



Fireswirl
Technologies Inc.

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
AND MANAGEMENT INFORMATION CIRCULAR**

Date and Time: Thursday, May 12, 2016
at 10:00 a.m. (Vancouver time)

Place: 1000 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia

April 13, 2016



**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON THURSDAY, MAY 12, 2016**

TO: The holders (the "**Shareholders**") of common shares ("**Common Shares**") in the capital of Fireswirl Technologies Inc. (the "**Corporation**")

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of Shareholders will be held at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, Canada, on Thursday, May 12, 2016, at 10:00 a.m. (Vancouver time), for the following purposes:

1. to consider and, if deemed advisable, to pass, with or without variation, a special resolution of the Shareholders approving a transaction pursuant to which it is proposed that the Corporation will sell, assign and transfer, through a wholly-owned subsidiary of the Corporation, all of its interest in Beijing Xingchang Xinda Technology Development Co., Ltd., which sale will constitute the sale of substantially all of the assets of the Corporation (the "**Transaction**"); and
2. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The details of all matters proposed to be put before the Shareholders at the Meeting are set forth in the management information circular (the "**Circular**") accompanying this notice of meeting (the "**Notice of Meeting**"). Also accompanying this Notice of Meeting is a form of proxy (the "**Proxy**").

The board of directors of the Corporation has fixed Wednesday, April 6, 2016 as the record date for the determination of Shareholders entitled to receive this Notice of Meeting and to attend and vote at the Meeting.

Registered Shareholders have the right to dissent in respect of the proposed Transaction and to be paid the fair value of their Common Shares in accordance with the provisions of Sections 238 to 247 of the *Business Corporations Act* (British Columbia) (the "BCBCA"). These rights are described in the accompanying Circular and a copy of Section 238 to 247 of the BCBCA is attached thereto as Schedule "B". Failure to strictly comply with the requirements set forth in Section 238 to 247 of the BCBCA may result in the loss of any right of dissent.

If you are a registered Shareholder and are unable to attend the Meeting in person, please complete, sign, date and return the enclosed Proxy in accordance with the instructions set out in the Proxy and in the Circular accompanying this Notice of Meeting. A Proxy will not be valid unless it is received by Computershare Investor Services Inc., proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, by facsimile to 1-866-249-7775 (North America) or 1-416-263-9524 (international), or by telephone or over the internet as set forth in the form of Proxy, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. The chairman of the Meeting has the discretion to accept proxies received after that time.

If you are a non-registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. If you are a non-registered Shareholder and do not complete and return the materials in accordance with such instructions, it may result in your common shares not being eligible to be voted, in person or by proxy, at the Meeting.

DATED at Vancouver, British Columbia, this 13th day of April, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Lawrence Ng

Lawrence Ng

Interim Chief Executive Officer and Director



MANAGEMENT INFORMATION CIRCULAR

INFORMATION CONTAINED IN THIS CIRCULAR

This management information circular (the "**Circular**") is being furnished to the holders (the "**Shareholders**") of common shares ("**Common Shares**") in the capital of Fireswirl Technologies Inc. (the "**Corporation**") in connection with the solicitation of proxies by management of the Corporation for use at a special meeting of Shareholders to be held at 10:00 a.m. (Vancouver time) on Thursday, May 12, 2016 at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, Canada, and any adjournment(s) or postponement(s) thereof (the "**Meeting**"), for the purposes set forth in the accompanying notice of meeting dated April 13, 2016 (the "**Notice of Meeting**").

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by officers of the Corporation at nominal cost. The cost of this solicitation will be borne by the Corporation. The Notice of Meeting, the Circular and a form of proxy (the "**Proxy**", and together with the Notice of Meeting and the Circular, the "**Meeting Materials**") will be mailed to beneficial owners of Common Shares commencing on or about Thursday, April 21, 2016. In this Circular, except if otherwise indicated, all dollar amounts are expressed in Canadian currency.

The information contained in this Circular is given as at April 13, 2016, unless otherwise noted.

RECORD DATE

The board of directors of the Corporation (the "**Board**") has set the close of business (Vancouver time) on Wednesday, April 6, 2016, as the record date (the "**Record Date**") for determining which Shareholders will be entitled to receive notice of, and to attend and vote at, the Meeting. Only Shareholders of record as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting. Persons who acquire Common Shares after the Record Date will not be entitled to vote such Common Shares at the Meeting.

APPOINTMENT OF PROXYHOLDERS

The person(s) named in the accompanying Proxy as proxyholder(s) are management's representative(s). **A Shareholder of record has the right to appoint a person or company who need not be a Shareholder, other than the person(s) designated in the enclosed Proxy, to attend and act on behalf of the Shareholder at the Meeting.** A Shareholder wishing to exercise this right may do so either by striking out the printed name(s) and inserting the desired person(s) or company's name in the blank space provided in the Proxy or by completing another proper Proxy.

To be valid, the Proxy must be signed by the Shareholder of record or such Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of such corporation. The Proxy, to be acted upon, must be deposited with the Corporation, c/o Computershare Investor Services Inc., proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, by facsimile to 1-866-249-7775 (North America) or 1-416-263-9524 (international), or by telephone or over the internet as set forth in the form of Proxy, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. Failure to properly complete or deposit a Proxy may result in its invalidation. The chairman of the Meeting has the discretion to accept proxies received after that time.

