

	October 31, 2003	January 31, 2003
Assets		
Current assets:		
Accounts receivable	\$ 663,765	\$ 720,071
Inventories	2,880,923	2,458,944
Prepaid expenses	318,674	93,319
Total current assets	3,863,362	3,272,334
Property, plant and equipment	9,628,732	9,972,476
Trademarks and listing fees	5,008,928	4,948,611
Deferred financing costs	194,451	234,234
	\$ 18,695,473	\$ 18,427,655
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank indebtedness	\$ 1,179,042	\$ 1,307,801
Trade accounts payable and accrued liabilities	5,502,519	5,174,410
Current portion of long-term debt	271,429	271,428
Total current liabilities	6,952,990	6,753,639
Long-term debt	2,911,905	3,115,477
Shareholders' equity:		
Share capital	19,558,215	19,558,215
Deficit	(10,727,637)	(10,999,676)
Total shareholders' equity	8,830,578	8,558,539
	\$ 18,695,473	\$ 18,427,655

BRICK

Brick Lager (Yellow Label)
Brick Premium
Red Baron
Brick Amber
Waterloo Dark
Conners Best Bitter
Red Cap Ale
Formosa Springs Draft
Brick Anniversary Bock (Seasonal)

LAKER

Laker Premium
Laker Light
Laker Strong
Laker Red
Laker Ice

INTERNATIONAL

Andechs

CORPORATE OFFICE

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AUDITORS

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STOCK TRADING SYMBOL

Toronto Stock Exchange – BRB

INVESTOR RELATIONS

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1. DESCRIPTION OF BUSINESS

The Company operates two breweries serving primarily the Ontario market. The Company brews and markets bottled beer as well as draught beer in kegs. The Company's products are marketed through the facilities of the The Beer Store system, the Liquor Control Board of Ontario, and to licensed establishments.

The Company experiences seasonal variations in sales and earnings; with sales and earnings typically being highest in the second and third quarters and lowest in the first and fourth quarters of the fiscal year.

2. SIGNIFICANT ACCOUNTING POLICIES

The disclosures contained in the unaudited interim financial statements do not include all requirements of generally accepted accounting principles for annual financial statements. The unaudited interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended January 31, 2003.

The unaudited interim financial statements follow the same accounting principles and methods of application as those used and described in the most recent annual financial statements.

Stock-Based Compensation

Effective February 1, 2002 the Company adopted Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3870 "Stock-based Compensation and Other Stock-based payments." Under the new standard, the Company is required to disclose pro forma net income and pro forma earnings per share as if the fair value based method of accounting had been used to account for stock options granted to employees for awards granted on or after February 1, 2002.

The Company maintains a stock option plan. Stock options generally have a term of five years. During the prior year the Company did not grant any options. 145,000 options were granted by the company during the first nine months of the current year at an exercise price of \$0.73.

The Company does not recognize any compensation cost for its stock option plan. If the company had determined compensation cost related to its stock option plan based on the fair value at the grant dates for awards granted during the period, the Company's net income/(loss) and earnings per share would have been restated to the pro forma amounts indicated below:

	3 months ended October 31, 2003	9 months ended October 31, 2003
Net earnings/(loss) as reported	\$ (169,189)	\$ 272,039
Net earnings/(loss) – pro forma \$ (169,189)	\$ (227,871)	\$ 213,357
Net earnings per share as reported	\$ (0.01)	\$ 0.02
Basic earnings per share – pro forma \$ (0.01)	\$ (0.02)	\$ 0.02
Diluted earnings per share as reported	\$ (0.01)	\$ 0.02
Diluted earnings per share-proforma \$ (0.01)	\$ (0.02)	\$ 0.02

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants during the period: dividend yield of 0%; expected volatility of 64%; risk-free interest rate of 5%; and an expected life of 5 years.

3. SEGMENT INFORMATION

Management has determined that the Company operates in a single industry segment, which involves the brewing and sale of beers. Virtually all of the company's operations, assets, sales revenue and employees are in Ontario, Canada.

4. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statements presentation adopted in the current period.

