

OMNI-LITE INDUSTRIES CANADA INC.
CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS

UNITED STATES DOLLARS

	For the three months ended March 31,2000 (Unaudited)	For the three months ended March 31,1999 (Unaudited)	For the twelve months ended December 31,1999 (Audited)
Revenue	\$ 419,967	\$ 300,060	\$ 1,924,339
Direct Costs			
Cost of goods sold	88,969	61,517	629,344
Gross margin	<u>330,999</u>	<u>238,543</u>	<u>1,294,995</u>
Overhead expenses			
Amortization	33,250	29,339	131,123
General & administrative	139,670	102,041	237,753
Interest on long term debt	7,877	7,457	40,116
	<u>180,798</u>	<u>138,837</u>	<u>408,992</u>
	150,201	99,706	886,003
Other Income		2,011	
Income before other items	150,201	101,718	886,003
Other			
Write down of inventory	0		-30,000
Foreign Exchange & other	0	514	28,542
	<u>0</u>	<u>514</u>	<u>-1,458</u>
Income before income taxes	150,201	102,232	884,545
Current	5,334	4,500	122,414
Deferred	7,510		44,000
Utilization of Loss Carryovers	0		-91,000
	<u>12,844</u>	<u>4,500</u>	<u>75,414</u>
Net Income for the period	137,357	97,732	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			-
Retained Earnings,end of the period	<u>\$ 1,100,858</u>	<u>\$ 252,102</u>	<u>\$ 963,501</u>
Earnings per share	\$ 0.01	\$ 0.01	\$ 0.08

Omni-Lite Industries Canada Inc
Consolidated Balance Sheet
United States Dollars

	March 31, 2000 (Unaudited)	December 31, 1999 (Audited)
Assets		
Current		
Cash	\$ 26,588	\$ 96,640
Accounts Receivable	607,736	580,468
Due from related parties	47,618	30,815
Inventory	475,643	375,303
Prepays	0	0
	1,157,585	1,083,226
Due from related parties(Housing Loan)	219,919	219,919
Deposits	0	0
Investments	17,986	17,986
Capital Assets	2,430,817	2,449,808
Deferred development and patent expenditures	518,468	536,620
	\$ 4,344,775	\$ 4,307,559
Liabilities		
Current		
Accounts Payable	\$ 293,223	\$ 310,875
Income taxes payable	19,691	19,691
Due to related parties	118,351	143,351
	431,266	473,917
Long-term debt	380,753	445,754
Deferred income taxes	262,510	255,000
	1,074,529	1,174,671
Shareholder's equity		
Share capital	2,169,387	2,169,387
Retained Earnings	1,100,858	963,501
	3,270,246	3,132,888
	\$ 4,344,775	\$ 4,307,559

Consolidated Statement of Changes in Financial Position
United States Dollars

	For the three months ended March 31,2000 (Unaudited)	For the year ended December 31,1999 (Audited)
Cash resources provided by(used for)		
Operating Activities		
Operations		
Net income for the period	\$ 137,357	\$ 809,131
Items not requiring cash		
Amortization	33,250	131,123
Deferred income taxes	7,510	44,000
Cash flow from operations	<u>178,118</u>	<u>984,254</u>
Net change in non-cash working capital balances		
Accounts receivable	(27,268)	(282,647)
Inventory	(100,340)	(126,159)
Prepays	-	18,882
Accounts payable	(17,652)	200,483
Income taxes payable	-	(9,571)
Due to related parties	(41,803)	240,569
	<u>(8,945)</u>	<u>1,025,811</u>
Financing activities		
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	(65,001)	145,754
Increase in deposits	-	-
	<u>(65,001)</u>	<u>145,754</u>
Investing activities		
Purchase of capital assets	4,255	(1,282,637)
Deferred development costs	(361)	(94,848)
Advances to Formed Fast Inc	-	
Deposits on capital assets acquisition		200,000
Investment in shares		-
Acquisition of subsidiary,net of cash	-	
	<u>3,894</u>	<u>(1,177,485)</u>
Increase(Decrease)in cash for the period	(70,052)	(5,920)
Cash, beginning of period	96,640	102,560
Cash,end of period	\$ 26,588	\$ 96,640

