

EXECUTION VERSION

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is dated effective the 29 day of February, 2016 (the "Effective Date").

AMONG:

FIRESWIRL TECHNOLOGIES INC., a company incorporated pursuant to the laws of the Province of British Columbia, having an address at 2823 - 595 Burrard Street, Three Bentall Centre, Vancouver, British Columbia V7X 1L4 ("Fireswirl Technologies")

AND:

FIRESWIRL TECHNOLOGIES (SHENZHEN) CO., LTD., a company incorporated pursuant to the laws of the People's Republic of China (the "PRC"), having a registered address at Room 2001 Tower B Shenfeng Plaza, Renmin Road South, Louhu District, Shenzhen, China ("Fireswirl Shenzhen" and, together with Fireswirl Technologies, "Fireswirl")

AND:

BEIJING XINGCHANG XINDA TECHNOLOGY DEVELOPMENT CO., LTD., a company incorporated pursuant to the laws of the PRC, having a registered address at Room 104 Property Management Building, Jiulongshan Garden, Guanggu Road, Chaoyang District, Beijing, China ("XCXD")

AND:

WEI ZHANG, a citizen of the PRC (Identity Card Number: _____), having a correspondence address at _____ ("Zhang")

AND:

LEI LIU, a citizen of the PRC (Identity Card Number: _____), having a correspondence address at _____ ("Liu" and, together with Zhang, the "Shareholders")

WHEREAS:

- A. Zhang holds a 49% equity interest in XCXD and is also the registered and beneficial owner of 2,968,750 common shares of Fireswirl Technologies (the "Zhang Shares");
- B. Liu holds a 51% equity interest in XCXD and is also the registered and beneficial owner of 3,089,923 common shares of Fireswirl Technologies (the "Liu Shares" and, together with the Zhang Shares, the "Transferred Shares");
- C. Fireswirl Shenzhen and XCXD are parties to a Consulting Services Agreement dated September 4, 2009 (the "Consulting Services Agreement");
- D. Fireswirl Technologies, Yongwang Zhang and XCXD are parties to an Agreement Relating to the Acquisition of Equity Interest in Beijing Xingchang Xinda Technology Development Co., Ltd. dated September 4, 2009 (the "Zhang Call Option Agreement");
- E. Fireswirl Technologies, Guopeng Yi and XCXD are parties to an Agreement Relating to the Acquisition of Equity Interest in Beijing Xingchang Xinda Technology Development Co., Ltd. dated September 4, 2009 (the "Yi Call Option Agreement");
- F. Yongwang Zhang and Tony Shut Lee Lau are parties to a Power of Attorney agreement dated September 4, 2009 (the "Zhang Power of Attorney");
- G. Guopeng Yi and Tony Shut Lee Lau are parties to a Power of Attorney agreement dated September 4, 2009 (the "Yi Power of Attorney");
- H. Fireswirl Shenzhen and Yongwang Zhang are parties to an Equity Pledge Agreement dated September 4, 2009 (the "Zhang Equity Pledge");
- I. Fireswirl Shenzhen and Guopeng Yi are parties to an Equity Pledge Agreement dated September 4, 2009 (the "Yi Equity Pledge");
- J. Fireswirl, XCXD, Yongwang Zhang and Guopeng Yi entered into a novation agreement (the "Novation Agreement") with Zhang and Liu on or around ~~February 29~~ February 29 2016, pursuant to which Yongwang Zhang and Guopeng Yi have agreed to assign all their respective rights and obligations under the Consulting Services Agreement, the Zhang Call Option Agreement, the Yi Call Option Agreement, the Zhang Power of Attorney, the Yi Power of Attorney, the Zhang Equity Pledge and the Yi Equity Pledge to Zhang and Liu respectively. The Consulting Services Agreement, the Zhang Call Option Agreement, the Yi Call Option Agreement, the Zhang Power of Attorney, the Yi Power of Attorney, the Zhang Equity Pledge and the Yi Equity Pledge, as so novated, are hereinafter referred to as the "XCXD Agreements");
- K. Fireswirl Technologies wishes to purchase from Zhang and Liu the Transferred Shares in consideration of, inter alia, Zhang and Liu agreeing to cancel and terminate the XCXD Agreements, all on the terms and conditions contained herein;

- L. As of the date hereof, an aggregate amount of RMB 8,319,005 is owed by XCXD (the "Loan") to certain direct or indirect subsidiaries of Fireswirl Technologies, namely Fireswirl Shenzhen, Fireswirl Technologies (Beijing) Co. Ltd. and Fireswirl Asia Ltd. (collectively, the "Loan Subsidiaries"); and
- M. Fireswirl and XCXD wish to settle the Loan by the payment to Fireswirl Technologies, on behalf of the Loan Subsidiaries, of RMB 5,000,000, such payment to be in full and final satisfaction of the Loan.

NOW THEREFORE in consideration of the mutual promises, covenants and agreements in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. INTERPRETATION

1.1 Recitals

The recitals hereto form an integral part of this Agreement and shall be read and construed as being a part hereof.

