
ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT
Omni-Lite Industries Canada Inc.	June 30, 2002	August 29, 2002

ISSUER'S ADDRESS

1600 Bow Valley Sq2
205 5th Ave. SW

CITY, PROVINCE, POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
Calgary, AB. T2P2V7	562 926-6913	562 404-8510

CONTACT NAME	CONTACT'S POSITION	CONTACT TELEPHONE NO.
Ann Park	Administration	562 404-8510

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CERTIFICATE

The three schedules required to complete this Annual Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Annual Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
"David Grant"	David Grant	August 29, 2002

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
"Donald J. Kelly"	Donald J. Kelly	August 29, 2002

Omni-Lite Industries Canada Inc.
Consolidated Interim
Financial Statements
For the six month period ended
June 30, 2002
(Unaudited – See Notice to Reader)

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BDO Dunwoody LLP
Chartered Accountants
and Consultants

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Notice to Reader

We have compiled the consolidated interim balance sheet of Omni-Lite Industries Canada Inc. as at June 30, 2002 and the consolidated interim statements of income and retained earnings and cash flows for the interim period then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Signed "*BDO Dunwoody LLP*"

Chartered Accountants

Calgary, Alberta
August 13, 2002

Omni-Lite Industries Canada Inc.
Consolidated Interim Balance Sheet
(Unaudited – See Notice to Reader)
United States Dollars

As at	June 30, 2002	December 31, 2001 (audited)
Assets		
Current		
Cash	\$ 211,182	\$ 40,331
Accounts receivable	501,273	505,207
Inventory (Note 3)	982,823	789,570
Prepaid expenses	6,356	5,556
	<u>1,701,634</u>	<u>1,340,664</u>
Investment	84,846	84,846
Deposit (Note 11)	426,000	-
Capital assets (Note 4)	4,818,171	4,576,020
Deferred development and patent expenditures (Note 5)	594,133	715,942
	<u>\$ 7,624,784</u>	<u>\$ 6,717,472</u>
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 295,376	\$ 280,409
Income taxes payable	23,078	33,535
Due to related parties (Note 6)	907,409	359,576
Current portion of long-term debt	1,420,000	913,555
	<u>2,645,863</u>	<u>1,587,075</u>
Long-term debt	-	444,445
Future income taxes	446,000	412,000
	<u>3,091,863</u>	<u>2,443,520</u>
Share capital (Note 7(b))	2,282,896	2,183,114
Subscriptions receivable (Note 7(d))	(57,360)	-
Retained earnings	2,294,885	2,090,838
	<u>4,520,421</u>	<u>4,273,952</u>
	<u>\$ 7,612,284</u>	<u>\$ 6,717,472</u>

On behalf of the Board:

"signed" Robert Inkster Director

"signed" Don Kelly Director

Omni-Lite Industries Canada Inc.
Consolidated Interim Statements of Income and Retained Earnings
(Unaudited – See Notice to Reader)
United States Dollars

	For the six month period ended June 30, 2002	For the six month period ended June 30, 2001	For the three month period ended June 30, 2002	For the three month period ended June 30, 2001
Revenue	\$ 1,113,255	\$ 983,559	\$445,833	\$520,653
Cost of goods sold	305,419	254,293	129,462	129,238
Gross margin	807,836	729,266	316,371	391,415
Overhead expenses				
Amortization	199,881	134,663	104,523	69,050
General and administrative	334,026	205,456	196,448	58,826
Research and product design	21,133	-	21,133	-
Interest on long-term debt	32,081	54,656	13,505	47,607
	587,121	394,775	335,609	175,483
Income before the undernoted	220,715	334,491	(19,238)	215,932
Other income (loss)				
Foreign exchange	(16,998)	-	(28,180)	-
Rental	52,957	105,914	-	70,610
	35,959	105,914	(28,180)	70,610
Income (loss) before income taxes	256,674	440,405	(47,418)	286,542
Income taxes				
Current	6,127	6,324	-	6,325
Future	34,000	45,000	11,000	11,000
	40,127	51,324	11,000	17,325
Net income (loss) for the period	216,547	389,081	(58,418)	269,217
Retained earnings, beginning of period	2,090,838	1,511,851	2,365,803	1,631,715
Purchase price of common shares repurchased in excess of carrying value (Note 7(b))	-	(25,538)	-	(25,538)
Retained earnings, end of period	\$ 2,307,385	\$ 1,875,394	\$ 2,307,385	\$ 1,875,394
Earnings (loss) per share – basic and diluted	\$0.02	\$0.04	\$(0.01)	\$0.03
Weighted average shares outstanding - basic	9,129,210	9,898,842	9,141,822	9,893,836
diluted	9,325,599	9,914,315	9,338,211	9,909,309