VOTING OF PROXIES

If the Proxy is completed, signed and validly delivered to the Corporation, the person(s) named as proxyholder(s) therein will vote or withhold from voting Common Shares in respect of which they are appointed as proxyholder(s) at the Meeting in accordance with the instructions of the Shareholder appointing them, on any show of hands and/or on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the person(s) appointed as proxyholder(s) will vote accordingly. The Proxy confers

discretionary authority upon the person(s) named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to all amendments, variations and other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As of the date hereof, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

If no choice is specified by a Shareholder with respect to any matter identified in the Proxy or any amendment or variation to such matter, it is intended that the person(s) designated by management of the Corporation in the Proxy will vote Common Shares represented thereby in favour of such matter.

NON-REGISTERED HOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to attend and vote at the Meeting. Most Shareholders are "non-registered Shareholders" because Common Shares they own are not registered in their name but are instead registered in the name of the brokerage firm, bank or trust corporation through which they purchased their Common Shares. More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a depository (such as CDS Clearing and Depository Services Inc.) of which an Intermediary is a participant. In accordance with the requirements of applicable securities laws, the Corporation has distributed copies of the Meeting Materials to the depositories and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders, unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) receive a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the Proxy, this Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete and deliver the Proxy; or
- (b) more typically, receive a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (a "**proxy authorization form**") which the Intermediary must follow.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of Common Shares which they beneficially own. Should a Non-Registered Holder who receives a Proxy wish to attend and vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder's name in the blank space provided or, in the case of a proxy authorization form, the Non-Registered Holder should follow the corresponding instructions on the form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.

REVOCABILITY OF PROXY

Any Shareholder returning the enclosed Proxy may revoke the same at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited at the registered office of the Corporation, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, or with the chairman of the Meeting prior to the commencement of the Meeting. A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation's authorized capital consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value, issuable in series. Common Shares are the only issued and outstanding voting securities of the Corporation, the holders thereof being entitled to one (1) vote on all matters to come before the Meeting for each Common Share held. As at April 6, 2016, being the Record Date, there were a total of 53,571,285 Common Shares issued and outstanding.

To the knowledge of the directors and executive officers of the Corporation, as at the date hereof, there were no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all issued and outstanding Common Shares, except as follows:

| Name | Common Shares (#) | Common Shares (%) |
|-------------|----------------------|----------------------|
| Lawrence Ng | 5,601,840 | 10.46% |

PARTICULARS OF MATTERS TO BE ACTED UPON

Sale of Interest in Beijing Xingchang Xinda Technology Development Co., Ltd. ("XCXD")

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve a special resolution approving the proposed sale of the Corporation's majority interest in XCXD, through a wholly-owned subsidiary of the Corporation, pursuant to a purchase and sale agreement, as more particularly described below (the "**Transaction**"). Completion of the proposed Transaction will result in the sale of substantially all of the assets of the Corporation.

Prior to the mailing of this Circular, the Corporation received conditional approval of the proposed Transaction from the TSX Venture Exchange (the "**TSXV**").

The following is a summary description of the background to the proposed Transaction and certain of the factors upon which the Board concluded that the proposed Transaction is in the best interests of the Corporation and that Shareholders should vote **FOR** the special resolution approving the proposed Transaction, the form of which is attached hereto as Schedule "A" (the "**Transaction Resolution**").

XCXD Acquisition

On October 1, 2009, the Corporation, through Fireswirl Technologies (Shenzhen) Co., Ltd. ("**Fireswirl Shenzhen**"), a wholly-owned subsidiary of the Corporation incorporated under the laws of the People's Republic of China (the "**PRC**"), completed an acquisition of 50% of all rights and interests in XCXD (the "**XCXD Acquisition**"). Pursuant to the terms of the XCXD Acquisition, the Corporation acquired 50% of all rights and interests in XCXD from the shareholders of XCXD, including 50% of any pre-tax profit, in consideration for up to 6,058,673 Common Shares, whereby 3,029,337 Common Shares were issued on completion of the XCXD Acquisition and 3,029,336 Common Shares were held under escrow, releasable upon XCXD achieving certain before tax profit for its financial year ended December 31, 2009. XCXD subsequently reached such milestone and the remaining 3,029,336 Common Shares held in escrow were released. Pursuant to the terms of the XCXD Acquisition, Fireswirl Shenzhen has the right to exercise, at all meetings of shareholders, 51% of all voting rights attached to the equity interest in XCXD held by the shareholders of XCXD.

