

Normiska Corporation

	Balance Sheet	
	As at January	As At October
	31	31
	(Unaudited)	(audited)
	<u>2004</u>	2003
Assets		
Current Assets		
Cash	\$0	\$0
Accounts receivable	\$1,193,524	\$1,172,351
Inventory	\$2,436,038	\$2,541,138
Prepaid expenses	<u>\$191,184</u>	<u>\$133,166</u>
	<u>\$3,820,746</u>	<u>\$3,846,655</u>
Capital assets	\$5,115,744	\$5,203,300
Bog Development costs	\$1,116,145	\$1,152,144
Deferred marketing and financing costs	\$137,693	\$133,878
Future income tax assets	<u>\$514,924</u>	<u>\$475,051</u>
	<u>\$6,884,505</u>	<u>\$6,964,373</u>
	<u>\$10,705,250</u>	<u>\$10,811,028</u>
Liabilities		
Current Liabilities		
Bank indebtedness (Note 3)	\$2,004,325	\$2,193,055
Accounts payable	\$2,110,346	\$1,744,233
Term loans	\$1,552,914	\$1,450,000
Current portion of long-term debt	<u>\$346,400</u>	<u>\$133,277</u>
	<u>\$4,813,985</u>	<u>\$5,520,565</u>
Long-term debt	\$246,266	\$123,526
Convertible debt	\$350,000	\$350,000
Convertible debenture	<u>\$150,000</u>	<u>\$150,000</u>
	<u>\$6,440,251</u>	<u>\$6,144,091</u>
Shareholders Equity		
Share capital	\$5,240,589	\$5,240,588
Retained earnings (deficit)	<u>(\$975,590)</u>	<u>(\$573,651)</u>
	<u>\$4,264,999</u>	<u>\$4,666,937</u>
	<u>\$10,705,250</u>	<u>\$10,811,028</u>

Normiska Corporation

Interim Statement Of Consolidated Profit & Loss

(Unaudited)

	3 months ended January 31, 2004	3 months ended January 31, 2003
Sales	<u>\$1,126,443</u>	<u>\$1,822,748</u>
Cost of Goods Manufactured	<u>\$1,016,140</u>	<u>\$1,311,717</u>
Gross Operating Margin	<u>\$110,303</u>	<u>\$511,031</u>
Distribution and Selling Costs	<u>\$207,977</u>	<u>\$358,166</u>
Gross Margin (Loss)	<u>(\$97,674)</u>	<u>\$152,865</u>
General, and Administration Costs		
Office	<u>\$49,511</u>	<u>\$62,678</u>
Salaries & Benefits	<u>\$53,902</u>	<u>\$94,926</u>
Marketing	<u>\$3,052</u>	<u>\$10,731</u>
Professional Fees	<u>\$36,870</u>	<u>\$18,749</u>
	<u>\$143,335</u>	<u>\$187,084</u>
Operating Profit (Loss)	<u>(\$241,010)</u>	<u>(\$34,219)</u>
Amortization	<u>\$135,000</u>	<u>\$114,000</u>
Interest	<u>\$65,803</u>	<u>\$67,331</u>
	<u>\$200,803</u>	<u>\$181,331</u>
Net profit (Loss) before provision for income taxes	<u>(\$441,813)</u>	<u>(\$215,550)</u>
Recovery of future income taxes	<u>(\$39,873)</u>	<u>\$63,586</u>
Net profit (Loss)	<u>(\$401,940)</u>	<u>(\$151,964)</u>
Retained earnings (deficit) beginning of period	<u>(\$573,650)</u>	<u>(\$541,781)</u>
Retained earnings (deficit) end of period	<u>(\$975,590)</u>	<u>(\$693,745)</u>
Earnings (loss) per share	<u>(\$0.04)</u>	<u>(\$0.02)</u>

Normiska Corporation

Interim Statement Of Consolidated Cash Flow (Unaudited) Three Months Ended

January 3, 2004

January 31, 2003

Cash Flow from Operating Activities

Net earnings (loss) for the period	(\$401,940)	(\$151,964)
Future income taxes	(\$39,873)	\$63,586
Adjustment for amortization	<u>\$135,000</u>	<u>\$114,000</u>
	<u>(\$306,813)</u>	<u>\$25,622</u>

