash equivalents	$300,369 (￥1,689,364)	$333,691 (￥1,899,211)	$372,864 (￥2,281,911)
- Restricted cash	$360,328 (￥2,026,591)	$527,399 (￥3,001,702)	$857,850 (￥5,250,000)

Foreign currency sensitivity analysis

The Company is mainly exposed to fluctuations in the Chinese RMB, US dollar and HK dollar. The major currency exposures, as of March 31, 2014, are summarized in Canadian dollar equivalents in the following table. The local currency amounts have been converted to Canadian dollar equivalents using the year end exchange rates.

	Chinese RMB in CAD	US dollar in CAD	HK dollar in CAD
Cash	$ 300,369	$ 1,597	$ 31,753
Restricted cash	360,328	-	-
Amounts receivable	457,053	22,896	23,594
Other financial assets	3,551,761	-	-
Accounts payable and accrued liabilities	(1,112,077)	(22,947)	(45,808)
Other financial liabilities	(4,058,214)	-	-
Shareholder loans	(364,686)	-	(593,845)
Net financial assets	$ (865,466)	$ 1,546	$ (584,306)

The following table details the Company's sensitivity, with regards to the above net asset position, to a 1% strengthening of the Chinese RMB, US dollar and HK dollar, against the Canadian dollar. The sensitivity analysis includes foreign currency denominated monetary assets and liabilities and adjusts their translation at period end for a 1% change in foreign currency rates. For a 1%

weakening against the Canadian dollar, there would be an equal and opposite impact on net loss and comprehensive loss.

		Chinese RMB in CAD		US dollar in CAD		HK dollar in CAD
Net loss	$	(8,655)	$	15	$	(5,843)
Comprehensive loss	$	(8,655)	$	15	$	(5,843)

Fair Value

Fair value is the amount at which a financial instrument could be exchanged between willing parties based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the observable inputs used to value the instrument:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The Company's financial instruments include cash, amounts receivable, accounts payable and accrued liabilities, short term loans, and loans from shareholders.

The fair value of cash and cash equivalents, restricted cash, amounts receivable, accounts payable and accrued liabilities, short term loans and loans from shareholders is approximately equal to their carrying values due to their short-term maturity.

Interest Risk

The Company is exposed to interest rate risk on the utilized portion of its credit facilities and does not currently hold any financial instruments that mitigate this risk. Interest rate fluctuations on the current level of borrowings will have significant impact on company's financial position.

Interest risk sensitivity analysis

Management has completed a sensitivity analysis to estimate the impact on net loss for the period which a change in interest rates during the three month period ended March 31, 2014 would have had.

This sensitivity analysis includes the following assumption:

- Changes in foreign exchange rate do not cause a change in interest rates.

The impact on net loss of a +/- 5% change in the interest rate is +/- $4,838 (same period 2013 - +/- $3,926).

The above results arise primarily as a result of the Company bearing variable interest rates based on the prime rate for the short term loans and long term loan.

The analysis above demonstrates the effect of a change in interest rates in isolation. There is a correlation between a change in interest rates and foreign exchange rate, which if considered could cause the results above to vary.

Additionally, the Company's financial position may vary at the time that a change in either of interest risk or foreign exchange rate occurs, causing the impact on the Company's results to differ from that shown above.

Liquidity Risk

The purpose of liquidity risk management is to maintain a sufficient amount of cash and cash equivalents. Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Company's growth is financed through a combination of the cash flows from operations and the issuance of equity. One of management's primary goals is to maintain an optimal level of liquidity through the active management of the assets and liabilities as well as the cash flows.

As at March 31, 2014, the Company has accounts payable and accrued liabilities of $1,301,174 due within 12 months (December 31, 2013 - $1,337,526). As at March 31, 2014 the Company has short term loans of $4,058,214 (December 31, 2013 - $5,610,160), see note 11. As at March 31, 2014, the Company is holding cash and cash equivalents of $470,284 (December 31, 2013 - $364,988).

Note 16 - Commitments and Contingencies

(a) The Company has lease obligations to April 30, 2015. The future annual minimum payments under operating leases are as follows:

2014	$ 52,222
2015	$ 23,295

(b) A foreign subsidiary Fireswirl Technologies (Shenzhen) Company Ltd. has a lease obligation of $3,170 (RMB17,531) per month until the lease expires on November 4, 2014.

(c) A foreign subsidiary XCXD has a lease obligation of $18,156 (RMB103,333) per month until December 1, 2017 where rent will increase by 5% until lease expired on November 30, 2018.

2014	$ 165,353
2015	$ 220,471
2016	$ 220,471
2017	$ 220,471
2018	$ 202,099

(d) A foreign subsidiary XCXD has a lease obligation of approx $7,665 (RMB43,628) per month until August 15, 2016 when the lease expires.

2014	$ 69,814
2015	$ 93,085
2016	$ 65,935

(e) A foreign subsidiary XCXD has a lease obligation of approx $61,495 (RMB350,000) per year until September 15, 2016 where rent will increase to $70,280 (RMB400,000) until September 14, 2019 when the lease expires.

2014	$	46,473
2015	$	62,230
2016	$	64,823
2017	$	71,120
2018	$	71,120
2019	$	56,303

(f) Pursuant to the applicable laws in PRC, PRC entities are required to make appropriations to statutory reserve funds based on after-tax net earnings as determined in accordance with PRC GAAP. Appropriation to the statutory reserve funds should be at least 10% of the after-tax net earnings until the reserve is equal to 50% of the entity's registered capital.

During the years ended December 31, 2013, the Company allocated $11,979 from after-tax net earnings to XCXD's statutory reserve funds. As at December 31, 2013, the Company's subsidiary XCXD had statutory reserve funds of $128,384.

Note 17 - Capital Management

The Company has defined its capital as capital stock, contributed surplus and retained earnings. The following table summarizes certain information with respect to the Company's capital structure at the end of each period:

		March 31, 2014		December 31, 2013		March 31, 2013
Shareholders' Equity	$	1,729,434	$	929,621	$	759,110

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to maintain appropriate cash reserves on hand to support continued operations and shareholder returns, maintain capital structure while keeping capital costs at a minimum, and to invest cash on hand in highly liquid, highly rated financial instruments.

The company is not exposed to externally imposed capital restrictions, and the Company's objectives and strategies described above have not changed since last year. These objectives and strategies are reviewed on a continuous basis.

The Company normally finances its property and equipment purchases with cash.

Note 18 – Comparative Figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

Note 19 – Subsequent Events

There is no subsequent event.