Business of XCXD

XCXD is a limited liability company incorporated under the laws of the PRC. XCXD provides an e-commerce platform to Chinese and international brand name products in the PRC to generate and fulfil sales orders through the internet. In pursuit of this business, XCXD, among other things, enters into various sales agreements with customers pursuant to which it purchases inventory from such customers and sells their products through its e-commerce platform. XCXD is currently the exclusive operator in the PRC of the Nokia Online Store and the Motorola Online Store. XCXD is also the operator of additional online stores of other brand name products, including, among others, the following:

- GuangDong SMW Garment Company Limited, a leading Chinese apparel brand;
- Logitech International S.A., a global provider of personal peripherals;

- Netrada Management GmbH, an international provider of full service e-commerce solutions for the fashion, beauty and lifestyle industry;
- Casio (Shanghai) Trading Co., Ltd., a subsidiary of Casio Computer Co., Ltd., a global brand of technology products;
- A.O. Smith (China) Water Heater Co., Ltd., a manufacturer of residential and commercial water heating equipment whose parent company is a global water technology company listed on the New York Stock Exchange;
- Toys"R"Us Retailing (China) Limited, a global toy and juvenile products retailer;
- GSI Commerce (which was acquired by eBay Enterprise, Inc. in 2011), a provider of e-commerce and interactive solutions; and
- General Imaging (SZ) Co. Ltd., which is authorized by General Electric Company to manufacture and sell digital cameras and photography products in the PRC.

The following table summarizes the percentage of the Corporation's revenue attributed to XCXD for the financial years ended December 31, 2012 to 2014:

| | Financial year ended December 31, | | |
|--|-----------------------------------|--------|--------|
| | 2012 | 2013 | 2014 |
| Percentage of the Corporation's revenue attributed to XCXD | 99.29% | 99.15% | 98.77% |

Additionally, for the nine-months ended September 30, 2015, approximately 98.99% of the Corporation's revenue was attributed to XCXD, based on the unaudited condensed interim consolidation financial statements of the Corporation for such period.

The Transaction

On March 1, 2016, the Corporation announced that it had entered into a purchase and sale agreement (the "**Agreement**") with XCXD, Fireswirl Shenzhen and the minority shareholders of XCXD (the "**XCXD Shareholders**"). Pursuant to the Agreement, the Corporation agreed to sell, assign and transfer all of its interest in XCXD, through Fireswirl Shenzhen, as follows:

- (1) the Corporation agreed to acquire from the XCXD Shareholders an aggregate of 6,058,673 Common Shares in consideration for, *inter alia*, the XCXD Shareholders agreeing to cancel and terminate the original agreements entered into in connection with the XCXD Acquisition (the "**XCXD Agreements**"); and
- (2) XCXD agreed to provide to the Corporation a cash payment of RMB 5,000,000 (approximately \$1,000,000) (the "**Loan Repayment**") in full settlement of XCXD's outstanding indebtedness to the Corporation and certain of its subsidiaries in the aggregate amount of RMB 8,319,005 (approximately \$1,663,800) (the "**Loan**").

Shareholders are encouraged to refer to the complete copy of the Agreement, which is available on the Corporation's SEDAR profile at www.sedar.com.

Representations and Warranties

Representations and Warranties of the XCXD Shareholders

In the Agreement, each of the XCXD Shareholders has made certain customary representations and warranties that are typically included in purchase and sale agreements of this nature, including, but not limited to, representations and warranties related to: (a) due authorization to enter in the Agreement and to execute and deliver the Agreement; (b) ownership of Common Shares; (c) approval requirements; (d) restrictions on transfer; and (e) that there are no other agreements or options for the purchase, acquisition, assignment or transfer of the Common Shares, or any interest therein or right thereto, owned by either XCXD Shareholder. In addition, each of the XCXD Shareholders has made certain other representations and warranties, including that the XCXD Shareholders are not acting jointly or in concert with each other.

Representations and Warranties of XCXD

In the Agreement, each of the XCXD Shareholders has made certain customary representations and warranties regarding XCXD that are typically included in purchase and sale agreements of this nature, including, but not limited to, representations and warranties related to: (a) its due organization and standing; (b) its due authorization to enter in the Agreement and to execute and deliver the Agreement; and (c) approval requirements. In addition, each of the XCXD Shareholders has made certain other representations and warranties, including that, other than the Corporation, the XCXD Shareholders are the only registered and/or beneficial owners of XCXD.

Representations and Warranties of the Corporation and Fireswirl Shenzhen

In the Agreement, each of the Corporation and Fireswirl Shenzhen has made certain customary representations and warranties that are typically included in purchase and sale agreements of this nature, including, but not limited to, representations and warranties related to: (a) due organization and standing; (b) due authorization to enter into the Agreement and to execute and deliver the Agreement; (c) that there are no other agreements or options for the purchase, acquisition, assignment or transfer of any of the XCXD Agreements, or any interest therein or right thereto, held by the Corporation; and (d) that neither the execution and delivery of the Agreement, or each of the other agreements to which it is a party, nor the consummation of the transactions contemplated in the Agreement or such other agreements will, among other things, result in the violation or default of any obligation under contract, agreement or other instrument to which it is a party or any judicial order.

Shareholders are encouraged to refer to a complete text of the Agreement, including the representations and warranties therein, a copy of which is available on the Corporation's SEDAR profile at www.sedar.com.

Covenants

Reciprocal Covenants

In the Agreement, the Corporation, Fireswirl Shenzhen, XCXD and the XCXD Shareholders have each given certain customary reciprocal covenants that are typically included in purchase and sale agreements of this nature, including, but not limited to, a covenant to use reasonable commercial efforts to take all necessary steps in order to consummate the transactions contemplated in the Agreement.