Omni-Lite Industries Canada Inc.
Consolidated Interim Statements of Cash Flows
(Unaudited – See Notice to Reader)
United States Dollars

	For the six month period ended June 30, 2002	For the six month period ended June 30, 2001	For the three month period ended June 30, 2002	For the three month period ended June 30, 2001
Cash flows from operating activities				
Net income for the period	\$ 216,547	\$ 389,081	\$ (58,418)	\$ 269,217
Adjustments for:				
Amortization	199,881	134,663	104,523	69,050
Foreign exchange	-	-	3,736	-
Future income taxes	34,000	45,000	11,000	11,000
Cash flow from operations	450,428	568,744	60,841	349,267
Net change in assets and liabilities				
Accounts receivable	3,934	151,777	340,491	170,421
Inventory	(193,253)	(333,214)	(116,113)	(184,939)
Prepaid expenses	(800)	(1,950)	1,983	4,656
Accounts payable and accrued liabilities	14,967	39,207	101,211	(17,544)
Income taxes payable	(10,457)	5,000	(10,457)	5,000
	264,819	429,564	377,956	326,861
Cash flows from financing activities				
Due to related parties	547,833	(29,298)	168,510	(25,298)
Issue of share capital	42,422	(35,942)	15,047	(35,942)
Proceeds (repayment) from (of) long-term debt	62,000	29,000	130,000	(110,000)
	652,255	(36,240)	313,557	(171,240)
Cash flows from investing activities				
Deferred development and patent expenditures	-	(128,820)	-	(97,433)
Deposit	(426,000)	-	(326,000)	-
Purchase of capital assets	(320,223)	(316,866)	(317,513)	(7,521)
	(746,223)	(445,686)	(643,513)	(104,954)
Increase (decrease) in cash	170,851	(52,362)	48,000	50,667
Cash, beginning of period	40,331	121,862	163,182	18,833
Cash, end of period	\$ 211,182	\$ 69,500	\$ 211,182	\$ 69,500

Omni-Lite Industries Canada Inc.
Notes to Consolidated Interim Financial Statements
(Unaudited – See Notice to Reader)
United States Dollars

June 30, 2002

1. Nature of Operations

Omni-Lite Industries Canada Inc. (the "Company") is a public company incorporated under the Laws of the Business Corporations Act of Alberta in 1992. Its head office operations are located in Calgary, with research and development and production operations in Cerritos, California, U.S.A. and an international office in Barbados. The company's activities consist of developing, producing and marketing specialized metal matrix composite, aluminum and carbon steel products. These products include components for the Sports and Recreation, Automobile, Aerospace, Military and Commercial Industries. Since the most significant portion of the Company's operations are located in the United States and its transaction currency is usually denominated in United States dollars, these consolidated financial statements are stated in United States dollars.

2. Significant Accounting Policies

The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles in Canada. The preparation of consolidated interim financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated interim financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated interim financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality. These consolidated interim financial statements should be read in conjunction with the most recent annual consolidated financial statements. The significant accounting policies follow that of the most recently reported annual consolidated financial statements except for the following:

Stock-based compensation

Effective January 1, 2002, the Company adopted the recommendations of CICA Handbook Section 3870, Stock based compensation and other stock-based payments. This section requires that direct awards of stock and liabilities based on the price of common stock be measured at fair value at each reporting date, with the change in fair value reported in the statements of income and encourages, but does not require, the use of the fair value method for all other types of stock-based compensation plans. None of the Company's plans qualify as direct awards of stock or as plans that create liabilities based on the price of the company's stock, and as a result, the implementation of the section has no impact on the financial statements. The Company has chosen not to use the fair value method to account for stock-based employee compensation plans, but to disclose pro-forma information for options granted after January 1, 2002. The Company records no compensation expense when options are issued to employees. Any consideration paid by employees on the exercise of the options is credited to capital stock.