1.2 Definitions

Unless otherwise specifically provided or the context requires otherwise, when used in this Agreement, including the recitals to this Agreement, the following terms shall have the meanings set forth below:

- (a) "Agreement" means this Purchase and Sale Agreement;
- (b) "Applicable Securities Laws" means the securities laws of British Columbia and of every other jurisdiction which apply or are deemed to apply to this Agreement and the transactions contemplated herein, and the respective rules and regulations under such laws, together with the published instruments, notes, statements and policies of the securities commission or applicable regulatory authorities in each such jurisdiction, all as amended from time to time;
- (c) "Business Day" means a day other than a Saturday or Sunday on which banks are open in (i) Vancouver, British Columbia, Canada, and (ii) Beijing, PRC, to the general public for business;
- (d) "Closing Date" means the date occurring three (3) Business Days after the date upon which all of the conditions contained in Article 5 hereof have been satisfied or waived by the applicable Party or such other date as the Parties may mutually agree in writing;

- (e) "Encumbrance" means any lien, pledge, charge, claim, encumbrance, security interest, option, lease, license, mortgage, easement or other restriction or third-party right of any kind, including any right of first refusal or restriction on voting;
- (f) "Governmental Authority" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, court, board, tribunal, dispute settlement panel or body or other law, rule or regulation-making entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, state or other geographic or political subdivision thereof; or (ii) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;
- (g) "Parties" means the parties to this Agreement and "Party" means any one of the Parties;
- (h) "Person" includes any individual, natural person, firm, corporation, body corporate (including a business trust), partnership (whether general or limited), joint stock company, trust, unincorporated organization, society, joint venture or any other entity recognized by law in any jurisdiction and includes any Governmental Authority; and
- (i) "Outside Date" means May 31, 2016.

2. SALE AND LOAN REPAYMENT

2.1 Fireswirl Shares

Subject to and in accordance with the terms and conditions set forth in this Agreement, on the Closing Date, Zhang and Liu each hereby agree to sell, assign and transfer to Fireswirl Technologies (or as directed by Fireswirl Technologies in writing at any time prior to the Closing Date) the Transferred Shares, free and clear of all Encumbrances.

2.2 Loan Repayment

Subject to and in accordance with the terms and conditions set forth in this Agreement, on the Closing Date, XCXD hereby agrees to pay to Fireswirl Technologies (or as directed by Fireswirl Technologies in writing at any time prior to the Closing Date), in full and final satisfaction of the Loan, an aggregate of RMB 5,000,000.

2.3 XCXD Agreements Termination

Subject to and in accordance with the terms and conditions set forth in this Agreement, on the Closing Date, Fireswirl, XCXD, Zhang and Liu hereby agree to terminate the XCXD Agreements such that none of the parties shall have any further rights and obligations towards each other under any or all of the XCXD Agreements with effect from the Closing Date. For this purpose, Fireswirl, XCXD, Zhang and Liu agree to enter into a termination agreement (the "Termination Agreement") in form and substance as set forth in Exhibit "A" to this Agreement on or before the Closing Date.

3. REPRESENTATIONS AND WARRANTIES

3.1 Shareholders Representations and Warranties

Zhang and Liu hereby jointly and severally represent and warrant to Fireswirl as follows, and acknowledge and agree that Fireswirl is relying on such representations and warranties in connection with the entering into of this Agreement:

- (a) Enforceable Agreement -- this Agreement has been duly executed and delivered by each of the Shareholders and constitutes a legal, valid and binding obligation of each of the Shareholders, enforceable by Fireswirl against each Shareholder in accordance with its terms, subject to the availability of equitable remedies and the enforcement of creditors' rights generally;
- (b) Title to Zhang Shares -- Zhang is the legal and beneficial owner of the Zhang Shares, with good and marketable title thereto, and such shares will be transferred to Fireswirl free and clear of all Encumbrances;
- (c) Title to Liu Shares -- Liu is the legal and beneficial owner of the Liu Shares, with good and marketable title thereto, and such shares will be transferred to Fireswirl free and clear of all Encumbrances;
- (d) No Other Rights in Fireswirl -- neither Shareholder has any shares, preemptive rights, convertible securities, outstanding warrants, options or other rights to subscribe for, purchase or acquire any securities of Fireswirl Technologies, other than the Transferred Shares, and there are no contracts or commitments providing for the issuance of, or the granting of rights to acquire, any securities of Fireswirl Technologies to either of the Shareholders;
- (e) No Other Purchase Agreements -- no person, firm or corporation has, or will have, any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, acquisition, assignment or transfer from Zhang or Liu of any of the Transferred Shares or any interest therein or right thereto owned by either Shareholder, other than Fireswirl Technologies pursuant to this Agreement;
- (f) No Conflicts -- the performance of this Agreement will not violate any agreement or other instrument to which a Shareholder is a party;
- (g) Approvals -- except as already contemplated herein, no consent, approval, order, authorization, registration or declaration of, or filing with, any Governmental Authority or other person is required by the Shareholders in connection with: (i) the execution and delivery of this Agreement; or (ii) the observance and performance by the Shareholders of their obligations under this Agreement;

- (h) Not Acting Jointly or in Concert – the Shareholders are not acting jointly or in concert with each other (as such term is defined under Applicable Securities Laws) or subject to any agreement, commitment or understanding, whether formal or informal, relating to the voting rights attached to the Transferred Shares and neither of the Shareholders is a control person (as such term is defined under Applicable Securities Laws) of Fireswirl Technologies or has acted jointly or in concert with any other person to form a control group (as such term is defined under Applicable Securities Laws) in respect of Fireswirl Technologies;
- (i) Acting on Own Account – each Shareholder is cancelling and terminating the XCXD Agreements and is selling, assigning and transferring his respective Transferred Shares as principal for his own account and not for the benefit of any other person;
- (j) No Restrictions on Transfer – there are no current or past creditors of the Shareholders to whom any law, rule or regulation requires the delivery of notice or from whom any form of consent is required in conjunction with undertaking the transactions contemplated herein;
- (k) No Litigation – there are no actions, lawsuits, litigation or proceedings pending or threatened in or before any Governmental Authority that affect Zhang or Liu's right to: (i) enter into this Agreement; (ii) perform any of their duties or obligations under this Agreement; or (iii) that are otherwise necessary to consummate the transactions contemplated herein; and
- (a) No Omission of Material Facts – the representations and warranties contained in this Section 3.1 do not omit to state any material fact necessary to make any such representation or warranty not misleading. The Shareholders have no knowledge of any facts which, if known by Fireswirl, might reasonably be expected to deter Fireswirl from completing the transactions contemplated herein.

