
Fireswirl Technologies Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2020

(Expressed in Canadian Dollars)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three months ended March 31, 2020 have not been reviewed by the Company's auditors.

Fireswirl Technologies Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	March 31, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 6,793	\$ 8,586
Trade and other receivables (note 4)	18,427	17,534
Total Assets	\$ 25,220	\$ 26,120
Liabilities and shareholders' deficiency		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 266,643	\$ 242,741
Total liabilities	266,643	242,741
Shareholders' equity		
Common shares (note 5)	8,588,528	8,588,528
Contributed surplus (note 5)	3,671,365	3,671,365
Accumulated other comprehensive loss	(25,000)	(25,000)
Deficit	(12,476,316)	(12,451,514)
Total shareholders' equity	(241,423)	(216,621)
Total liabilities and shareholders' equity	\$ 25,220	\$ 26,120

Going concern assumption (note 2 (b))

Subsequent event (note 10)

Approved by the Board of Directors:

Director: Gurdeep Bains _____

Director: Ji Yoon _____

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Fireswirl Technologies Inc.

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

	Three Months Ended March 31,	
	2020	2019
Operating expenses		
General administration	\$ 24,802	\$ 83,566
Operating loss before below item	(24,802)	(83,566)
Foreign exchange gain	-	881
Net loss for the period from continuing operations	(24,802)	(82,685)
Net loss for the period from discontinued operations (note 3)	-	(41,370)
Net loss for the period	\$ (24,802)	\$ (124,055)
Other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	-	(2,055)
Net comprehensive loss for the period	\$ (24,802)	\$ (126,110)
Net loss for the period attributable to:		
Common shareholders of the Company	\$ (24,802)	\$ (114,117)
Non-controlling interest	-	(9,938)
	(24,802)	(124,055)
Net comprehensive loss for the period attributable to:		
Common shareholders of the Company	\$ (24,802)	\$ (118,226)
Non-controlling interest	-	(7,884)
	(24,802)	(126,110)
Basic and diluted loss per share of:		
Loss from continuing operations attributable to common shareholders of the Company	\$ (0.01)	\$ (0.08)
Weighted average number of shares outstanding, basis and diluted	2,682,286	1,070,252

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Fireswirl Technologies Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian Dollars)

(Unaudited)

	Number of shares issued and outstanding	Share capital	Contribution surplus	Accumulated other comprehensive loss	Accumulated other comprehensive relating to assets held for sale	Accumulated deficit	Total	Non- controlling interest	Total shareholders' equity
Balance, December 31, 2018	1,070,252	\$ 8,233,881	\$ 3,671,365	\$ (150,000)	\$ 272,033	(12,865,857)	(838,578)	(90,700)	(929,278)
Net loss for the period	-	-	-	-	-	(114,117)	(114,117)	(9,938)	(124,055)
Exchange differences on translation of foreign operations	-	-	-	9,727	(6,919)	-	2,808	2,055	4,863
Balance, March 31, 2019	1,070,252	\$ 8,233,881	\$ 3,671,365	\$ (140,273)	\$ 265,114	(12,979,974)	(949,887)	(98,583)	(1,048,470)
Balance, December 31, 2019	2,682,286	\$ 8,588,528	\$ 3,671,365	\$ (25,000)	\$ -	(12,451,514)	(216,621)	-	(216,621)
Net loss for the period	-	-	-	-	-	(24,802)	(24,802)	-	(24,802)
Balance, March 31, 2020	2,682,286	\$ 8,588,528	\$ 3,671,365	\$ (25,000)	\$ -	(12,476,316)	(241,423)	-	(12,476,316)

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Fireswirl Technologies Inc.

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

	Three Months Ended March 31,	
	2020	2019
Operating Activities		
Net loss for the period	\$ (24,802)	\$ (114,117)
Add (deduct) items not affecting cash:		
Depreciation and amortization	-	403
Changes in non-cash working capital items:		
Trade and other receivable	(893)	(4,506)
Accounts payable and accrued liabilities	23,902	83,146
Net cash flows used in operating activities of continuing operations	(1,793)	(35,074)
Effect of exchange rate changes on cash and cash equivalents of continuing operations	-	31,432
Change in cash during the period of continuing operations	(1,793)	(3,642)
Cash, beginning of the period of continuing operations	8,586	4,553
Cash, end of the period	\$ 6,793	\$ 911
Net cash flows used in operating activities of discontinued operations	\$ -	\$ (16,557)
Effect of exchange rate changes on cash and cash equivalents discontinued operations	-	4,863
Change in cash during the year discontinued operations	-	(11,694)
Cash, beginning of the period discontinued operations	-	43,836
Cash, end of the period, discontinued operations	\$ -	\$ 32,142

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Fireswirl Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

1. Reporting Entity

Fireswirl Technologies Inc. (the "Company") was founded in 1999 and became publicly listed in 2006. The Company through its subsidiaries focus on conducting e-commerce, including operating official online stores for international brands in China and reselling branded products on these online stores and online store content development and deployment. Starting in February 2017, the Company also commenced the business of providing multimedia and interactive marketing solutions, specializing in three dimensional visualizations, computer graphics and digital design.

