
ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT
Omni-Lite Industries Canada Inc.	June 30, 2002	August 29, 2002

ISSUER'S ADDRESS

1600 Bow Valley Sq2
205 5th Ave. SW

CITY, PROVINCE, POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
Calgary, AB. T2P2V7	562 926-6913	562 404-8510

CONTACT NAME	CONTACT'S POSITION	CONTACT TELEPHONE NO.
Ann Park	Administration	562 404-8510

CONTACT EMAIL ADDRESS	WEBSITE ADDRESS
a.park@omni-lite.com	www.omni-lite.com

CERTIFICATE

The three schedules required to complete this Annual Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Annual Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
"David Grant"	David Grant	August 29, 2002

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
"Donald J. Kelly"	Donald J. Kelly	August 29, 2002

SCHEDULE 'B'

Omni-Lite Industries Canada Inc.
British Columbia Form 51-901F
For the Quarter Ended June 30, 2002

Item 1 Analysis of expenses and deferred costs Year-to-date

<u>Cost of Goods Sold</u>	\$305,419 US
 <u>General and Administrative</u>	
Salaries	\$114,274 US
Insurance	39,846
Office Expense	34,865
Professional Fees	31,165
Business Promotion	24,994
Other	<u>88,882</u>
Total	\$334,026

Item 2 Related party transactions

See notes to financial statements, Schedule "A", Notes 6 and 10.

Item 3 Securities issued and options granted

a) Summary of common shares issued

Date of Issue	Type of Security	Type of Issue	Number	Price (CDN)	Total Proceeds (CDN)	Type of Consideration	Commission Paid
Apr 4, 2002	Common	Exercise of option	10,000	\$0.98	\$9,800	Cash	None
Apr 4, 2002	Common	Exercise of option	10,000	\$1.20	\$12,000	Cash	None
Apr 8, 2002	Common	Exercise of option	8,334	\$1.40	\$11,667.60	Cash	None
Apr 9, 2002	Common	Exercise of option	15,000	\$1.20	\$18,000	Cash	None

b) Summary of options granted

Description of Optionee	Number of Optioned Shares	Exercise Price(CDN)	Original date of Grant	Expiration Date
Employee	50,000	1.91	May 22, 2002	May 22, 2007

Consultant	20,000	1.97	Jun 30, 2002	Jun 30, 2004
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Item 4 Summary of securities as at the end of the reporting period

a) Particulars of authorized capital

The corporation is authorized to issue an unlimited number of common shares. Each common share is entitled to receive notice and vote at shareholder meetings and will participate on a pro rata basis in any dissolution or winding up of the corporation.

b) Summary of shares issued and outstanding

See notes to financial statements, Schedule "A", Note 7(b)

c) Summary of options, warrants and convertible debentures outstanding

See notes to financial statements, Schedule "A", Note 7(c)

d) Total number of shares in escrow or subject to pooling agreement

Nil

Item 5 List of Officers and Directors as at the date of this report

<u>Name of Director</u>	<u>Name of Officer</u>	
Robert D. Inkster	David F. Grant	<i>President and CEO</i>
David F. Grant	Paul Burkey	<i>Chief Operating Officer</i>
Donald J. Kelly	Michael Walker	<i>V.P. Research and Development</i>
Paul Schreckengost	Catherine Grant	<i>Secretary</i>

Omni-Lite Industries Canada Inc.
Schedule "C"
British Columbia Form 51-901F
For the Quarter Ended June 30, 2002

**MANAGEMENT DISCUSSION AND
ANALYSIS**

Item 1 General

A. Discussion of Operations and Financial Condition

During the second quarter, total revenue was \$445,833 US or approximately \$677,220 CDN, a decrease of 24.6% over the same period in 2001. During this time frame, cash flow decreased by 83% to \$60,841 US or approximately \$92,417 CDN. The Company reported net loss for the three month period of \$58,418 US or approximately \$88,737 CDN. Restructuring by two key customers resulted in the deferral of sales for the quarter.

During the current period, the company revised its estimate with respect to the amortization period for deferred development expenses and adopted a more conservative policy in regard to deferral of such expenses. This has resulted in an increase in non-cash expense of approximately \$95K in the year-to-date results. Increase in value of the Canadian dollar with reference to the U.S. dollar has resulted in a foreign exchange charge of approximately \$17K.

All figures are in US dollars except as noted.

SUMMARY OF FINANCIAL HIGHLIGHTS (US \$)

Shares Issued And Outstanding : 9,161,602	Three months ended June 30, 2002	Three months ended June 30, 2001	Six months ended June 30,2002	Six months ended June 30, 2001	For the year ended Dec. 31, 2001
Total Revenue	\$445,833	\$591,263	\$1,166,212	\$1,089,473	\$2,231,704
Cash flow from operations	\$ 60,841	\$349,267	\$ 450,428	\$ 568,744	\$1,151,862
Net Income (loss)	\$(58,418)	\$269,217	\$ 216,547	\$ 389,081	\$ 819,886
EPS (US)	\$(0.01)	\$0.03	\$0.02	\$0.04	\$0.08
EPS (CDN)	\$(0.01)	\$0.04	\$0.04	\$0.06	\$0.13

SECOND QUARTER FINANCIAL HIGHLIGHTS (US \$)

Shares Issued And Outstanding : 9,161,602	Three months ended June 30, 2002	Three months ended June 30, 2001	% Increase (decrease)
Total Revenue	\$445,833	\$591,263	(25)%
Cash flow from operations	\$ 60,841	\$349,267	(83)%
Net Income (loss)	\$(58,418)	\$269,217	-
EPS (US)	\$(0.01)	\$0.03	-
EPS (CDN)	\$(0.01)	\$0.04	-

Over the six-month period to June 30, 2002 total revenue was \$ 1,166,212 US, an increase of 7% over the previous period. Over the same two quarters cash flow decreased to \$ 450,428 US, a decrease of 21% over the same period in 2001. Net income decreased to \$216,547 or 44% below that achieved in the January to June period in 2001.

