

**Omni-Lite Industries Canada Inc.**  
**Interim Consolidated Financial Statements**  
**(Unaudited)**  
**Six Months Ended June 30, 2000**

**OMNI-LITE INDUSTRIES CANADA INC.**  
**Consolidated Statement of Operations and Retained Earnings**  
**(Unaudited)**  
**United States Dollars**

	For the six months ended June 30,2000	For the six months ended June 30,1999	For the twelve months ended December 31,1999
<b>Revenue</b>	\$ 817,930	\$ 603,424	\$ 1,924,339
<b>Direct Costs</b>			
Cost of goods sold	202,993	128,333	629,344
Gross margin	<u>614,938</u>	<u>475,091</u>	<u>1,294,995</u>
<b>Overhead expenses</b>			
Amortization	67,500	69,949	131,123
General & administrative	199,943	212,445	237,753
Interest on long term debt	21,137	19,589	40,116
	<u>288,580</u>	<u>301,983</u>	<u>408,992</u>
	326,358	173,108	886,003
<b>Other Income</b>			
<b>Income before other items</b>	326,358	179,519	886,003
<b>Other</b>			
Write down of inventory	0		-30,000
Foreign Exchange & other	0	0	28,542
	<u>0</u>	<u>0</u>	<u>-1,458</u>
	326,358	179,519	884,545
<b>Income before income taxes</b>	326,358	179,519	884,545
Current	11,589	17,000	122,414
Deferred	16,318		44,000
Utilization of Loss Carryovers	0		-91,000
	<u>27,907</u>	<u>17,000</u>	<u>75,414</u>
<b>Net Income for the period</b>	298,451	162,519	809,131
Retained Earnings,beginning of period	963,501	154,370	154,370
Excess of purchase price paid on carrying value for purchase of subsidiary			-
<b>Retained Earnings,end of the period</b>	<u>\$ 1,261,952</u>	<u>\$ 316,889</u>	<u>\$ 963,501</u>
<b>Earnings per share</b>	\$ 0.03	\$ 0.02	\$ 0.08

**OMNI-LITE INDUSTRIES CANADA INC.**  
**Consolidated Balance Sheet**  
**(Unaudited)**  
**United States Dollars**

	June 30,2000	December 31,1999
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 48,714	\$ 96,640
Accounts Receivable	667,073	580,468
Due from related parties	0	30,815
Inventory	596,633	375,303
Prepays	0	0
	<u>1,312,420</u>	<u>1,083,226</u>
<b>Due from related parties</b>	39,640	219,919
<b>Deposits</b>	0	0
<b>Investments</b>	103,020	17,986
<b>Capital Assets</b>	2,437,774	2,449,808
<b>Deferred development and patent expenditures</b>	515,218	536,620
	<u>\$ 4,408,072</u>	<u>\$ 4,307,559</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts Payable	\$ 189,402	\$ 310,875
Income taxes payable	19,691	19,691
Due to related parties	12,074	143,351
	<u>221,167</u>	<u>473,917</u>
<b>Long-term debt</b>	484,248	445,754
<b>Deferred income taxes</b>	271,318	255,000
	<u>976,733</u>	<u>1,174,671</u>
<b>Shareholder's equity</b>		
Share capital	2,169,387	2,169,387
Retained Earnings	1,261,952	963,501
	<u>3,431,339</u>	<u>3,132,888</u>
	<u>\$ 4,408,072</u>	<u>\$ 4,307,559</u>

On behalf of the Board:

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David Grant, Director

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Don Kelly, Director

**OMNI-LITE INDUSTRIES CANADA INC.**  
**Consolidated Statement of Changes in Financial Position**  
**(Unaudited)**  
**United States Dollars**

	For the six months ended June 30,2000	For the year ended December 31,1999
<b>Cash resources provided by(used for)</b>		
<b>Operating Activities</b>		
Operations		
Net income for the period	\$ 298,451	\$ 809,131
Items not requiring cash		
Amortization	67,500	131,123
Deferred income taxes	16,318	44,000
Cash flow from operations	<u>382,269</u>	<u>984,254</u>
Net change in non-cash working capital balances		
Accounts receivable	<b>(86,605)</b>	(282,647)
Inventory	<b>(221,330)</b>	(126,159)
Prepays	-	18,882
Accounts payable	<b>(121,473)</b>	200,483
Income taxes payable	-	(9,571)
Due to related parties	<b>79,817</b>	240,569
	<u><b>32,678</b></u>	<u>1,025,811</u>
<b>Financing activities</b>		
Issue of share capital net of share issue cost	-	-
Repurchase of share capital	-	-
Repayments and advances to related parties,net		
Repayment of long term debt	-	
Proceeds from long term debt	38,494	145,754
Increase in deposits	-	-
	<u>38,494</u>	<u>145,754</u>
<b>Investing activities</b>		
Purchase of capital assets	<b>(12,662)</b>	(1,282,637)
Deferred development costs	<b>(21,402)</b>	(94,848)
Deposits on capital assets acquisition		200,000
Investment in shares	(85,034)	-
Acquisition of subsidiary,net of cash	-	-
	<u><b>(119,098)</b></u>	<u>(1,177,485)</u>
<b>Increase(Decrease)in cash for the period</b>	(47,926)	(5,920)
<b>Cash, beginning of period</b>	<b>96,640</b>	102,560
<b>Cash,end of period</b>	<b>\$ 48,714</b>	<b>\$ 96,640</b>