Covenants of the XCXD Shareholders

In the Agreement, each of the XCXD Shareholders has also provided certain additional covenants, including, but not limited to, covenants: (a) not to take any action that interferes with or is inconsistent with the completion of the transactions contemplated in the Agreement; and (b) to execute and deliver, in addition to a termination agreement (the "**Termination Agreement**") among the Corporation, the XCXD Shareholders, XCXD and Fireswirl Shenzhen, pursuant to which the XCXD Agreements will be cancelled, all other agreements, instruments and documents as may be reasonably necessary to evidence the cancellation of the XCXD Agreements by all of the parties thereto.

Covenants of XCXD

In the Agreement, each of the XCXD Shareholders has provided certain covenants regarding XCXD, including, but not limited to, a covenant to cause XCXD to deliver the Loan Repayment to the Corporation.

Covenants of the Corporation and Fireswirl Shenzhen

Each of the Corporation and Fireswirl Shenzhen has also provided certain additional covenants, including, but not limited to, covenants: (a) not to take any action that interferes with or is inconsistent with the completion of the transactions contemplated in the Agreement; and (b) to execute and deliver, in addition to the Termination Agreement, all other agreements, instruments and documents as may be reasonably necessary to evidence the cancellation of the XCXD Agreements by all of the parties thereto.

Shareholders are encouraged to refer to a complete text of the Agreement, including the covenants therein, a copy of which is available on the Corporation's SEDAR profile at www.sedar.com.

Conditions Precedent

Mutual Conditions

The respective obligation of each of the parties to the Agreement to complete the transactions contemplated thereby is subject to the satisfaction of certain customary conditions that are typically included in purchase and sale agreements of this nature, including, but not limited to, conditions that: (a) all necessary approvals from the TSXV as may be necessary to consummate the transactions contemplated in the Agreement have been obtained; and (b) all approvals from the Shareholders, including any minority approvals required under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), as may be necessary to consummate the transactions contemplated in the Agreement have been obtained.

See "*Requisite Shareholder Approvals – Securities Law Approval Requirements*" of this Circular for additional information.

Prior to the mailing of this Circular, the Corporation received conditional approval of the proposed Transaction from the TSXV.

Conditions to the Obligations of the XCXD Shareholders

The obligation of each of the XCXD Shareholders to complete the transactions contemplated in the Agreement is subject to the fulfilment or waiver of certain additional conditions, including, but not limited to, conditions that: (a) the representations and warranties made by the Corporation in the Agreement will be true and correct on the closing date (the "**Closing Date**"); (b) the Corporation will have complied in all material respects with its obligations, covenants and agreements in the Agreement at or before the Closing Date; and (c) the XCXD Agreements will have been cancelled and terminated, as evidenced by a fully executed Termination Agreement, on or before the Closing Date.

Conditions to the Obligations of the Corporation

The obligation of the Corporation to complete the transactions contemplated in the Agreement is subject to the fulfilment or waiver of certain additional conditions, including, but not limited to, conditions that: (a) the representations and warranties made by the XCXD Shareholders in the Agreement will be true and correct on the Closing Date; (b) the XCXD Shareholders and XCXD will have each complied in all material respects with its obligations, covenants and agreements in the Agreement at or before the Closing Date; and (c) all necessary approvals of the Board as may be necessary to consummate the transactions contemplated in the Agreement will have been obtained on or before the Closing Date.

Shareholders are encouraged to refer to a complete text of the Agreement, including the conditions therein, a copy of which is available on the Corporation's SEDAR profile at www.sedar.com.

Indemnification

Following any completion of the proposed Transaction, each of the parties to the Agreement (the "**Indemnifying Party**") has agreed to indemnify and save harmless the other parties to the Agreement (the "**Indemnified Party**") from and against any losses (the "**Indemnified Losses**") which may be made or brought against the Indemnified Party or which the Indemnified Party may suffer or incur as a result of, in respect of or arising out of: (a) any non-performance of any covenant or agreement on the part of the Indemnifying Party contained in the Agreement or in any document given in order to carry out the transactions contemplated in the Agreement; (b) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Indemnifying Party in the Agreement or in any document or certificate given in order to carry out the transactions contemplated in the Agreement; and (c) all costs and expenses including, without limitation, reasonable legal fees, incidental to or in respect of the foregoing. The obligation of an Indemnifying Party to indemnify an Indemnified Party for Indemnified Losses is subject to a minimum aggregate Indemnified Losses threshold of \$25,000.

Shareholders are encouraged to refer to a complete text of the Agreement, including the indemnification provision therein, a copy of which is available on the Corporation's SEDAR profile at www.sedar.com.