Deferred development

The amortization period for projects on hand at January 1, 2002 was revised to three from ten years on a straight-line basis. As a result, the full amount will be fully amortized within 2.5 years.

Omni-Lite Industries Canada Inc.
Notes to Consolidated Interim Financial Statements
(Unaudited – See Notice to Reader)
United States Dollars

June 30, 2002

2. Significant Accounting Policies - continued

Deposit

Deposit related to the purchase of 5 new cold forging systems for \$1,420,000. The Company has committed to monthly payments of \$100,000 per month, which commenced on March 2002. The Company has the option to make larger sum payments. The exchange amount equaled carrying values and represented costs incurred by the related party.

3. Inventory

The major components of inventory are classified as follows:

	June 30, 2002	December 31, 2001 (audited)
Raw materials	\$ 260,133	\$ 225,242
Work in progress	-	5,100
Finished goods	722,690	559,228
	\$ 982,823	\$ 789,570

4. Capital Assets

	June 30, 2002		December 31, 2001 (audited)	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 770,000	\$ -	\$ 770,000	\$ -
Building	1,415,528	72,635	1,209,549	48,381
Production and other equipment	2,988,000	305,263	2,878,100	255,969
Computer equipment	48,525	25,984	45,115	22,394
	\$ 5,222,053	\$ 403,882	\$ 4,902,764	\$ 326,744
Net book value	\$ 4,818,171		\$ 4,576,020	

Omni-Lite Industries Canada Inc.
Notes to Consolidated Interim Financial Statements
(Unaudited – See Notice to Reader)
United States Dollars

June 30, 2002

5. Deferred Development and Patent Expenditures

	June 30, 2002		December 31, 2001 (audited)	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Deferred development and patent expenditures	\$ 1,134,312	\$ 540,179	\$ 1,134,693	\$ 418,751
Net book value	\$ 594,133		\$ 715,942	

6. Due to Related Parties

Due to related parties includes an amount of \$709,911 (December 31, 2001 - \$359,576) to a director and shareholder of the Company, which is unsecured, non-interest bearing and has no set terms of repayment. Included is also a loan from another director of the Company in the amount of \$197,498 (2001 - \$nil). This loan is due on demand and bears interest at 8.19% per annum.

7. Share Capital

(a) Authorized
 Unlimited number of common shares

(b) Issued

	For the 6 months ending June 30, 2002		For the year ended December 31, 2001 (audited)	
	Number of Shares	Amount	Number of Shares	Amount
Total issued and outstanding, begin of period	9,084,602	\$ 2,183,114	9,903,902	\$ 2,249,923
Issued for cash upon exercise of stock options	77,000	42,422	10,000	8,000
Repurchase of shares under normal course issuer bid	-	-	(183,300)	(41,641)
Returned to treasury	-	-	(500,000)	-
	9,161,602	2,225,536	9,230,602	2,216,282
To be issued for promissory notes upon exercise of stock options (Note 7(d))	76,667	57,360	-	-
To be cancelled from repurchase under normal course issuer bid	-	-	(146,000)	(33,168)
Total issued and outstanding, end of period	9,238,269	\$ 2,282,896	9,084,602	\$ 2,183,114

Omni-Lite Industries Canada Inc.
Notes to Consolidated Interim Financial Statements
(Unaudited – See Notice to Reader)
United States Dollars

June 30, 2002

7. Share Capital - continued

(c) Stock options

The Company has granted stock options to the directors, consultants, and employees of the Company as follows:

	Number of Shares	Option Price per Share Range	Weighted Average Exercise Price
Options outstanding, Dec. 31, 2001	926,333	CDN \$0.60 to \$2.50	CDN \$1.26
Options - exercised	(149,667)	CDN \$0.60 to \$1.40	CDN \$1.06
Options - granted	90,000	CDN \$1.72 to \$1.97	CDN \$1.88
Options – cancelled/expired	(35,000)	CDN \$1.50 to \$2.50	CDN \$2.00
Options outstanding, June 30, 2002	831,666	CDN \$0.98 to \$2.01	CDN \$1.31
Options exercisable at June 30, 2002	560,000	CDN \$1.20 to \$2.01	CDN \$1.25