Fireswirl's obligation to complete the transactions contemplated herein is subject to the foregoing representations and warranties remaining true and correct as at the Closing Date. Such representations and warranties will survive the closing of the transactions contemplated herein and will continue in full force and effect for the benefit of Fireswirl for a period of three (3) years from the Closing Date. The Shareholders covenant and agree to, in accordance with and subject to Article 7 hereof, indemnify Fireswirl from and against any and all claims, damages, losses and costs arising from such representations and warranties being incorrect or breached.

3.2 Additional Shareholders Representations and Warranties

Zhang and Liu hereby jointly and severally additionally represent and warrant to Fireswirl as follows, and acknowledge and agree that Fireswirl is relying on such representations and warranties in connection with the entering into of this Agreement:

- (a) Organization and Power -- XCXD is a corporation duly incorporated, organized and validly existing under the laws of the PRC and has all corporate power and authority to enter into this Agreement and to consummate the transactions contemplated herein;
- (b) Due Authorization -- the execution and delivery of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by all necessary corporate action on the part of XCXD;
- (c) Enforceable Agreement -- this Agreement has been duly executed and delivered by XCXD and constitutes a legal, valid and binding obligation of XCXD, enforceable by Fireswirl against XCXD in accordance with its terms, subject to the availability of equitable remedies and the enforcement of creditors' rights generally;
- (d) Entire Indebtedness -- the Loan constitutes the entire outstanding indebtedness of XCXD to the Loan Subsidiaries, including principal, interest to the date hereof and costs;
- (e) No Other Holders -- Fireswirl and the Shareholders are the sole registered and/or beneficial owners of XCXD, including with respect to the equity and voting interests therein, and no other person has a direct or indirect registered or beneficial interest in XCXD, including with respect to the equity or voting interests therein;
- (f) No Conflicts -- the performance of this Agreement will not violate any agreement or other instrument to which XCXD is a party or any charter, by-law or other order or corporate restriction of XCXD;
- (g) Approvals -- except as already contemplated herein, no consent, approval, order, authorization, registration or declaration of, or filing with, any Governmental Authority or other person is required by XCXD in connection with: (i) the execution and delivery of this Agreement; or (ii) the observance and performance by XCXD of its obligations under this Agreement;
- (h) No Default -- XCXD has not violated or committed a default under any law, its constitutional documents, any contract, agreement or other instrument to which it is a party or any judicial order, judgment or decree to which it is bound by: (i) entering into this Agreement; (ii) performing any of its duties or obligations under this Agreement; or (iii) that are otherwise necessary to consummate the transactions contemplated herein;
- (i) No Litigation -- there are no actions, lawsuits, litigation or proceedings pending or threatened in or before any Governmental Authority that affect XCXD's power or authority to: (i) enter into this Agreement; (ii) perform any of its duties or

obligations under this Agreement; or (ii) that are otherwise necessary to consummate the transactions contemplated herein; and

- (j) No Omission of Material Facts – the representations and warranties contained in this Section 3.2 do not omit to state any material fact necessary to make any such representation or warranty not misleading.

Fireswirl's obligation to complete the transactions contemplated herein is subject to the foregoing representations and warranties remaining true and correct as at the Closing Date. Such representations and warranties will survive the closing of the transactions contemplated herein and will continue in full force and effect for the benefit of Fireswirl for a period of three (3) years from the Closing Date. The Shareholders covenant and agree to, in accordance with and subject to Article 7 hereof, indemnify Fireswirl from and against any and all claims, damages, losses and costs arising from such representations and warranties being incorrect or breached.

3.3 Fireswirl Technologies Representations and Warranties

Fireswirl Technologies hereby represents and warrants to the Shareholders as follows, and acknowledges and agrees that the Shareholders are relying on such representations and warranties in connection with the entering into of this Agreement:

- (a) Organization and Power – Fireswirl Technologies is a corporation duly incorporated, organized and validly existing under the laws of the Province of British Columbia and has all corporate power and authority to enter into this Agreement and to consummate the transactions contemplated herein;
- (b) Due Authorization – the execution and delivery of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by all necessary corporate action on the part of Fireswirl Technologies;
- (c) Enforceable Agreement – this Agreement has been duly executed and delivered by Fireswirl Technologies and constitutes a legal, valid and binding obligation of Fireswirl Technologies, enforceable by the Shareholders against Fireswirl Technologies in accordance with its terms, subject to the availability of equitable remedies and the enforcement of creditors' rights generally;
- (d) No Other Purchase Agreements – no person, firm or corporation has, or will have, any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, acquisition, assignment or transfer of any of the XCXD Agreements or any interest therein or right thereto held by Fireswirl Technologies, other than the Shareholders pursuant to this Agreement;
- (e) No Default – Fireswirl Technologies has not, and will not have, violated or committed a default under any law in Canada, its constitutional documents, any contract, agreement or other instrument to which it is a party or any judicial order,

judgment or decree of a Governmental Authority in Canada to which it is bound by: (i) entering into this Agreement; (ii) performing any of its duties or obligations under this Agreement; or (iii) that are otherwise necessary to consummate the transactions contemplated herein; and

- (f) No Litigation -- there are no actions, lawsuits, litigation or proceedings pending or threatened in or before any Governmental Authority in Canada that affect Fireswirl Technologies's power or authority to: (i) enter into this Agreement; (ii) perform any of its duties or obligations under this Agreement; or (iii) that are otherwise necessary to consummate the transactions contemplated herein.