	Three Months Ended		Nine Months Ended	
	October 31, 2003	October 31, 2002	October 31, 2003	October 31, 2002
Cash provided by (used in):				
Operations:				
Earnings for the period	\$ (169,189)	\$ (364,942)	\$ 272,039	\$ 43,913
Items not involving cash:				
Amortization	302,314	276,125	801,941	775,383
Change in non-cash operating working capital	(770,217)	414,443	(262,918)	172,971
	(637,092)	325,626	811,062	992,267
Financing:				
Increase/(decrease) in bank indebtedness	848,528	(113,342)	(128,759)	(491,719)
Increase/(decrease) in long term debt, net of transaction fees	(67,857)	(67,857)	(203,572)	455,239
Proceeds from Share Issue	-	27,500	-	62,410
	780,671	(153,699)	(332,331)	25,930
Investments:				
Acquisition of property, plant and equipment and listing fees	(143,579)	(171,927)	(478,731)	(1,018,197)
	(143,579)	(171,927)	(478,731)	(1,018,197)
Net cash flow and balance, end of period	\$ -	\$ -	\$ -	\$ -



**3RD
QUARTER
REPORT**

**Nine Months Ending
October 31, 2003**



BRICK BREWING CO LIMITED

Dear Shareholders,

I am pleased to report our third quarter progress. Sales revenues in this quarter ending October 31, 2003 grew to \$ 5.2 million as compared to \$ 4.4 million for the same quarter last year, an improvement of 19%. This increase in revenues can be attributed to stronger beer sales in both our core Brick branded premium business and a successful tactical price promotion on our Laker Lager brand in the value priced segment. This improved beer volume and margin contribution has helped to offset the typically lower co-packing volumes we experience during the second half of our fiscal year.

Gross margin was \$ 1.045 million this quarter, up 14% from \$.920 million in the same period last year. Year-to-date gross margin was \$ 3.940 million compared to \$ 3.792 million last year.

Operating income before interest, amortization and unusual item for the quarter increased by \$ 120,000 to \$ 229,000 from \$ 109,000 over the comparative quarter last year. Year to date operating income before interest, amortization and unusual item was \$ 1.431 million as compared to \$ 1.188 million last year, an improvement of 20% over the same period.

Net loss for the quarter was \$ 169,000, a reduction as compared to last year's comparative quarter loss of \$ 365,000. Year to date net income is \$ 272,000 or \$0.02 per share, as compared to \$ 44,000 for the same period last year.

We are encouraged by our progress to date in this fiscal year and feel we have a good plan in place to meet our goals and objectives for this fiscal year and beyond. The Company continues to seek ways to successfully grow its beer business and take advantage of opportunities that present themselves in building the long term value of the Company and its brands.

Subsequent to our third quarter, the Company announced an important strategic alliance with Big Rock Brewery of Calgary, Alberta, where Brick will produce and distribute certain Big Rock brands for the Ontario market and in turn, Big Rock will represent under a sales agency agreement, certain Brick brands in the Alberta market. Red Cap in the "stubby" bottle, which has become popular in Ontario will be the initial Brick brand promoted in Alberta. This relationship seeks to maximize the synergies and strengths we each have in our respective markets thus improving our geographical market reach cost effectively. The prospects are exciting.

In our continuing effort to be innovative and relevant to our target market, the Company has just recently announced the introduction of a "clear" twist off "stubby" for our Brick Lager (Yellow Label) brand. This initiative is in keeping with our strong belief that the success of packaging differentiation initiatives and new marketing promotions are critical to the growth of the Company's premium beer franchise.

On behalf of the Board of Directors and staff of Brick, I thank you for your interest and continued support.

Have a safe and happy holiday season!

Cheers,


Jim Brickman
CEO/President and Founder

Dated December 16, 2003



Management's Discussion and Analysis of Results of Operations and Financial Position

The following discussion and analysis should be read in conjunction with the financial statements for the third quarters of fiscal 2003 ending October 31, 2002, and fiscal 2004 ending October 31, 2003, with the MD&A in the fiscal 2003 annual report for the year ending January 31, 2003, including the section on risks and uncertainties, and with the notes to the financial statements for the third quarter of fiscal 2004 and the fiscal 2003 annual report for the year ending January 31, 2003.

Results of Operations

Sales revenues for the third quarter of 2003 increased to \$ 5.2 million from \$ 4.4 million in the third quarter of the prior year, representing a 19% increase. This revenue growth resulted from an increase in the volume of core Brick brands, particularly brands in the "stubby" bottle, as well as tactical price promotion on our Laker Lager brand has led to growth in the value priced segment. This improved beer volume and margin contribution has helped to offset the Company's typically lower co-packing volumes during the second half of the fiscal year.

In addition, co-pack volumes and margins have met planned expectations in this quarter's results. Improved co-pack margins and more predictable volumes are a result of an increase in the number of programs and customers under contracts with more favourable terms and conditions than in the same quarter last year.

Gross margin was \$ 1.045 million this quarter up 14% from \$.920 million last year. Year to date gross margin was \$ 3.940 million compared to \$ 3.792 million last year. Earnings before interest, amortization and unusual item increased by \$ 120,000 to \$ 229,000 from \$ 109,000 over the comparative quarter last year. Year to date earnings before interest, amortization and unusual item was \$ 1.431 million as compared to \$ 1.188 million over the same period last year. Loss for the third quarter ending October 31, 2003 was \$.169 million as compared to a loss of \$.365 million in the same period last year, an improvement of \$.196 million.

