

# Normiska Corporation

## Consolidated Balance Sheet (Unaudited)

	3 months ended January 31 <b>2003</b>	3 months ended January 31 <b>2002</b>	Year ended October 31 <b>2002</b>
<b>Current assets</b>			
Accounts Receivable	\$1,351,283	\$2,010,319	\$1,235,960
Inventory	\$3,399,732	\$3,487,987	\$3,012,890
Prepaid expenses	<u>\$162,298</u>	<u>\$122,867</u>	<u>\$106,071</u>
	<b><u>\$4,913,313</u></b>	<b><u>\$5,621,173</u></b>	<b><u>\$4,354,921</u></b>
<b>Capital assets</b>			
Investment in mineral rights	\$0	\$56,507	\$0
Deferrred marketing & financing costs	\$138,676	\$61,173	\$142,492
Bog development costs	\$1,164,547	\$1,292,734	\$1,200,570
Capital assets	\$4,871,179	\$5,037,502	\$4,940,820
Future Income Taxes	<u>\$583,586</u>	<u>\$375,000</u>	<u>\$520,000</u>
	<b><u>\$11,671,301</u></b>	<b><u>\$12,444,089</u></b>	<b><u>\$11,158,803</u></b>
<b>Current liabilities</b>			
Bank indebtedness	\$2,071,123	\$2,047,085	\$2,049,190
Accounts Payable and accrued liabilities	\$2,630,327	\$2,597,504	\$1,774,443
Demand loans	\$125,000	\$125,000	\$125,000
Current portion of long-term debt	<u>\$518,841</u>	<u>\$948,547</u>	<u>\$604,708</u>
	<b><u>\$5,345,291</u></b>	<b><u>\$5,718,136</u></b>	<b><u>\$4,553,341</u></b>
<b>Long-term liabilities</b>			
<b>Long-term debt</b>	\$1,338,824	\$1,055,194	\$1,418,825
<b>Convertible debt</b>	\$350,000	\$350,000	\$350,000
<b>Convertible debenture</b>	<u>\$90,342</u>	<u>\$267,661</u>	<u>\$137,831</u>
	<b><u>\$7,124,457</u></b>	<b><u>\$7,390,991</u></b>	<b><u>\$6,459,997</u></b>

**Shareholders' Equity**

Share capital	\$5,240,589	\$5,240,589	\$5,240,588
Deficit	<u>(\$693,745)</u>	<u>(\$187,491)</u>	<u>(\$541,782)</u>
	<u>\$4,546,844</u>	<u>\$5,053,098</u>	<u>\$4,698,806</u>
	<b><u>\$11,671,301</u></b>	<b><u>\$12,444,089</u></b>	<b><u>\$11,158,803</u></b>

# Normiska Corporation

Interim Statement Of  
Consolidated Profit & Loss  
(Unaudited)

	3 months ended January 31 2003	3 months ended January 31 2002
<b>Sales</b>	<b><u>\$1,822,748</u></b>	<b><u>\$2,356,536</u></b>
<b>Cost of Goods Manufactured</b>	<b><u>\$1,311,717</u></b>	<b><u>\$1,398,862</u></b>
<b>Gross Operating Margin</b>	<b><u>\$511,031</u></b>	<b><u>\$957,674</u></b>
<b>Distribution and Selling Costs</b>	<b><u>\$358,166</u></b>	<b><u>\$564,354</u></b>
<b>Gross Margin</b>	<b><u>\$152,866</u></b>	<b><u>\$393,320</u></b>
<b>General, and Administration Costs</b>		
Office	\$81,428	\$84,932
Salaries & Benefits	\$94,926	\$130,594
Marketing	<u>\$10,731</u>	<u>\$11,685</u>
	<b><u>\$187,085</u></b>	<b><u>\$227,211</u></b>
<b>Operating Profit</b>	<b><u>(\$34,219)</u></b>	<b><u>\$166,109</u></b>
Amortization	\$114,000	\$92,124
Interest	<u>\$67,331</u>	<u>\$65,703</u>
	<u>\$181,331</u>	<u>\$157,827</u>
<b>Net profit (Loss) before provision for income taxes</b>	<b><u>(\$215,550)</u></b>	<b><u>\$8,282</u></b>
<b>Recovery of future income taxes</b>	<b><u>\$63,586</u></b>	
<b>Net profit (Loss)</b>	<b><u>(\$151,964)</u></b>	

Retained earnings (deficit) beginning of period	<u>(\$541,781)</u>	<u>(\$195,773)</u>
Retained earnings (deficit) end of period	<u>(\$693,745)</u>	<u>(\$187,491)</u>
Earnings (loss) per share	<u>(\$0.02)</u>	<u>\$0.00</u>

# Normiska Corporation

Interim Statement Of  
Consolidated Cash Flow  
(Unaudited)

	3 months ended January 31 <b>2003</b>	3 months ended January 31 <b>2002</b>
<b>Cash Flow from</b>		
<b>Operating Activities</b>		
Net earnings (loss) for the period	(\$151,964)	\$8,282
Future income taxes	63,586	
Adjustment for amortization	<u>\$114,000</u>	<u>\$92,124</u>
	<b><u>\$25,622</u></b>	<b><u>\$100,406</u></b>
<b>Change in non-cash working capital</b>		
(Increase) Decrease in accounts receivable	(\$115,323)	(\$296,471)
(Increase) Decrease in inventory	(\$386,842)	(\$755,998)
(Increase) in prepaid expenses	(\$56,227)	(\$16,400)
Increase (Decrease) in accounts payable	<u>\$833,675</u>	<u>\$1,137,665</u>
	<b><u>\$275,283</u></b>	<b><u>\$68,796</u></b>
<b>Cash Flow from</b>		
<b>Investing Activities</b>		
Deferred costs	(\$3,816)	(\$18,724)
Bog Development	(\$36,023)	
Capital asset additions	(\$69,642)	(\$198,521)
Government grant	0	
Mineral rights	<u>\$0</u>	<u>(\$16,712)</u>
	<b><u>(\$109,481)</u></b>	<b><u>(\$233,957)</u></b>

**Cash Flow from****Financing Activities**

Repayment of demand loan	\$0	(\$50,000)
Increase in bank loan	\$21,933	\$255,978
Repayment of long - term debt	(\$165,868)	(\$228,220)
Decrease in long -term debt		\$128,577
Repayment of convertible debenture	<u>(\$47,489)</u>	<u>(\$41,580)</u>
	<u>(\$191,424)</u>	<u>\$64,755</u>
<b>Increase (Decrease) in Cash</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>