The Shareholders' obligation to complete the transactions contemplated herein is subject to the foregoing representations and warranties remaining true and correct as at the Closing Date. Such representations and warranties will survive the closing of the transactions contemplated herein and will continue in full force and effect for the benefit of the Shareholders for a period of three (3) years from the Closing Date. Fireswirl Technologies covenants and agrees to, in accordance with and subject to Article 7 hereof, indemnify the Shareholders from and against any and all claims, damages, losses and costs arising from such representations and warranties being incorrect or breached.

3.4 Fireswirl Shenzhen Representations and Warranties

Fireswirl Shenzhen hereby represents and warrants to the Shareholders as follows, and acknowledges and agrees that the Shareholders are relying on such representations and warranties in connection with the entering into of this Agreement:

- (a) Organization and Power -- Fireswirl Shenzhen is a corporation duly incorporated, organized and validly existing under the laws of the PRC and has all corporate power and authority to enter into this Agreement and to consummate the transactions contemplated herein;
- (b) Due Authorization -- the execution and delivery of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by all necessary corporate action on the part of Fireswirl Shenzhen;
- (c) Enforceable Agreement -- this Agreement has been duly executed and delivered by Fireswirl Shenzhen and constitutes a legal, valid and binding obligation of Fireswirl Shenzhen, enforceable by the Shareholders against Fireswirl Shenzhen in accordance with its terms, subject to the availability of equitable remedies and the enforcement of creditors' rights generally;
- (d) No Other Purchase Agreements -- no person, firm or corporation has, or will have, any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, acquisition, assignment or transfer of any of the XCXD Agreements or any interest therein or right thereto held by Fireswirl Shenzhen, other than the Shareholders pursuant to this Agreement;

- (e) No Default – Fireswirl Shenzhen has not, and will not have, violated or committed a default under any law, its constitutional documents, any contract, agreement or other instrument to which it is a party or any judicial order, judgment or decree to which it is bound by: (i) entering into this Agreement; (ii) performing any of its duties or obligations under this Agreement; or (iii) that are otherwise necessary to consummate the transactions contemplated herein; and
- (f) No Litigation – there are no actions, lawsuits, litigation or proceedings pending or threatened in or before any Governmental Authority that affect Fireswirl Shenzhen's power or authority to: (i) enter into this Agreement; (ii) perform any of its duties or obligations under this Agreement; or (iii) that are otherwise necessary to consummate the transactions contemplated herein.

The Shareholders' obligation to complete the transactions contemplated herein is subject to the foregoing representations and warranties remaining true and correct as at the Closing Date. Such representations and warranties will survive the closing of the transactions contemplated herein and will continue in full force and effect for the benefit of the Shareholders for a period of three (3) years from the Closing Date. Fireswirl Shenzhen covenants and agrees to, in accordance with and subject to Article 7 hereof, indemnify the Shareholders from and against any and all claims, damages, losses and costs arising from such representations and warranties being incorrect or breached.

4. COVENANTS

4.1 Covenants of the Parties

Each Party covenants and agrees as follows:

- (a) if any Governmental Authority having jurisdiction over it issues any order before the Closing Date which would prohibit or materially restrict or hinder completion of the transactions contemplated herein, it shall use its reasonable commercial efforts to have such order dissolved, revoked, vacated or otherwise eliminated as promptly as commercially possible and, in any event, prior to the Outside Date;
- (b) if at any time it becomes aware of a fact or circumstance that might prevent a condition under Article 5 hereof from being or remaining satisfied, to immediately inform the other Parties of such fact or circumstance; and
- (c) to use its reasonable commercial efforts to take all necessary steps and corporate proceedings to be taken in order to facilitate the transactions contemplated herein.

4.2 Covenants of the Shareholders

Zhang and Liu jointly and severally covenant and agree, except as may be contemplated herein:

- (a) until the Closing Date or the date upon which this Agreement is terminated, whichever is earlier, to not take any action that interferes with or is inconsistent with the completion of the transactions contemplated herein or that would render any representation or warranty made by the Shareholders pursuant to Sections 3.1 or 3.2 hereof untrue in any material respect;
- (b) to use their reasonable commercial efforts to procure or assist in procuring that the conditions specified in Subsections 5.1 and 5.4 hereof are satisfied on or before the Closing Date (and if satisfied before the Closing Date, that same remain satisfied on the Closing Date), including using their reasonable commercial efforts to assist the other Parties in obtaining all regulatory approvals required to be obtained and with the completion and filing of all reports and documents, including any required information circular in connection with the approval set forth in Section 5.1(c) hereof required to be completed and filed, in respect of the transactions contemplated herein;
- (c) to execute and deliver, or cause to be executed and delivered, 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, including, for greater certainty, XCXD, but excluding Fireswirl and Tony Lau, as the case may be;
- (d) to promptly inform Fireswirl (in writing, if requested by Fireswirl) of any facts that come to their attention which would cause any of their representations and warranties in this Agreement to be untrue in any respect; and
- (e) to deliver all documents contemplated in Subsection 6.2(a) hereof on or prior to the Closing Date.