Termination

The Agreement may be terminated at any time prior to the Closing Date as follows:

- (1) upon consent of each of the parties to the Agreement in writing;
- (2) by written notice from the XCXD Shareholders or the Corporation, as the case may be, to the other, if any mutual condition set forth in the Agreement are not satisfied by May 31, 2016 (the "**Outside Date**") and are not waived by such party to the Agreement;
- (3) by written notice from the XCXD Shareholders to the Corporation and XCXD if any of the conditions to the obligations of the XCXD Shareholders set forth in the Agreement are not satisfied by the Outside Date and are not waived by the XCXD Shareholders;
- (4) by written notice from the Corporation to the XCXD Shareholders and XCXD if any of the conditions to the obligations of the Corporation set forth in the Agreement are not satisfied by the Outside Date and are not waived by the Corporation; or
- (5) if the Closing Date does not occur on or prior to the Outside Date.

Shareholders are encouraged to refer to a complete text of the Agreement, including the termination provision therein, a copy of which is available on the Corporation's SEDAR profile at www.sedar.com.

Recommendation of the Board

The Board has concluded that the terms of the proposed Transaction are fair and reasonable to, and in the best interests of, the Corporation and the Shareholders. The Board, with Liang Li abstaining, has therefore unanimously approved the proposed Transaction and authorized the submission of the proposed Transaction to the Shareholders for approval. The Board recommends that the Shareholders vote FOR the approval of the Transaction Resolution at the Meeting. In reaching this conclusion, the Board considered the benefits to the Corporation and the Shareholders, as well as the financial position, opportunities and outlook for the future potential and operating performance of the Corporation.

Background to the Transaction

The Board has been assessing the benefit of its investment in XCXD for some time. The proposed Transaction is the result of an extensive review process by the Board, which involved a consideration of possible strategic alternatives available to the Corporation. After considering the alternatives, the Board determined that the sale of all of its interest in XCXD was the best way to maximize Shareholder value. In reaching this decision, the Board considered a number of relevant criteria, some of which are summarized below.

The Corporation's business strategy in acquiring XCXD, in part, was to incrementally grow XCXD's revenues, which, in turn, could allow the Corporation to become a profitable company. However, although XCXD's revenues were successfully increased, there was not a corresponding impact on XCXD's profitability, primarily as a result of increased operating expenses related to inventory and financing costs. The Board believes that this trend is likely to continue, and therefore an exit from the XCXD business is in the best interests of the Corporation and the Shareholders. In fact, due to the recent economic slowdown in the PRC, the Board believes that this trend could be amplified, for example, by making financing more difficult to obtain on reasonable terms, if at all, which, in turn, could adversely impact XCXD's total revenues.

The Corporation's review of a possible sale of XCXD first involved exploring the possibility of a sale to the minority shareholders of XCXD, due to contractual restrictions contained in the XCXD Agreements, as well as possible complications (both perceived and actual) related to the foreign ownership of e-commerce related companies in the PRC, which practically limited the "pool" of potential buyers. After some initial, informal discussions, the XCXD Shareholders expressed their desire to purchase the Corporation's interest in XCXD, resulting in the Corporation primarily focusing on negotiating a sale with the XCXD Shareholders.

In approving the Agreement and reaching its conclusion and recommendation that the Transaction is in the best interests of the Corporation and the Shareholders, the Board considered a number of factors, including:

- following its review of possible strategic alternatives, the Board determined that the sale of the Corporation's interest in XCXD to the XCXD Shareholders was the best opportunity to maximize Shareholder value;
- following any completion of the proposed Transaction, the Corporation intends to cancel the 6,058,673 Common Shares to be received by the Corporation from the XCXD Shareholders pursuant to the Agreement, and as a result, each Shareholder's interest in the Corporation will be proportionately increased;
- the original consideration paid by the Corporation to acquire its interest in XCXD, and the proposed Transaction consideration now negotiated;
- the financial performance of XCXD since the Corporation's acquisition, and its projected financial performance going forward;
- the nature of the XCXD business model, including economic conditions in the PRC and the availability of lender financing;
- perceived and actual foreign ownership restrictions under the laws of the PRC;
- the procedures by which the proposed Transaction needs to be approved, including the requirements for two-thirds Shareholder approval and majority (being 50% plus one) disinterested Shareholder approval at the Meeting; and
- the opportunity for Shareholders who are opposed to the proposed Transaction, upon compliance with certain conditions, to dissent from the approval of the proposed Transaction in accordance with the BCBCA.

Additional Considerations

Factors for further consideration are as follows:

- The proposed Transaction, if completed, would result in the sale of substantially all of the assets of the Corporation, following which the Corporation will have no active business. Although the Corporation will continue as a reporting issuer with its Common Shares listed on the TSXV, and Shareholders will continue to hold their existing Common Shares, the Corporation will no longer own or control XCXD or any of its assets. As a result, the assets, business and operations of the Corporation will be significantly altered as a result of the completion of the proposed Transaction.
- Following any completion of the proposed Transaction, the Corporation's principal assets will consist primarily of cash and cash equivalents, as well as accounts receivable, taxes recoverable, deposits and prepayments, investments, property and equipment and trademarks. The Corporation will also exit its existing business and pursue other opportunities that may be identified by management of the Corporation and the Board from time to time. These opportunities may include the identification and evaluation of one or more assets or businesses, the entering into of a partnership, joint venture or similar arrangement or other options to be determined in the future, all with a view towards building Shareholder value. Although it is possible that the Corporation will pursue opportunities in the technology sector, there is no assurance that this sector will, in fact, be the business sector of the Corporation following the completion of any business opportunity. There is no certainty, nor can the Corporation provide any assurance, that the Corporation will be able to attract interest to participate in an acquisition or another business opportunity. Failure to attract interest to participate in an acquisition or another business opportunity could have a material adverse effect on the business and affairs of the Corporation and the market price of the Common Shares.
- Following any completion of the proposed Transaction, the Corporation may not have the necessary funds to participate in any future business opportunities it identifies, and therefore the Corporation may need to engage in equity or debt financings to secure additional funds for such opportunities, which may not be available on reasonable terms, if at all. If the Corporation is able to raise additional funds through further issuances of equity or convertible debt securities, existing Shareholders could suffer significant dilution, and any new equity securities that the Corporation issues could have rights, preferences and privileges superior to those of existing Shareholders. Any debt financing secured by the Corporation in the future could involve restrictive covenants relating to its