The options that are exercisable at June 30, 2002 are summarized as follows:

Options Outstanding	Option price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options Currently Vested	Weighted Average Exercise Price of Options Currently Exercisable
50,000	CDN \$0.60 to \$0.99	CDN \$ 0.98	1.3 years	10,000	CDN \$0.98
748,333	CDN \$1.00 to \$1.99	CDN \$ 1.30	3.0 years	516,667	CDN \$1.21
33,333	CDN \$2.00 to \$2.50	CDN \$ 2.01	3.3 years	33,333	CDN \$2.01
831,666				560,000	

(d) Subscriptions receivable

During the period, the Company issued promissory notes to options holders totaling \$57,360 to exercise stock options to acquire an aggregate of 76,667 common shares at exercise prices ranging from CDN\$0.98 to CDN\$1.40 per common share. The promissory notes are non-interest bearing and have a repayment date of 1 year from the date of the note.

Omni-Lite Industries Canada Inc.
Notes to Consolidated Interim Financial Statements
(Unaudited – See Notice to Reader)
United States Dollars

June 30, 2002

8. Segmented Information

Operating Segments:

The Company operates as one operational segment selling specialized products to the Sports and Recreation, Automobile, Aerospace, Military and Commercial Industries.

Geographic Segments:

The Company has its operations and subsidiaries in the United States, Canada and in Barbados. The Company has utilized and reported revenues based on the Company locations for each of these segments as follows:

June 30, 2002	United States	Canada	Barbados	Inter-corporate elimination	Total
Revenues	\$ 437,156	\$ -	\$ 1,073,718	\$ (397,619)	\$ 1,113,255
Capital assets	\$ 4,807,688	\$ 10,483	\$ -	\$ -	\$ 4,818,171

9. Commitments

There have been no material changes in the existence, likelihood or amount of commitments from the preceding annual consolidated financial statements.

10. Non-Cash Transaction

Subscriptions receivable

During the period, the Company issued promissory notes to options holders to acquire an aggregate of 76,667 common shares as detailed in Note 7(d).

11. Deposit

During the period, the Company has advanced a company controlled by a director of the Company \$426,000 for the purchase of 5 new cold forging systems.

SCHEDULE 'B'

Omni-Lite Industries Canada Inc.
British Columbia Form 51-901F
For the Quarter Ended June 30, 2002

Item 1 Analysis of expenses and deferred costs Year-to-date

<u>Cost of Goods Sold</u>	\$305,419 US
 <u>General and Administrative</u>	
Salaries	\$114,274 US
Insurance	39,846
Office Expense	34,865
 Professional Fees	 31,165
Business Promotion	24,994
Other	<u>88,882</u>
Total	\$334,026

Item 2 Related party transactions

See notes to financial statements, Schedule "A", Notes 6 and 10.

Item 3 Securities issued and options granted

a) Summary of common shares issued

Date of Issue	Type of Security	Type of Issue	Number	Price (CDN)	Total Proceeds (CDN)	Type of Consideration	Commission Paid
Apr 4, 2002	Common	Exercise of option	10,000	\$0.98	\$9,800	Cash	None
Apr 4, 2002	Common	Exercise of option	10,000	\$1.20	\$12,000	Cash	None
Apr 8, 2002	Common	Exercise of option	8,334	\$1.40	\$11,667.60	Cash	None
Apr 9, 2002	Common	Exercise of option	15,000	\$1.20	\$18,000	Cash	None

b) Summary of options granted

Description of Optionee	Number of Optioned Shares	Exercise Price(CDN)	Original date of Grant	Expiration Date
Employee	50,000	1.91	May 22, 2002	May 22, 2007

Consultant	20,000	1.97	Jun 30, 2002	Jun 30, 2004
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Item 4 Summary of securities as at the end of the reporting period

a) Particulars of authorized capital

The corporation is authorized to issue an unlimited number of common shares. Each common share is entitled to receive notice and vote at shareholder meetings and will participate on a pro rata basis in any dissolution or winding up of the corporation.