4.3 Additional Covenants of the Shareholders

Zhang and Liu further jointly and severally covenant and agree, except as may be contemplated herein:

- (a) to cause XCXD to use its reasonable commercial efforts to ensure that the conditions specified in Sections 5.1 and 5.4 hereof are satisfied on or before the Closing Date (and if satisfied before the Closing Date, that same remain satisfied on the Closing Date), including using its reasonable commercial efforts to assist the other Parties in obtaining all regulatory approvals required to be obtained and with the completion and filing of all reports and documents, including any required information circular in connection with the approval set forth in Section 5.1(c) hereof required to be completed and filed, in respect of the transactions contemplated herein; and
- (b) to cause XCXD to deliver all payments and documents contemplated in Subsection 6.2(b) hereof on or prior to the Closing Date.

4.4 Covenants of Fireswirl Technologies

Fireswirl Technologies hereby covenants and agrees, except as may be contemplated herein:

- (a) until the Closing Date or the date upon which this Agreement is terminated, whichever is earlier, to not take any action that interferes with or is inconsistent with the completion of the transactions contemplated herein or that would render any representation or warranty made pursuant to Section 3.3 hereof untrue in any material respect;
- (b) to use its reasonable commercial efforts to procure or assist in procuring that the conditions specified in Subsections 5.1 and 5.2 hereof are satisfied on or before the Closing Date (and if satisfied before the Closing Date, that same remain satisfied on the Closing Date), including using its reasonable commercial efforts to assist the other Parties in obtaining all regulatory approvals required to be obtained and with the completion and filing of all reports and documents, including any required information circular in connection with the approval set forth in Section 5.1(c) hereof required to be completed and filed, in respect of the transactions contemplated herein;
- (c) to execute and deliver, or cause to be executed and delivered, 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 Fireswirl and Tony Lau, as applicable;
- (d) to promptly inform the Shareholders (in writing, if requested by the Shareholders) of any facts that come to its attention which would cause any of its representations and warranties in this Agreement to be untrue in any respect; and
- (e) together with Fireswirl Shenzhen, to deliver all documents contemplated in Subsection 6.2(c) hereof on or prior to the Closing Date.

4.5 Covenants of Fireswirl Shenzhen

Fireswirl Shenzhen hereby covenants and agrees, except as may be contemplated herein:

- (a) until the Closing Date or the date upon which this Agreement is terminated, whichever is earlier, to not take any action that interferes with or is inconsistent with the completion of the transactions contemplated herein or that would render any representation or warranty made pursuant to Section 3.4 hereof untrue in any material respect;
- (b) to use its reasonable commercial efforts to procure or assist in procuring that the conditions specified in Subsections 5.1 and 5.2 hereof are satisfied on or before the Closing Date (and if satisfied before the Closing Date, that same remain

satisfied on the Closing Date), including using its reasonable commercial efforts to assist the other Parties in obtaining all regulatory approvals required to be obtained and with the completion and filing of all reports and documents, including any required information circular in connection with the approval set forth in Section 5.1(c) hereof required to be completed and filed, in respect of the transactions contemplated herein;

- (c) to execute and deliver, or cause to be executed and delivered, 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 Fireswirl and Tony Lau, as applicable;
- (d) to promptly inform the Shareholders (in writing, if requested by the Shareholders) of any facts that come to its attention which would cause any of its representations and warranties in this Agreement to be untrue in any respect; and
- (e) together with Fireswirl Technologies, to deliver all documents contemplated in Subsection 6.2(c) hereof on or prior to the Closing Date.

5. CONDITIONS

5.1 Mutual Conditions Precedent

The Parties' obligations to complete the transactions contemplated herein are subject to the fulfillment or mutual waiver in writing of the following conditions on or prior to the Closing Date:

- (a) all governmental and regulatory approvals or consents as may be necessary to consummate the transactions contemplated herein having been obtained;
- (b) all necessary approvals from the TSX Venture Exchange (the "TSXV") as may be necessary to consummate the transactions contemplated herein having been obtained;
- (c) all approvals from the shareholders of Fireswirl Technologies, 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 herein having been obtained;
- (d) if required under MI 61-101 or by the rules and policies of the TSXV, Fireswirl Technologies having obtained a formal valuation report in respect of Fireswirl's interest in XCXD;

- (e) no Person having commenced any *bona fide* proceedings or investigation for the purpose of prohibiting or otherwise challenging or interfering with the transactions contemplated herein; and
- (f) no Governmental Authority having enacted or proposed any legislation which would prohibit, materially restrict or materially delay the implementation of the transactions contemplated hereunder.

5.2 Conditions Precedent of the Shareholders

Notwithstanding anything contained herein, the obligation of the Shareholders to complete the transactions provided for herein are subject to the fulfillment of the following conditions on or prior to the Closing Date:

- (a) the representations and warranties of Fireswirl contained in this Agreement being true and accurate on the date hereof and on the Closing Date with the same force and effect as though such representations and warranties had been made as of the Closing Date (regardless of the date as of which the information in this Agreement or other document made pursuant hereto is given);
- (b) Fireswirl having observed or performed in all material respects all of the obligations, covenants and agreements contained in this Agreement which it must perform at or before the Closing Date (other than those subject to a materiality qualifier, which shall have been observed or performed in all respects), including delivery of its closing deliveries under Subsection 6.2(e) hereof; and
- (c) each XCXD Agreement having been cancelled and terminated as evidenced by the Termination Letter duly signed by Fireswirl, XCXD, Zhang and Liu.