Liquidity and Capital Resources

The Company's working capital deficit was \$ 3.1 million as of October 31, 2003. This is an improvement of \$.391 million compared to January 31, 2003. The improved working capital position is due to positive cash flow from earnings. The cash flow generated from operations since January 31, 2003 has been \$.811 million, compared to \$.992 million for the same period last year. Cash used in operations in the third quarter ending October 31, 2003 was \$.637 million which was caused by a reduction in deferred revenues of \$ 1.265 million. Cash provided by operations for the comparative quarter ending October 31, 2002 was \$.326 million.

Compared to January 31, 2003 there has been an increase in the Company's inventories of \$.422 million. This increase is due primarily to carrying additional inventory for a co-pack arrangement with an existing customer that was not under similar terms at January 31, 2003. Under the terms of this co-packing arrangement the Company purchases materials. The value of inventory with respect to this contract was \$.752 million at October 31, 2003.

The Company increased its operating bank indebtedness by \$.849 million in the third quarter from \$.330 million to \$ 1.179 million. At July 31, 2003 the Company had deferred revenues of \$ 1.265 million. These deferred revenues represented a prepayment in advance of co-pack production for a customer in the subsequent quarter. These deferred revenues were earned in the third quarter ending October 31, 2003. There were no deferred revenues at October 31, 2003.

The Company has an authorized \$ 1.8 million bank operating line of credit at prime plus 0.25%. As of October 31, 2003, the Company was operating outside the terms of certain loan covenant ratios for both the operating line of credit and the mortgages. The mortgage lender has waived compliance with these covenants as of January 31, 2003 and has agreed not to demand repayment of the mortgages prior to February 1, 2004 as a result of the non-compliance.

The Company has approximately \$ 10.8 million in loss carry-forwards and temporary differences available to reduce income tax expense in future years. The Company currently has 12,463,730 outstanding common shares.

Outlook

The lawsuit against The Beer Store regarding the Company's continued use of the industry standard bottle is still pending and no timetable has been set for moving the action to trial. Brick Brewing is also seeking a permanent injunction. The Company believes this is a critical issue and will defend its rights to use the industry standard bottle and to maintain flexibility in packaging its products. The examinations for discovery as part of the litigation process are not anticipated to occur until 2004.

As reported previously, the Company has continued to maintain strict control over all discretionary spending. These controls, combined with

the impact of reduced production taxes to small brewers in Ontario, have lowered the Company's costs per hectoliter to be more cost competitive. The Company has been successful in growing its Laker value brand portfolio in the last quarter and views this volume as incremental business to its core premium brand focus.

The Company anticipates that the highly competitive market conditions faced by the growing premium beer sector will continue. The success of packaging differentiation initiatives are critical to the upside growth of the Company's premium brands and the Company believes that innovation and ability to bring new products to market are keys to success.

The Company is seeking to grow its premium beer business outside the Ontario market and it expects that the effects of its recently announced strategic alliance with Big Rock Brewery of Calgary, Alberta to represent its brands in Alberta will provide new volume opportunities.

In the fourth quarter, the Company will begin to produce and distribute draught products in Ontario for Big Rock Brewery. Also in the fourth quarter, the Company expanded its direct delivery into the Ottawa/Kingston market. This expanded distribution network and volumes to Ontario licensees are anticipated to have a positive impact on sales figures in future quarters.

Brick Brewing Co Limited

Statements of Earnings and Deficit (unaudited)

	Three Months Ended		Nine Months Ended	
	October 31, 2003	October 31, 2002	October 31, 2003	October 31, 2002
Sales	\$ 5,205,704	\$ 4,389,420	\$ 16,102,590	\$ 15,869,245
Cost of goods sold	4,160,769	3,469,548	12,162,339	12,076,660
Gross margin	1,044,935	919,872	3,940,251	3,792,585
Expenses:				
Selling, marketing and administration	815,882	810,945	2,509,322	2,604,475
Earnings before the undernoted	229,053	108,927	1,403,929	1,188,110
Other expenses:				
Bottle dispute	16,058	83,672	146,058	83,672
Amortization	302,314	276,125	801,941	775,383
Interest on long-term debt	52,320	56,110	163,151	128,827
Other interest	27,550	57,962	47,740	156,315
	398,242	473,869	1,158,890	1,144,197
Earnings for the period	(169,189)	(364,942)	272,039	43,913
Deficit, beginning of the period	(11,112,119)	(8,838,992)	(10,999,676)	(8,697,192)
Deficit, end of period	\$ (11,281,308)	\$ (9,203,934)	\$ (10,727,637)	\$ (8,653,279)
Net earnings per share:				
Basic	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ 0.00
Diluted	(0.01)	(0.03)	(0.03)	0.00