SIX MONTHS FINANCIAL HIGHLIGHTS(US\$)

Shares Issued And Outstanding : 9,161,602	Six months ended June 30, 2002	Six months ended June 30, 2001	% Increase (decrease)
Total Revenue	\$1,166,212	\$1,089,474	7%
Cash flow from operations	\$450,428	\$568,744	(21)%
Net Income	\$216,547	\$389,081	(44)%
EPS (US)	\$0.02	\$0.04	-
EPS (CDN)	\$0.04	\$0.06	-

B. Omni-Lite as a Business

Omni-Lite's key competitive strengths include the development and manufacture of specialized products utilizing advanced materials and precision computer controlled cold forging techniques. Combining these advantages and a team of key design and material engineers, production technicians, marketing and administrative support personnel has enabled Omni-Lite to prosper in the competitive environment of the 21st century. This strategy has quickly brought Omni-Lite to the forefront of technological development.

In second quarter 2002, the Company continued delivery nine components to Monogram. These products from the Aerospace division will be utilized in the products of Boeing, Airbus, Bombardier and other aircraft manufacturers. The successful implementation of

these projects has made the Aerospace and Military divisions the fastest growing in the Company.

Ongoing improvements to the quality systems and equipment will be the key to the Company's future sales success.

C. Omni-Lite's Markets

Omni-Lite's primary market is the development of precision components utilized by many of the world's largest corporations. In 2000, Omni-Lite's components were utilized in the products of Daimler-Chrysler, GM, Ford, Mazda, Nike, adidas, Reebok, Boeing, Airbus, Bombardier, the U.S. Army, and NATO. The requirements and stature of these customers necessitates that the Company operate at a very high level of engineering and production efficiency.

Omni-Lite's Sports and Recreation products are marketed in over 140 countries worldwide through the catalogs of Nike, adidas, Eastbay, M-F Athletics and Springco.

D. Growth Record

January 1998 saw the initiation of an expansion program during which Omni-Lite's manufacturing capability increased from two production systems to ten by April 2000. During 2000, the Company commenced discussions towards purchasing a larger cold forging system. This equipment with a retail price of over \$520,000US was purchased in February 2001 for approximately \$280,000US. In March 2002, the Company purchased an additional five progressive forging systems for \$1,420,000US. These machines were all purchased at a significant discount to retail list value and included favorable financing terms. The first two systems were delivered in August of 2002.

E. Growth Expectations

In 2002, Omni-Lite continued a period of rapid development. Several new projects were initiated in the Aerospace, Automotive and Military Divisions. These long-term developments bode well for the Company's future growth. To further growth, Mr. Allan Maxin joined the Omni-Lite team in June as Technical Sales Manager.

F. Risk Factors

The Company's business and operating performance is subject to economic forces beyond its control, such as changes in consumer preferences, spending patterns, and general economic downturns.

As Omni-Lite grows in revenue the Company becomes subject to increasing interest from corporations that would like to imitate the successes that have been achieved. The Company has and will continue to aggressively protect itself through a variety of means that include:

1. patent and trademark protection
2. license agreements
3. joint venture agreements
4. development of proprietary technology and products

Of particular significance is the fact that Omni-Lite has received five U.S. patents to date. The Company is in the process of applying for two additional patents.

G. International Operations

To support the international scope of the market place Omni-Lite has established two wholly owned subsidiaries in Barbados. These complement the production center in Cerritos, California. The staff in Barbados is responsible for marketing, sales, and maintaining international markets for Omni-Lite's products.

Item 2 Quarterly Information

The following table summarizes the Company's financial performance over the last eight quarters. All figures in US dollars unless noted.

ALL FIGURES IN US DOLLARS UNLESS NOTED

	June 30/02	Mar 31/02	Dec 31/01	Sept 30/01	June 30/01	Mar 31/01	Dec 31/00	Sept 30/00
Total Rev	445,833	731,561	385,582	979,123	591,263	498,211	393,186	590,650
Cash Flow	60,841	389,587	-39,288	622,406	349,267	219,477	147,094	264,364
Net Income	-58,418	274,965	-101,409	532,214	269,217	119,864	40,701	209,198
EPS(US)	-.01	.03	-.01	.05	.03	.01	.01	.02
EPS(CDN)	-.01	.05	-.02	.08	.04	.01	.01	.03

Item 3 Liquidity and Capital Resources

The Company anticipates that cash flow will meet the on going working capital requirements of the Company. The Company will continue the repayment of long-term debt with excess funds. In April 2002, the Company made the last mortgage payment on the new Cerritos facility. The facility has been modified to allow the rental of approximately 6,000 square feet which will provide additional revenue to the Company.

The information contained in this discussion may be considered to contain forward-looking statements. Such forward-looking statements address future events and conditions and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated. There is no representation by the Company that actual results will be the same in whole or in part as implied by the forward-looking statements provided.