5.3 Conditions Precedent for the Benefit of the Shareholders

The conditions contained in Section 5.2 hereof are inserted for the exclusive benefit of the Shareholders and may be waived in whole or in part by the Shareholders in writing at any time.

5.4 Conditions Precedent of Fireswirl

Notwithstanding anything contained herein, the obligation of Fireswirl to complete the transactions provided for herein will be subject to the fulfillment of the following conditions on or prior to the Closing Date:

- (a) the representations and warranties of the Shareholders contained in this Agreement being true and accurate on the date hereof and on the Closing Date with the same force and effect as though such representations and warranties had been made as of the Closing Date (regardless of the date as of which the information in this Agreement or other document made pursuant hereto is given);

- (b) the Shareholders and XCXD having observed or performed in all material respects all of the obligations, covenants and agreements contained in this Agreement which they must perform at or before the Closing Date (other than those subject to a materiality qualifier, which shall have been observed or performed in all respects), including delivery of their closing deliveries under Subsections 6.2(a) and (b) hereof; and
- (c) all necessary approvals from the board of directors of Fireswirl Technologies as may be necessary to consummate the transactions contemplated herein having been obtained;

5.5 Conditions Precedent for the Benefit of Fireswirl

The conditions contained in Section 5.4 hereof are inserted for the exclusive benefit of Fireswirl and may be waived in whole or in part by Fireswirl in writing at any time.

6. CLOSING

6.1 Closing Date and Time

Closing of the transactions contemplated herein shall take place at 9:00 a.m. (Vancouver time) on the Closing Date, or such other date as the Parties may mutually agree upon in writing.

6.2 Closing Procedures

On the Closing Date:

- (a) the Shareholders shall deliver to Fireswirl:
 - (i) share certificates representing the Zhang Shares and the Liu Shares, respectively, as fully paid and non-assessable common shares of Fireswirl Technologies, duly endorsed for transfer to Fireswirl Technologies (or as otherwise directed in writing by Fireswirl Technologies in accordance with Section 2.1 hereof);
 - (ii) a certificate executed by the Shareholders confirming the accuracy of all representations and warranties contained in Sections 3.1 and 3.2 hereof and the performance by the Shareholders of all covenants contained in Sections 4.2 and 4.3 hereof;
 - (iii) the agreements, instruments and documents contemplated by Section 4.2(c) hereof evidencing the cancellation of the XCXD Agreements by all of the parties thereto, including, for greater certainty, XCXD, but excluding Fireswirl and Tony Lau, as the case may be; and

- (iv) such other documents as may be required by Fireswirl or its legal counsel, acting reasonably, to give full effect to the transactions contemplated herein;
- (b) the Shareholders shall cause XCXD to deliver to Fireswirl:
 - (i) payment of an aggregate of RMB 5,000,000 to Fireswirl Technologies by certified cheque, bank draft or wire transfer for same day value as directed in writing by Fireswirl Technologies prior to the Closing Date; and
 - (ii) a certified copy of the resolutions of the directors of XCXD authorizing the execution and delivery of this Agreement and the performance by XCXD of the terms of this Agreement; and
- (c) Fireswirl shall deliver to the Shareholders and XCXD:
 - (i) a certificate executed by a duly authorized representative of Fireswirl Technologies confirming the accuracy of all applicable representations and warranties contained in Sections 3.3 and 3.4 hereof and the performance by Fireswirl of all covenants contained in Sections 4.4 and 4.5 hereof;
 - (ii) the agreements, instruments and documents contemplated by Section 4.4(c) hereof evidencing the cancellation of the XCXD Agreements by Fireswirl and Tony Lau, as applicable; and
 - (iii) such other documents as may be required by the Shareholders or their legal counsel and/or XCXD or its legal counsel, acting reasonably, to give full effect to the transactions contemplated herein.

7. Indemnification

7.1 Indemnification

Subject to Sections 7.2 and 7.3 hereof, each Party (the "Indemnifying Party") hereby agrees to indemnify and save the other Party (the "Indemnified Party") harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense ("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 or non-fulfilment of any covenant or agreement on the part of the Indemnifying Party contained in this Agreement or in any document given in order to carry out the transactions contemplated hereby;
- (b) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Indemnifying Party contained in this Agreement or

contained in any document or certificate given in order to carry out the transactions contemplated hereby; and

- (c) all costs and expenses including, without limitation, reasonable legal fees on a solicitor and client basis, incidental to or in respect of the foregoing.

7.2 Indemnification Basket

Notwithstanding Section 7.1 hereof, no obligation on the part of the Indemnifying Party to indemnify the Indemnified Party for Indemnified Losses under this Agreement will arise until the aggregate amount of all of Indemnified Losses in respect of which a claim for indemnity has been made by the Indemnified Party exceeds the sum of \$25,000.