The address of the Company's registered office is 1200 - 750 West Pender Street, Vancouver, British Columbia. The Company's shares are listed on the NEX under the symbol FSW.H.

On January 15, 2019, the Company consolidated its common shares on a basis of 50 old shares to 1 new share. As part of the share consolidation, the stock options were also consolidated and the exercise price adjusted to reflect the consolidation. The consolidation has been reflected in these unaudited condensed interim financial statements and all applicable references to the number of shares and stock options and their strike price and per share information has been adjusted.

In accordance with TSX Venture Exchange Policy 2.5, the company has not maintained the requirements for a TSX Venture Exchange Tier 2 company. Therefore, effective July 22, 2019, the company's listing transferred to the NEX. As of July 22, 2019, the company is subject to restrictions on share issuances and certain types of payments as set out in the NEX policies. The trading symbol for the company changed from FSW to FSW.H.

2. Basis of Preparation and significant accounting policies

a) Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 28, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent audited consolidated financial statements as at and for the period ended December 31, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

b) Going concern assumption

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

For the three months ended March 31, 2020, the Company incurred an operating loss of \$24,802. As at March 31, 2020, the Company had an accumulated deficit of \$12,476,316 since inception.

Fireswirl Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

2. Basis of Preparation and significant accounting policies (continued)

b) Going concern assumption (continued)

The continuation of the Company as a going concern is dependent upon its ability to raise additional financing and ultimately attain and maintain profitable operations. There can be no assurance that such financing and profitability will occur in the amounts and with terms expected. In the event that cash flow from operations, if any, together with the proceeds of any future financings, are insufficient to meet the Company's current operating needs, the Company will be required to re-evaluate its planned expenditures and allocate its total resources in such a manner as the Board of Directors and management deems to be in the Company's best interest.

There is material uncertainty that the Company will be able to achieve profitable operations or continue raising funds in the future. These factors raise significant doubt about the Company's ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not give effect to adjustments to the carrying value and classification of assets and liabilities and related expense that would be necessary should the Company be unable to continue as a going concern.

c) New accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current and future reporting periods.

3. Discontinued operations

As at March 31, 2020 and December 31, 2019, the discontinued operations have been disposed of for no considerations and the assets held for sale and liabilities relating to assets held for sale were \$nil.

The Company didn't have any discontinued operations results for the three months ended March 31, 2020.

The operating results of Asia and HK for the three months ended March 31, 2019 have been presented as discontinued operations as below:

	Asia	HK	Shenzhen	Total
Operating revenue	\$ -	\$ 6,538	\$ -	\$ 6,538
Cost of sales	-	4,694	-	4,694
	-	1,844	-	1,844
Operating expenses				
General administration	229	11,442	16,077	27,748
Sales and marketing	-	15,249	157	15,406
	229	26,691	16,234	43,154
	(229)	(24,847)	(16,234)	(41,310)
Foreign exchange loss	(65)	-	-	(65)
Interest income	-	-	5	5
Net loss from discontinued operations	\$ (294)	\$ (24,847)	\$ (16,229)	\$ (41,370)

Fireswirl Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements
March 31, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited)

3. Discontinued operations (continued)

The net cash flows from discontinued operations for the three months ended March 31, 2020 and 2019 are as follows:

Three months ended March 31,	2020	2019
Net cash used in operating activities	\$ -	\$ (16,557)
Net cash provided by financing activities	-	-
Effect of exchange rate changes on cash and cash equivalents	-	4,863
Change in cash during the year for discontinued operations	-	(11,694)
Cash, beginning of the year for discontinued operations	-	43,836
Cash, end of the period, discontinued operations	\$ -	\$ 32,142

4. Trade and Other Receivables

	March 31, 2020	December 31, 2019
VAT/GST receivable	\$ 18,427	\$ 17,534
	\$ 18,427	\$ 17,534

5. Share Capital

a) Share capital

(i) Authorized:

Unlimited number of common shares, voting, without par value.