Change in non-cash working capital

(Increase) Decrease in accounts receivable	(\$21,173)	(\$115,323)
(Increase) Decrease in inventory	\$105,100	(\$386,842)
(Increase) in prepaid expenses	(\$58,018)	(\$56,227)
Increase (Decrease) in accounts payable	<u>\$366,113</u>	<u>\$833,675</u>
	<u>\$392,022</u>	<u>\$275,283</u>

Cash Flow from Investing Activities

Deferred costs	\$0	(\$3,816)
Bog Development	\$0	(\$36,023)
Capital asset additions	<u>(\$15,256)</u>	(\$69,642)
	<u>(\$15,256)</u>	<u>(\$109,481)</u>

Cash Flow from Financing Activities

Increase of demand loan	\$182,914	\$0
Increase (decrease) in bank loan	(\$188,730)	\$21,933
Increase (decrease) in bank term loan	(\$80,000)	(\$80,000)
Increase(decrease) of long - term debt	\$15,863	(\$85,868)
Repayment of convertible debenture	<u>\$0</u>	<u>(\$47,489)</u>
	<u>(\$69,953)</u>	<u>(\$191,424)</u>

Increase (Decrease) in Cash

\$0

\$0

NORMISKA CORPORATION

Notes to the Three Months Ended January 31, 2004
Unaudited Financial Statements

1. Basis of Presentation

The accounting policies used are the same as described in the summary of significant accounting policies in the Corporation Annual Report. The unaudited financial statements for the three months ended January 31, 2004 should be read in conjunction with the Annual Report as at October 31, 2003.

Disclosure of Term Loans

The Canadian Institute of Chartered Accountants Emerging Issues Committee has recommended that certain types of term debt be shown as a current liability. This is described as Issue 122, Balance Sheet Classification of Callable Debt Obligations and applies to financial statements issued after January 1, 2003. The Company has adopted these recommendations for its financial statements as at October 31, 2003.

2. Results by Business Segment

The Corporation manufactures and markets products used in the manufacture of soil-less growing medium and soil augmentation products. The management of the Corporation evaluates the performance of its products based on geographic markets and income from operations before interest, amortization and income taxes.

The following chart is expressed in Canadian dollars.

Net Sales	3 months ended January 31, 2004	3 months ended January 31 2003
Sales to Canadian customers	\$ 802,052	\$1,184,786
Sales to United States customers	<u>\$ 324,391</u>	<u>\$ 637,962</u>
Total sales	<u>\$1,126,443</u>	<u>\$1,822,748</u>
Capital assets and deferred costs In Canada (net of amortization)	<u>\$6,370,281</u>	<u>\$6,174,402</u>

3. Subsequent Event

Pursuant to agreements dated March 9, 2004, between the Company, the Bank of Montreal and a related party group some of whom are shareholders of the Company, the Bank assigned to the related party group \$2,854,827 of indebtedness owed by the Company to the Bank and the Banks security interest.

Subject to regulatory approval, the Company has agreed to issue 1,500,000 common shares valued at \$0.1275 each to the Bank of Montreal in exchange for a reduction of \$191,250 of Company indebtedness to the Bank.

FORM 52-109F2 – CERTIFICATION OF INTERIM FILINGS

I, John M. Arnold, Chief Financial Officer certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of **Normiska Corporation**, (the issuer) for the interim period ending January 31, 2004;
2. Based on my knowledge, the interim filings do not contain any untrue statements of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of the date and for the periods presented in the interim filings.

Date: March 25, 2004

"John M. Arnold"

John M Arnold

Chief Financial Officer, Normiska Corporation

I, David B Graham, Chief Executive Officer certify that:

4. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of **Normiska Corporation**, (the issuer) for the interim period ending January 31, 2004;
5. Based on my knowledge, the interim filings do not contain any untrue statements of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
6. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of the date and for the periods presented in the interim filings.

Date: March 25, 2004

"David B. Graham"

David B. Graham

Chief Executive Officer, Normiska Corporation