

**Omni-Lite Industries Canada Inc**  
**Consolidated Balance Sheet**  
**(Unaudited)**  
**United States Dollars**

	March 31, 1999	December 31, 1998
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 54,052.25	\$ 102,560.00
Accounts Receivable	257,291.17	297,821.00
Due from related parties	17,381.60	160,500.00
Inventory	275,091.03	249,144.00
Prepays	5,701.00	18,882.00
	609,517.05	828,907.00
<b>Due from related parties(Housing Loan)</b>	219,919.00	219,919.00
<b>Deposits</b>	500,000.00	200,000.00
<b>Investments</b>	17,985.00	17,985.00
<b>Capital Assets</b>	1,260,383.34	1,224,266.00
<b>Deferred development and patent expenditures</b>	533,880.32	515,801.00
	\$ 3,141,684.71	\$ 3,006,878.00
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness	\$	\$
Sales taxes payable	312.69	
Accounts Payable	142,654.44	110,392.00
Income taxes payable	33,762.00	29,262.00
Due to related parties	32,467.00	32,467.00
Current portion of long-term debt		
	209,196.13	172,121.00
<b>Long-term debt</b>	300,000.00	300,000.00
<b>Deferred income taxes</b>	211,000.00	211,000.00
	720,196.13	683,121.00
<b>Shareholder's equity</b>		
Share capital	2,169,387.00	2,169,387.00
Retained Earnings	252,101.58	154,370.00
	2,421,488.58	2,323,757.00
	\$ 3,141,684.71	\$ 3,006,878.00

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 OPERATIONS AND RETAINED EARNINGS**  
**(UNAUDITED)**  
**UNITED STATES DOLLARS**

	For the three months ended March 31, 1999	For the three months ended March 31, 1998	For the twelve months ended December 31, 1998
<b>Revenue</b>	\$ 300,060.02	\$ 358,025.00	\$ 1,701,395.00
<b>Direct Costs</b>			
Cost of goods sold	61,516.86	62,708.00	486,294.00
Gross margin	<u>238,543.16</u>	<u>295,317.00</u>	<u>1,215,101.00</u>
<b>Overhead expenses</b>			
Amortization	29,339.00	18,150.00	95,269.00
General & administrative	102,040.50	40,971.00	190,477.00
Interest on long term debt	7,457.48	3,840.00	6,167.00
	<u>138,836.98</u>	<u>62,961.00</u>	<u>291,913.00</u>
	99,706.18	232,356.00	923,188.00
<b>Other Income</b>	<u>2,011.40</u>		-
<b>Income before other items</b>	101,717.58		923,188.00
Foreign Exchange & other	514.00	1,544.00	8,193.00
Income before income taxes	<u>102,231.58</u>	<u>233,900.00</u>	<u>931,381.00</u>
Current	4,500.00	34,000.00	105,537.00
Deferred		30,000.00	101,000.00
Utilization of Loss Carryovers		<u>(30,000.00)</u>	<u>(76,275.00)</u>
	<u>4,500.00</u>	<u>34,000.00</u>	<u>130,262.00</u>
<b>Net Income for the period</b>	97,731.58	199,900.00	801,119.00
Retained Earnings(Deficit),beginning of period	154,370.00	(11,229.00)	(11,229.00)
Excess of purchase price paid on carrying value for purchase of subsidiary			(635,520.00)
<b>Retained Earnings,end of the period</b>	<u>\$ 252,101.58</u>	<u>\$ 188,671.00</u>	<u>\$ 154,370.00</u>
<b>Earnings per share</b>	\$ 0.01	\$ 0.02	\$ 0.08

**Consolidated Statement of Changes in Financial Position**  
**(Unaudited)**  
**United States Dollars**

	For the three months ended March 31, 1999	For the year ended December 31, 1998
<b>Cash resources provided by(used for)</b>		
<b>Operating Activities</b>		
Operations		
Net income for the period	97,731.58	801,119.00
Items not requiring cash		
Amortization	29,339.00	95,269.00
Deferred income taxes		101,000.00
Cash flow from operations	<u>127,070.58</u>	<u>997,388.00</u>
Net change in non-cash working capital balances		
Accounts receivable	40,529.83	(203,901.00)
Inventory	(25,947.03)	(7,082.00)
Prepays	13,181.00	(10,982.00)
Accounts payable	32,575.13	54,304.00
Income taxes payable	4,500.00	29,262.00
Due to related parties	143,118.40	32,467.00
	<u>335,027.91</u>	<u>891,456.00</u>
<b>Financing activities</b>		
Issue of share capital net of share issue cost	-	807,327.00
Repurchase of share capital	-	-
Repayments and advances to related parties, net	-	(191,579.00)
Repayment of long term debt	-	(354,922.00)
Proceeds from long term debt	-	300,000.00
Increase in deposits	-	-
	<u>-</u>	<u>560,826.00</u>
<b>Investing activities</b>		
Purchase of capital assets	(47,867.34)	(755,738.00)
Deferred development costs	(35,668.32)	(104,852.00)
Advances to Formed Fast Inc	-	250,000.00
Deposits on capital assets acquisition	(300,000.00)	(128,000.00)
Investment in shares	-	(17,985.00)
Acquisition of subsidiary, net of cash	-	(685,720.00)
	<u>(383,535.66)</u>	<u>(1,442,295.00)</u>
<b>Increase(Decrease)in cash for the period</b>	<b>(48,507.75)</b>	<b>9,987.00</b>
<b>Cash, beginning of period</b>	<b>102,560.00</b>	<b>92,573.00</b>
<b>Cash, end of period</b>	<b>54,052.25</b>	<b>102,560.00</b>
<b>Cash comprised of:</b>		
Cash	\$ 54,052.25	\$ 102,560.00
Bank indebtedness	<u>\$ 54,052.25</u>	<u>\$ 102,560.00</u>