7.3 Provisions Relating to Indemnity Claims

The following provisions will apply to any claim by the Indemnified Party for indemnification by the Indemnifying Party pursuant to Section 7.1 hereof or otherwise as outlined herein (in this Section, an "Indemnity Claim"):

- (a) promptly after becoming aware of any matter that may give rise to an Indemnity Claim, the Indemnified Party will provide to the Indemnifying Party written notice of the Indemnity Claim specifying (to the extent that information is available) the factual basis for the Indemnity Claim and the amount of the Indemnity Claim or, if an amount is not then determinable, an estimate of the amount of the Indemnity Claim, if an estimate is feasible in the circumstances;
- (b) if an Indemnity Claim relates to an alleged liability of the Indemnified Party to any other person (in this Section, a "Third Party Liability"), including without limitation any Governmental Authority, which is of a nature such that the Indemnified Party is required by applicable law to make a payment to a third party before the relevant procedure for challenging the existence or quantum of the alleged liability can be implemented or completed, then the Indemnified Party may, notwithstanding the provisions of Subsection 7.3(c) and (d) hereof, make such payment and forthwith demand reimbursement for such payment from the Indemnifying Party in accordance with this Agreement; provided that if the alleged liability to the third party as finally determined upon completion of settlement negotiations or related legal proceedings is less than the amount which is paid by the Indemnifying Party in respect of the related Indemnity Claim, then the Indemnified Party will forthwith following the final determination pay to the Indemnifying Party the amount by which the amount of the liability as finally determined is less than the amount which is so paid by the Indemnified Party;
- (c) the Indemnified Party will not negotiate, settle, compromise or pay (except in the case of payment of a judgement) any Third Party Liability as to which it proposes to assert an Indemnity Claim, except with the prior consent of the Indemnifying Party (which consent must not be unreasonably withheld or delayed), unless there

is a reasonable possibility that such Third Party Liability may materially and adversely affect the Indemnified Party, in which case the Indemnified Party will have the right, after notifying the Indemnifying Party, to negotiate, settle, compromise or pay such Third Party Liability without prejudice to its rights of indemnification hereunder;

- (d) with respect to any Third Party Liability, provided the Indemnifying Party first admits the Indemnified Party's right to indemnification for the amount of such Third Party Liability which may at any time be determined or settled, then in any legal, administrative or other proceedings in connection with the matters forming the basis of the Third Party Liability, the following procedures will apply:
 - (i) except as contemplated by Paragraph 7.3(d)(iii) hereof, the Indemnifying Party will have the right to assume carriage of the compromise or settlement of the Third Party Liability and the conduct of any related legal, administrative or other proceedings, but the Indemnified Party will have the right and will be given the opportunity to participate in the defence of the Third Party Liability, to consult with the Indemnifying Party in the settlement of the Third Party Liability and the conduct of related legal, administrative and other proceedings (including consultation with counsel) and to disagree on reasonable grounds with the selection and retention of counsel, in which case counsel satisfactory to the Indemnifying Party and the Indemnified Party will be retained by the Indemnifying Party;
 - (ii) the Indemnifying Party will co-operate with the Indemnified Party in relation to the Third Party Liability, will keep it fully advised with respect thereto, will provide it with copies of all relevant documentation as it becomes available, will provide it with access to all records and files relating to the defence of the Third Party Liability and will meet with representatives of the Indemnified Party at all reasonable times to discuss the Third Party Liability; and
 - (iii) notwithstanding Paragraphs 7.3(d)(i) and (ii) hereof, the Indemnifying Party will not settle the Third Party Liability or conduct any legal, administrative or other proceedings in any manner which could, in the reasonable opinion of the Indemnified Party, have a material adverse affect on the condition of the Indemnified Party, except with the prior written consent of the Indemnified Party; and
- (e) if, with respect to any Third Party Liability, the Indemnifying Party does not admit the Indemnified Party's right to indemnification or declines to assume carriage of the settlement or of any legal, administrative or other proceedings relating to the Third Party Liability, then the following provisions will apply:
 - (i) the Indemnified Party, at its discretion, may assume carriage of the settlement or of any legal, administrative or other proceedings relating to

the Third Party Liability and may defend or settle the Third Party Liability on such terms as the Indemnified Party, acting in good faith, considers advisable; and

- (ii) any cost, loss, damage or expense incurred or suffered by the Indemnified Party in the settlement of such Third Party Liability or the conduct of any legal, administrative or other proceedings will be added to the amount of the Indemnity Claim.

8. TERMINATION

8.1 Termination

This Agreement will terminate at any time prior to the Closing Date:

- (a) upon mutual consent of the Parties in writing;
- (b) by written notice from the Shareholders or Fireswirl, as the case may be, to the other, if any condition set forth in Section 5.1 is not satisfied by the Outside Date and is not waived by such Party;
- (c) by written notice from the Shareholders to Fireswirl and XCXD if any condition set forth in Section 5.2 is not satisfied by the Outside Date and is not waived by the Shareholders;
- (d) by written notice from Fireswirl to the Shareholders and XCXD if any condition set forth in Section 5.4 is not satisfied by the Outside Date and is not waived by Fireswirl; or
- (e) if the Closing Date does not occur on or prior to the Outside Date.

8.2 Notice of Termination

In the event of the termination of this Agreement pursuant to Subsections 8.1(b), (c) or (d) hereof, written notice thereof shall forthwith be given by the Party so terminating to the other Parties and this Agreement shall terminate without further action by any of the Parties.

8.3 Effect of Termination

In the event of termination of this Agreement pursuant to Subsection 8.1 hereof, all rights and obligations of the Parties under this Agreement will cease immediately upon termination, provided that:

- (a) termination will not affect the then accrued rights and obligations of the Parties (including the right to damages for the breach, if any, giving rise to the termination and any other pre-termination breach by any of the Parties); and
- (b) termination will be without prejudice to the continued application of Article 7 and Section 9.10 hereof (and all provisions relevant to the interpretation and enforcement thereof), which will remain in full force and effect for a period of three (3) years.