b) Summary of shares issued and outstanding

See notes to financial statements, Schedule "A", Note 7(b)

c) Summary of options, warrants and convertible debentures outstanding

See notes to financial statements, Schedule "A", Note 7(c)

d) Total number of shares in escrow or subject to pooling agreement

Nil

Item 5 List of Officers and Directors as at the date of this report

<u>Name of Director</u>	<u>Name of Officer</u>	
Robert D. Inkster	David F. Grant	<i>President and CEO</i>
David F. Grant	Paul Burkey	<i>Chief Operating Officer</i>
Donald J. Kelly	Michael Walker	<i>V.P. Research and Development</i>
Paul Schreckengost	Catherine Grant	<i>Secretary</i>

Omni-Lite Industries Canada Inc.
Schedule "C"
British Columbia Form 51-901F
For the Quarter Ended June 30, 2002

**MANAGEMENT DISCUSSION AND
ANALYSIS**

Item 1 General

A. Discussion of Operations and Financial Condition

During the second quarter, total revenue was \$445,833 US or approximately \$677,220 CDN, a decrease of 24.6% over the same period in 2001. During this time frame, cash flow decreased by 83% to \$60,841 US or approximately \$92,417 CDN. The Company reported net loss for the three month period of \$58,418 US or approximately \$88,737 CDN. Restructuring by two key customers resulted in the deferral of sales for the quarter.

During the current period, the company revised its estimate with respect to the amortization period for deferred development expenses and adopted a more conservative policy in regard to deferral of such expenses. This has resulted in an increase in non-cash expense of approximately \$95K in the year-to-date results. Increase in value of the Canadian dollar with reference to the U.S. dollar has resulted in a foreign exchange charge of approximately \$17K.

All figures are in US dollars except as noted.

SUMMARY OF FINANCIAL HIGHLIGHTS (US \$)

Shares Issued And Outstanding : 9,161,602	Three months ended June 30, 2002	Three months ended June 30, 2001	Six months ended June 30,2002	Six months ended June 30, 2001	For the year ended Dec. 31, 2001
Total Revenue	\$445,833	\$591,263	\$1,166,212	\$1,089,473	\$2,231,704
Cash flow from operations	\$ 60,841	\$349,267	\$ 450,428	\$ 568,744	\$1,151,862
Net Income (loss)	\$(58,418)	\$269,217	\$ 216,547	\$ 389,081	\$ 819,886
EPS (US)	\$(0.01)	\$0.03	\$0.02	\$0.04	\$0.08
EPS (CDN)	\$(0.01)	\$0.04	\$0.04	\$0.06	\$0.13

SECOND QUARTER FINANCIAL HIGHLIGHTS (US \$)

Shares Issued And Outstanding : 9,161,602	Three months ended June 30, 2002	Three months ended June 30, 2001	% Increase (decrease)
Total Revenue	\$445,833	\$591,263	(25)%
Cash flow from operations	\$ 60,841	\$349,267	(83)%
Net Income (loss)	\$(58,418)	\$269,217	-
EPS (US)	\$(0.01)	\$0.03	-
EPS (CDN)	\$(0.01)	\$0.04	-

Over the six-month period to June 30, 2002 total revenue was \$ 1,166,212 US, an increase of 7% over the previous period. Over the same two quarters cash flow decreased to \$ 450,428 US, a decrease of 21% over the same period in 2001. Net income decreased to \$216,547 or 44% below that achieved in the January to June period in 2001.

SIX MONTHS FINANCIAL HIGHLIGHTS(US\$)

Shares Issued And Outstanding : 9,161,602	Six months ended June 30, 2002	Six months ended June 30, 2001	% Increase (decrease)
Total Revenue	\$1,166,212	\$1,089,474	7%
Cash flow from operations	\$450,428	\$568,744	(21)%
Net Income	\$216,547	\$389,081	(44)%
EPS (US)	\$0.02	\$0.04	-
EPS (CDN)	\$0.04	\$0.06	-

B. Omni-Lite as a Business

Omni-Lite's key competitive strengths include the development and manufacture of specialized products utilizing advanced materials and precision computer controlled cold forging techniques. Combining these advantages and a team of key design and material engineers, production technicians, marketing and administrative support personnel has enabled Omni-Lite to prosper in the competitive environment of the 21st century. This strategy has quickly brought Omni-Lite to the forefront of technological development.