capital raising activities and other financial and operational matters, which might make it more difficult for it to obtain additional capital and to pursue any business opportunities identified by it. With limited financial resources and no revenue, there is no certainty, nor can the Corporation provide any assurance, that sufficient equity or debt financing will be available on reasonable terms, or at all, to support any future business opportunities, and failure to obtain sufficient equity or debt financing when required could have a material adverse effect on the business and affairs of the Corporation and the market price of the Common Shares.

- Following any completion of the proposed Transaction, the TSXV has advised that the Corporation may be required to delist its shares from the TSXV if it is unable to acquire new assets or a business by or about the time of closing of the Transaction and/or meet the ongoing listing requirements of the TSXV. Without such assets or an active business, the Corporation may not be able to maintain its listing of Common Shares on the TSXV and its Common Shares may be downgraded to the NEX board of the TSXV (the "**NEX**"). There is no certainty, nor can the Corporation provide any assurance, that it will be capable of participating in an acquisition or another business opportunity to retain its listing on the TSXV, or that the timing of any acquisition or business opportunity would occur as anticipated by the Corporation. Delisting of the Common Shares or downgrading of the Common Shares to the NEX could have a material adverse effect on the market price of the Common Shares and could adversely impact the liquidity of the Common Shares.
- The Corporation does not intend to declare or pay out any dividends following any completion of the proposed Transaction.

Prior Valuations and Offers

To the knowledge of the directors and executive officers of the Corporation, after reasonable inquiry: (a) no "prior valuations" (as defined in MI 61-101) of the Corporation's interest in XCXD have been prepared within the 24 months preceding the date hereof; and (b) no *bona fide* prior offer relating to the Corporation's interest in XCXD has been received by the Corporation within the 24 months preceding the date the Agreement.

Formal Valuation

The Corporation is relying on the exemption available under Section 5.5(b) – *Issuers Not Listed on Specified Markets* of MI 61-101 that exempts issuers from having to prepare a formal valuation in connection with a "related party transaction" (within the meaning of MI 61-101) if no securities of the issuer are listed or quoted on the Toronto Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

See "*Requisite Shareholder Approvals – Securities Law Approval Requirements*" of this Circular for additional information.

Requisite Shareholder Approvals

Corporate Law Approval Requirements

The proposed Transaction involves the sale of substantially all of the assets of the Corporation. Pursuant to Section 301 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), a sale, lease or other disposition of all or substantially all of the undertaking of a company, other than in the ordinary course of business of the company, requires the approval of the company's shareholders by special resolution. A special majority of not less than two-thirds of the affirmative votes cast by Shareholders, in person or by proxy, at the Meeting is required to pass a special resolution of the Corporation. Therefore, at the Meeting, Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, the Transaction Resolution.

Securities Law Approval Requirements

In addition, completion of the proposed Transaction is subject to final acceptance by the TSXV. The TSXV requires "disinterested" shareholder approval as the transaction is considered to be a "related party transaction" within the meaning of TSX Venture Exchange Policy 5.9 – *Protection of Minority Security Holders in Special Transactions* of the TSXV Corporate Finance Manual ("**TSXV Policy 5.9**"). Accordingly, the approval of the Transaction Resolution will require a simple majority (being 50% plus one) of the affirmative votes cast by all Shareholders, in person or by proxy, at the Meeting, other than "interested parties" (as defined in MI 61-101).

XCXD is a majority-owned indirect subsidiary of the Corporation. Therefore, XCXD is considered to be a "related party" of the Corporation. Wei Zhang, one of the XCXD Shareholders, is the registered person/responsible person of XCXD. Therefore, Wei Zhang, as a senior officer of XCXD, may also be considered a "related party" of the Corporation. As a result, XCXD and Wei Zhang are considered to be "related parties" within the meaning of TSXV Policy 5.9, and because they are both parties to the Agreement, the proposed Transaction may be considered a "related party transaction" within the meaning of TSXV Policy 5.9.