9. GENERAL PROVISIONS

9.1 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes every previous agreement, communication, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise, among the Parties with respect to the subject matter of this Agreement, except as specifically set out herein.

9.2 Sections, Headings and Defined Terms

The division of this Agreement into sections, the insertion of headings and the use of defined terms are for convenience of reference only and do not form a part of this Agreement and will not be used to interpret, define or limit the scope, extent or intent of this Agreement. Unless otherwise specified or the context otherwise requires: (i) references in this Agreement to "Section(s)", "Subsection(s)" and "Paragraph(s)" are to sections, subsections and paragraphs, respectively, of this Agreement; and (ii) words importing the singular include the plural and *vice versa* and words importing gender include all genders.

9.3 Waiver and Consent

No consent or waiver, express or implied, by any Party to or of any breach or default by another Party of any or all of its obligations under this Agreement will be valid unless it is in writing, nor will it eliminate or modify the need for a specific consent or waiver in any other or subsequent instance.

9.4 Amendments

This Agreement may not be amended except by written agreement between all the Parties.

9.5 Assignment

No Party may assign any right, benefit or interest in this Agreement without the written consent of all the Parties.

9.6 Binding Effect

This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

9.7 Further Assurances

Each Party will, at its own expense, execute and deliver all such further agreements and documents and do such further acts and things as may be reasonably required to give effect to this Agreement and the transactions contemplated herein.

9.8 Independent Legal Advice

Each Party represents and warrants to the others and acknowledges and agrees that it had the opportunity to seek, was neither prevented nor discouraged by the other Parties from seeking and did obtain, or elected not to obtain, independent legal advice prior to the execution and delivery of this Agreement. The Shareholders and XCXD expressly acknowledge and agree that Sangra Moller LLP has acted solely for Fireswirl in the negotiation, execution and delivery of this Agreement.

9.9 Governing Law

This Agreement is governed exclusively by, and is to be enforced, construed and interpreted exclusively in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein, which will be deemed to be the proper law of this Agreement. The Parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of British Columbia situate in Vancouver, British Columbia, for the settlement of any disputes hereunder.

9.10 Confidentiality

The Parties covenant and agree that the terms, conditions and entering into of this Agreement are strictly confidential and that no Party may disclose the terms of this Agreement or the fact that it has been executed to any other person, save and except those of its advisors that have a need to know. Notwithstanding the foregoing, each Party may disclose the terms and conditions of this Agreement or the fact of its execution if, and to the extent, required by applicable law or stock exchange rule.

9.11 Time

Time is of the essence in the performance of this Agreement.

9.12 Expenses

Except as otherwise provided herein, each Party shall pay all expenses it incurs in authorizing, preparing, negotiating, executing and performing this Agreement and the transactions

contemplated hereunder, whether or not the closing of such transactions occurs, including all fees and expenses of its legal counsel, bankers, accountants or other representatives.

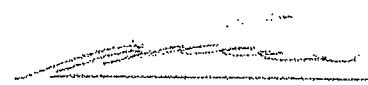
9.13 Counterparts

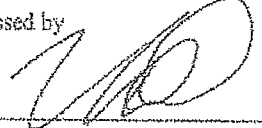
This Agreement may be executed in any number of counterparts with the same effect as if all Parties had signed the same document. All counterparts will constitute one and the same agreement. This Agreement may be executed and transmitted by facsimile transmission and if so executed and transmitted this Agreement will be for all purposes as effective as if the Parties had delivered an executed original Agreement.

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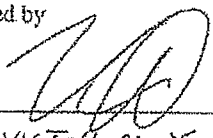
IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

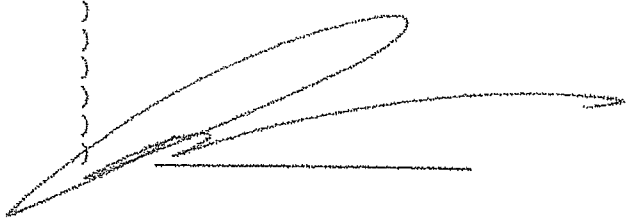
For and on behalf of
FIRESWIRL TECHNOLOGIES INC.
by

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Witnessed by

Name: VICTOR CHOY
Title: CONSULTANT



For and on behalf of
FIRESWIRL TECHNOLOGIES
(SHENZHEN) CO., LTD.

by
Witnessed by

Name: VICTOR CHOY
Title: CONSULTANT

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For and on behalf of
BEIJING XINGCHANG XINDA
TECHNOLOGY DEVELOPMENT CO., LTD.

by
Witnessed by

Name:
Title: VICTOR CHOY

Signature Page to Purchase and Sale Agreement

SIGNED, SEALED and DELIVERED by)
ZHANG, WEI in the presence of:)



Signature)

VICTOR CHOI

Name)

Address)

Occupation)



WEI ZHANG

SIGNED, SEALED and DELIVERED by LIU,)
LEI in the presence of:)



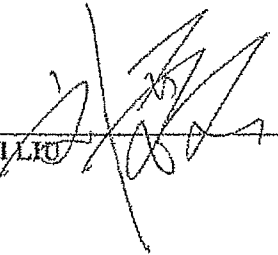
Signature)

VICTOR CHOI

Name)

Address)

Occupation)



LEI LIU

Signature Page to Purchase and Sale Agreement

EXHIBIT "A"
TERMINATION AGREEMENT

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