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SmarTire Systems Reports Third Quarter Results

New Strategic Relationships and Final NHTSA Ruling – Major Corporate Milestones

RICHMOND, BRITISH COLUMBIA, CANADA – June 14, 2002 – SmarTire Systems Inc. (Nasdaq: SMTR), a leading developer of tire pressure and temperature monitoring technology, today announced results for its fiscal 2002 third quarter and nine-month period ended April 30, 2002. SmarTire reports all results in U.S. dollars.

Gross revenue for the third quarter of 2002 totaled \$234,393, up from gross revenue of \$171,709 for the same period in 2001. SmarTire recorded a net loss of \$1.5 million or loss per share of \$0.09 for the third quarter of 2002, compared to a net loss of \$1.4 million or loss per share of \$0.09 for the third quarter of 2001.

For the first nine months of fiscal 2002, SmarTire recorded gross revenue of \$779,687, compared to gross revenue of \$567,191 for the same period a year earlier. The net loss for the first nine months of fiscal 2002 totaled \$5.2 million or loss per share of \$0.32, compared to a net loss of \$4.2 million or loss per share of \$0.28 for the first nine months of fiscal 2001.

Robert Rudman, President and Chief Executive Officer of SmarTire Systems reports that “The first major milestone achieved by our Company during the third fiscal quarter was the engagement of H.C. Wainwright & Co. Inc., a full service U.S. investment banking firm specializing in small cap growth companies, as SmarTire’s financial advisor. A second strategic relationship and critical step in SmarTire’s business plan involves Visteon Corporation, a leading Tier One supplier of consumer-driven technologies to automotive manufacturers. The companies signed a Memorandum of Understanding to develop and market tire monitoring solutions for vehicle manufacturers.”

“The delay by the U.S. government in finalizing the regulations under the Transportation Recall Enhancement Accountability and Documentation (TREAD) Act negatively impacted sales in the last two quarters,” says Rudman. “Now that NHTSA has published its rulemaking requiring tire monitoring systems be installed in all cars sold in the U.S. by 2006, auto manufacturers must proceed with the granting of supply contracts in order to achieve the NHTSA implementation schedule.”

Rudman concludes, “The financial advisory support of H.C. Wainwright coupled with the product development and marketing support of Visteon Corporation has placed SmarTire in a strong, competitive position to take advantage of this rapidly emerging market opportunity.”

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SmarTire Systems Inc. is a pioneer and market leader in the development of direct measurement tire monitoring technology for all sectors of the automotive and transportation industries. With the National Highway Traffic Safety Administration (NHTSA) rulemaking that requires the installation of tire pressure monitoring systems in all passenger vehicles and light trucks beginning November 1, 2003, there is enormous market potential for SmarTire technology. SmarTire is well-positioned strategically, competitively and technologically to take full advantage of this opportunity.

Incorporated in 1987, SmarTire is a public company with offices in Canada and the United Kingdom. Additional information can be found at www.smartire.com.

“Jeff Finkelstein”

Jeff Finkelstein, CA
Controller

This news release may include statements about expected future events and/or financial results that are forward-looking in nature and subject to risks and uncertainties. Forward-looking statements in this release include, but are not limited to, those statements regarding, the anticipated demand for tire monitoring technology, sales of SmarTire's products and technology to original equipment manufacturers, the size of the market, the ability of the Company to complete additional financing, and, the impact and scope of the new United States legislation. It is important to note that actual outcomes and the Company's actual results could differ materially from those in such forward-looking statements. Factors that could cause actual results to differ materially include general factors such as insufficient investor interest in the Company's securities, the impact of competitive products and pricing and general economic conditions as they affect the Company's customers, and specific risks such as the uncertainty of the requirements demanded and timing specified by U.S. government, reliance on third party manufacturers to produce SmarTire products and technology, and, the Company's ability to source product components in timely manner. Readers should also refer to the risk disclosures outlined in the Company's annual report of Form 10-KSB for the last completed fiscal year filed with the SEC.

SMARTIRE SYSTEMS INC

Financial Summary

Expressed in United States dollars

	Three months ended April 30,		Nine months ended April 30,	
	2002	2001	2002	2001
Revenue	\$ 234,393	\$ 171,709	\$ 779,687	\$ 567,191
Cost of goods sold	<u>143,435</u>	<u>88,145</u>	<u>531,109</u>	<u>233,632</u>
Gross profit	90,958	83,564	248,578	333,559
Expenses	<u>1,596,366</u>	<u>1,617,389</u>	<u>5,390,975</u>	<u>4,996,888</u>
Loss from operations	1,505,408	1,533,825	5,142,397	4,663,329
Other expenses (income)	1,757	(157,480)	66,561	(433,617)
Net loss	<u>\$ 1,507,165</u>	<u>\$ 1,376,345</u>	<u>\$ 5,208,958</u>	<u>\$ 4,229,712</u>
Basic and diluted loss per share	<u>\$ 0.09</u>	<u>\$ 0.09</u>	<u>\$ 0.32</u>	<u>\$ 0.28</u>

SMARTIRE SYSTEMS INC

Balance Sheet Summary

Expressed in United States dollars

	April 30, 2002	July 31, 2001
Cash and cash equivalents	\$ 694,101	\$ 2,930,257
Total current assets	\$ 2,519,001	\$ 4,682,950
Total assets	\$ 7,185,464	\$ 6,897,839
Current liabilities	\$ 2,271,912	\$ 782,690
Stockholders' equity	\$ 4,913,552	\$ 6,115,149
Total liabilities and Stockholders' equity	\$ 7,185,464	\$ 6,897,839