The following table sets forth the votes attached to Common Shares that, to the knowledge of the directors and executive officers of the Corporation, as of the date hereof, will be excluded in determining whether disinterested approval for the Transaction Resolution is obtained:

| Name | Common Shares (#) | Common Shares (%) |
|-----------|----------------------|----------------------|
| Wei Zhang | 2,968,750 | 5.54% |

Pursuant to the terms of the XCXD Acquisition, the XCXD Shareholders have the right to appoint one (1) director to the Board, and have appointed Liang Li. Mr. Li has disclosed his interest to the Board and has abstained from voting on the resolutions of the Board approving the proposed Transaction.

Dissent Rights of Shareholders

Under the BCBCA, the Transaction Resolution gives rise to dissent rights. Shareholders are entitled to the dissent rights set out in Sections 238 to 247 of the BCBCA and to be paid the fair value of their Common Shares if such a Shareholder dissents to the proposed Transaction and the proposed Transaction becomes effective. A dissenting Shareholder does not need to vote against the Transaction Resolution in order to exercise such Shareholder's dissent rights. Neither a vote against the Transaction Resolution, nor an abstention or the execution or exercise of a proxy vote against such resolution, will constitute a notice of dissent.

However, in accordance with the BCBCA, a Shareholder who has submitted a written dissent notice and who votes in favour of the Transaction Resolution or otherwise acts inconsistently with the written dissent notice, will cease to be entitled to exercise any right of dissent in connection with the proposed Transaction. A Shareholder must dissent with respect to all Common Shares either held personally by him or her, or on behalf of any one beneficial owner and which are registered in one name. A brief summary of the provisions of the dissent rights available to Shareholders under the BCBCA is set out below and is qualified in its entirety by the reference to the full text of Part 8, Division 2 – *Dissent Proceedings* of the BCBCA, a copy of which is attached hereto as Schedule "B".

The statutory provisions dealing with the right of dissent are technical and complex. Any Shareholders who wish to exercise their right of dissent should seek independent legal advice, as failure to comply strictly with the provisions of Part 8, Division 2 – *Dissent Proceedings* of the BCBCA may prejudice their right of dissent.

In connection with the proposed Transaction, Shareholders registered as such on the Record Date may exercise dissent rights pursuant to and in the manner set forth in Part 8, Division 2 – *Dissent Proceedings* of the BCBCA, provided that the written notice of dissent duly executed by such dissenting Shareholder is received by the Corporation by no later than 10:00 a.m. (Vancouver time) on May 10, 2016 or, if the Meeting is adjourned, by 10:00 a.m. on the day which is two days prior to the date of the adjourned Meeting (excluding Saturdays, Sundays and holidays). Dissenting Shareholders are ultimately entitled to be paid fair value for their dissenting Common Shares (the "**Dissenting Shares**") and will be deemed to have transferred their Dissenting Shares to the Corporation.

Prior to the proposed Transaction becoming effective, the Corporation will send a written notice of intention to proceed to each dissenting Shareholder stating that the Transaction Resolution has been passed by the Shareholders and informing each dissenting Shareholder of their intention to act on the authority of such Transaction Resolution. A notice of intention to proceed does not need to be sent to any Shareholder who voted in favour of the Transaction Resolution or who has withdrawn his or her notice of dissent. Within one month of the date of the Corporation's notice of intention to proceed, a dissenting Shareholder is required to send written notice to the Corporation that he or she requires the Corporation to purchase all of his or her Dissenting Shares and, at the same time, to deliver certificates, if any, representing those Dissenting Shares to the Corporation. Upon such delivery, a dissenting Shareholder will be bound to sell, and the Corporation will be bound to purchase, the Dissenting Shares, subject to the demand for a payment equal to their fair value as of the day before the day on which the Transaction Resolution was passed by the Shareholders, and excluding any

appreciation or depreciation in anticipation of the vote (unless such exclusion would be inequitable). Every dissenting Shareholder who has delivered a demand for payment must be paid the same price per Dissenting Share as the other dissenting Shareholders.

A dissenting Shareholder who has sent a written demand for payment, or the Corporation, may apply to the British Columbia Supreme Court and such court may: (a) require the dissenting Shareholder to sell, and the Corporation to purchase, the Dissenting Shares in respect of which a written notice of dissent has been validly given; (b) set the price per Dissenting Share and terms of the purchase and sale, or order that the price per Dissenting Share and the terms of the purchase and sale be established by arbitration, in either case having due regard for the rights of creditors; (c) join in the application any other dissenting Shareholder who has delivered a written demand for payment (other than a dissenting Shareholder who has entered into an agreement with the Corporation regarding the fair value of the Dissenting Shares); and (d) make consequential orders and give such directions as it considers appropriate. No dissenting Shareholder who has delivered a written demand for payment may vote or exercise or assert any rights of a Shareholder in respect of their Dissenting Shares for which a written demand for payment has been given, other than the rights to receive payment for those Dissenting Shares. Until a dissenting Shareholder who has delivered a written demand for payment is paid in full, that dissenting Shareholder may exercise and assert all the rights of a creditor of the Corporation. No dissenting Shareholder may withdraw his demand for payment unless the Corporation consents.

Strict adherence to the aforementioned procedures will be required and failure to do so may result in the loss of all dissent rights. Accordingly, each Shareholder who might desire to exercise dissent rights should carefully consider and fully comply with the provisions set forth above and below and consult his or her legal advisor.