In second quarter 2002, the Company continued delivery nine components to Monogram. These products from the Aerospace division will be utilized in the products of Boeing, Airbus, Bombardier and other aircraft manufacturers. The successful implementation of

these projects has made the Aerospace and Military divisions the fastest growing in the Company.

Ongoing improvements to the quality systems and equipment will be the key to the Company's future sales success.

C. Omni-Lite's Markets

Omni-Lite's primary market is the development of precision components utilized by many of the world's largest corporations. In 2000, Omni-Lite's components were utilized in the products of Daimler-Chrysler, GM, Ford, Mazda, Nike, adidas, Reebok, Boeing, Airbus, Bombardier, the U.S. Army, and NATO. The requirements and stature of these customers necessitates that the Company operate at a very high level of engineering and production efficiency.

Omni-Lite's Sports and Recreation products are marketed in over 140 countries worldwide through the catalogs of Nike, adidas, Eastbay, M-F Athletics and Springco.

D. Growth Record

January 1998 saw the initiation of an expansion program during which Omni-Lite's manufacturing capability increased from two production systems to ten by April 2000. During 2000, the Company commenced discussions towards purchasing a larger cold forging system. This equipment with a retail price of over \$520,000US was purchased in February 2001 for approximately \$280,000US. In March 2002, the Company purchased an additional five progressive forging systems for \$1,420,000US. These machines were all purchased at a significant discount to retail list value and included favorable financing terms. The first two systems were delivered in August of 2002.

E. Growth Expectations

In 2002, Omni-Lite continued a period of rapid development. Several new projects were initiated in the Aerospace, Automotive and Military Divisions. These long-term developments bode well for the Company's future growth. To further growth, Mr. Allan Maxin joined the Omni-Lite team in June as Technical Sales Manager.

F. Risk Factors

The Company's business and operating performance is subject to economic forces beyond its control, such as changes in consumer preferences, spending patterns, and general economic downturns.

As Omni-Lite grows in revenue the Company becomes subject to increasing interest from corporations that would like to imitate the successes that have been achieved. The Company has and will continue to aggressively protect itself through a variety of means that include:

1. patent and trademark protection
2. license agreements
3. joint venture agreements
4. development of proprietary technology and products

Of particular significance is the fact that Omni-Lite has received five U.S. patents to date. The Company is in the process of applying for two additional patents.

G. International Operations

To support the international scope of the market place Omni-Lite has established two wholly owned subsidiaries in Barbados. These complement the production center in Cerritos, California. The staff in Barbados is responsible for marketing, sales, and maintaining international markets for Omni-Lite's products.

Item 2 Quarterly Information

The following table summarizes the Company's financial performance over the last eight quarters. All figures in US dollars unless noted.

ALL FIGURES IN US DOLLARS UNLESS NOTED

	June 30/02	Mar 31/02	Dec 31/01	Sept 30/01	June 30/01	Mar 31/01	Dec 31/00	Sept 30/00
Total Rev	445,833	731,561	385,582	979,123	591,263	498,211	393,186	590,650
Cash Flow	60,841	389,587	-39,288	622,406	349,267	219,477	147,094	264,364
Net Income	-58,418	274,965	-101,409	532,214	269,217	119,864	40,701	209,198
EPS(US)	-.01	.03	-.01	.05	.03	.01	.01	.02
EPS(CDN)	-.01	.05	-.02	.08	.04	.01	.01	.03

Item 3 Liquidity and Capital Resources

The Company anticipates that cash flow will meet the on going working capital requirements of the Company. The Company will continue the repayment of long-term debt with excess funds. In April 2002, the Company made the last mortgage payment on the new Cerritos facility. The facility has been modified to allow the rental of approximately 6,000 square feet which will provide additional revenue to the Company.

The information contained in this discussion may be considered to contain forward-looking statements. Such forward-looking statements address future events and conditions and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated. There is no representation by the Company that actual results will be the same in whole or in part as implied by the forward-looking statements provided.