Unlimited number of preferred shares, issuable in series.

(ii) Issued and outstanding:

The Company had 2,682,286 common shares issued and outstanding as at March 31, 2020.

On May 23, 2019, the Company completed the debt settlement described in its news release of April 18, 2019.

The Company issued an aggregate of 1,612,034 common shares to settle outstanding debt totaling \$217,625.

b) Stock option plan

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

A summary of the share option activity during the periods is presented below:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2018, March 31, 2019, December 31, 2019	46,000	\$ 2.50
Expired	(2,000)	6.00
Balance, March 31, 2020	44,000	\$ 2.59

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5. Share Capital (continued)

b) Stock option plan (continued)

The following table summarizes information about stock options outstanding at March 31, 2020:

Exercise Price (\$)	Number of options	Remaining contractual life (years)
2.50	16,000	2.19
2.50	26,000	1.16
4.50	2,000	0.19
2.59	44,000	1.49

6. Related Party Transactions

The related party transactions are in the normal course of operations and are measured and recorded at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these consolidated financial statements are listed below:

Key management compensation

Key management includes directors (executive and non-executive), chief executive officer and chief financial officer of the Company. The compensation paid or payable to key management personnel during the periods ended March 31, 2020 and 2019 is as follows:

Three months ended March 31,	2020	2019
Salaries and fees:		
-Salaries and consulting fees	\$ 22,500	\$ -

Key management personnel were not paid post employment benefits or other long-term benefits during the period ended March 31, 2020. As at March 31, 2020, the Company owed \$108,000 (December 31, 2019 - \$85,500) to two directors which was included in the accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing with no fixed term of repayment.

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Notes to Condensed Interim Consolidated Financial Statements
March 31, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited)

7. Financial Instruments

a) Fair value

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

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

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

Level 2 – Inputs other than quoted prices included in Level 1 that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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

The Company's financial assets include cash and cash equivalents which are classified as amortized cost. The Company's financial liabilities include accounts payable and accrued liabilities which are all classified as financial liabilities at amortized cost.

The fair values of cash and cash equivalents and accrued liabilities, and due to related parties approximate their carrying values due to the short-term nature of these instruments. As at December 31, 2019, the Company did not have financial liabilities measured at fair value on a recurring basis.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalent, restricted cash, trade receivable and due from a related party.

The Company limits its exposure to credit risk on cash and cash equivalents by depositing only with reputable financial institutions. Maximum credit risk related to cash and cash equivalents amounted to \$6,793 at March 31, 2020 (December 31, 2019 - \$8,586).

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Notes to Condensed Interim Consolidated Financial Statements
March 31, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited)

7. Financial Instruments (continued)

c) Currency risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company uses the Canadian dollar as its reporting currency for these consolidated financial statements. The Company operates internationally, giving rise to exposure to market risks from changes in foreign exchange rates. The Company is exposed to foreign exchange rate when the Company undertakes transactions and hold assets and liabilities in currencies other than its functional currencies. The Company currently does not use derivative instruments to hedge its exposure to those risks. As at March 31, 2020, the Company is subject to immaterial currency risk as it did not have material assets or liabilities held in currencies other than its functional currencies.

d) Interest risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest risk as at March 31, 2020.

e) Liquidity risk

The purpose of liquidity risk management is to maintain a sufficient amount of cash and cash equivalents. Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost.

As at March 31, 2020, the Company had total debt in the amount of \$266,643 due within 12 months (December 31, 2019 - \$242,741) and \$241,423 of working capital deficiency (December 31, 2019 - working capital deficiency of \$216,620).

8. Capital Management

The Company has defined its capital as common shares, contributed surplus, accumulated other comprehensive income and accumulated deficit.

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

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

Fireswirl Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

9. Expenses by Nature

Three months ended March 31,	2020	2019
General administrative expense		
Salaries and benefits	\$ -	\$ 13,500
Professional fees, insurance and public company cost	22,275	65,150
Other office expenses	27	4,513
Depreciation and amortization	-	403
	\$ 22,302	\$ 83,566

10. Subsequent events

(a) On May 15, 2020, the Company completed a non-brokered private placement of 1,212,121 common shares at a price of \$0.0825 per share for gross proceeds of \$100,000. The shares issued in connection with the private placement are subject to a four-month hold period expiring on September 15, 2020.

(b) On May 28, 2020, the Company settled \$203,354 of debt with creditors by issuing 1,506,328 common shares of the Company. The shares issued in connection with the debt settlement are subject to a four-month hold period expiring on September 29, 2020.

(c) The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.