Dissenting Shareholders should send all written dissent notices to the Corporation's head office at Suite 2823 – 595 Burrard Street, Three Bentall Centre, Vancouver, British Columbia V7X 1L4, Attention: Chief Financial Officer. The directors of the Corporation may elect not to proceed with the transactions contemplated in the Transaction Resolution if any written notices of dissent are received. The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting Shareholder who seeks payment of the fair value of his or her Common Shares. The BCBCA requires strict adherence to the procedures established therein and failure to do so may result in the loss of all dissenters' rights. Accordingly, each Shareholder who might desire to exercise his or her dissent rights in connection with the proposed Transaction should carefully consider and comply with the provisions of the BCBCA and consult such Shareholders' legal advisor.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, or any associate or affiliate of such director or officer, has any material interest, direct or indirect, by way of beneficial ownership of securities of the Corporation or otherwise, in any matter to be acted on at the Meeting.

See "*Requisite Shareholder Approvals – Securities Law Approval Requirements*" of this Circular for additional information.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, to the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no informed person of the Corporation or any associate or affiliate of an informed person, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

For the purposes of this Circular, an "informed person" means (a) a director or officer of the Corporation; (b) a director or officer of a person or company that is itself an informed person or subsidiary of the Corporation; or (c) any person or company who beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation.

See "*Requisite Shareholder Approvals – Securities Law Approval Requirements*" of this Circular for additional information.

AUDITORS

The Corporation's auditor is MNP LLP, of Vancouver, British Columbia.

MANAGEMENT CONTRACTS

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, management functions of the Corporation and its subsidiaries are not, to any substantial degree, performed other than by the directors and executive officers of the Corporation or its subsidiaries.

OTHER MATTERS

Management of the Corporation knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. However, if any other matters which are not known to management of the Corporation will properly come before the Meeting, the Proxy given pursuant to the solicitation by management of the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the Corporation's SEDAR profile at www.sedar.com. Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis by sending a written request to: Suite 2823, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia V7X 1L4, Attention: Chief Financial Officer. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year, which are also available on the Corporation's SEDAR profile at www.sedar.com.

APPROVAL OF INFORMATION CIRCULAR

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the directors of the Corporation.

DATED at Vancouver, British Columbia, this 13th day of April, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS OF
FIRESWIRL TECHNOLOGIES INC.**

/s/ Lawrence Ng _____

Lawrence Ng
Interim Chief Executive Officer

SCHEDULE "A"

TRANSACTION RESOLUTION

RESOLUTIONS OF THE SHAREHOLDERS OF FIRESWIRL TECHNOLOGIES INC.

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- (1) the sale of substantially all of the assets of Fireswirl Technologies Inc. (the "**Corporation**"), as described in the management information circular of the Corporation dated April 13, 2016 (the "**Sale**"), be and is hereby authorized and approved;
- (2) the entering into, execution and delivery of the purchase and sale agreement entered into among the Corporation, Fireswirl Technologies (Shenzhen) Co., Ltd., Beijing Xingchang Xinda Technology Development Co. Ltd. ("**XCXD**") and the minority shareholders of XCXD dated February 29, 2016 (the "**Purchase and Sale Agreement**") be and is hereby ratified, affirmed and approved, and the Corporation be and is hereby authorized to perform all of its obligations thereunder;
- (3) the Corporation be and is hereby authorized to take all such further actions and to execute and deliver all such further instruments or documents relating to, contemplated by or necessary or desirable in connection with the Sale or the Purchase and Sale Agreement;
- (4) any officer or director of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, agreements and instruments, and to perform or cause to be performed all such acts and things, as such officer or director shall determine to be necessary or desirable to give full effect to this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the performing or causing to be performed of such other acts or things; and
- (5) notwithstanding that this special resolution has been duly passed by the shareholders of the Corporation (the "**Shareholders**"), the board of directors of the Corporation be and is hereby authorized and empowered to defer acting on this special resolution or revoke this special resolution at any time before it is acted upon without further notice to or approval, ratification or confirmation by the Shareholders."

SCHEDULE "B"

SECTIONS 237- 247 OF THE BCBCA

DIVISION 2 — DISSENT PROCEEDINGS

Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
 - (i) to alter restrictions on the powers of the company or on the business it is permitted to carry on, or
 - (ii) Without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purpose within the meaning of section 51.91;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

- (e) under section 301(5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
 - (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
 - (g) in respect of any other resolution, if dissent is authorized by the resolution;
 - (h) in respect of any court order that permits dissent.
- (2) A shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242(4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
 - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
- (a) a copy of the resolution,
 - (b) a statement advising of the right to send a notice of dissent, and
 - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and

- (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

- 242** (1) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(a), (b), (c), (d), (e) or (f) must,
- (a) if the company has complied with section 240(1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
 - (b) if the company has complied with section 240(3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
 - (c) if the company has not complied with section 240(1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(g) must send written notice of dissent to the company
- (a) on or before the date specified by the resolution or in the statement referred to in section 240(2)(b) or (3) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

- (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

- 243** (1) A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1)(a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

- 244** (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1)(c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

- (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244(1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
 - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must

- (a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.