

Omni-Lite Industries Canada Inc.
Schedule C
British Columbia Form 51-901F
For the Quarter Ended June 30, 2003

MANAGEMENT DISCUSSION AND ANALYSIS

Item 1 General

A. Discussion of Operations and Financial Condition

During the second quarter, revenues generated amounted to \$699,685 US, an increase of 57% over the same period in 2002. Earnings before interest, taxes, depreciation and amortization ("EBITDA") for the quarter was \$243,465 up from \$70,610 net the same period in 2002, an increase of 244%. Cash flow from operations in Q2 increased by 306% to \$246,799 US from \$60,841 US. The Company reported net income for the three-month period of \$139,307 US.

All figures are in US dollars except as noted.

SUMMARY OF FINANCIAL HIGHLIGHTS (US \$)

Shares Issued And Outstanding : 9,234,269	Three months ended June 30, 2003	Three months ended June 30, 2002	Six months ended June 30, 2003	Six months ended June 30, 2002	For the year ended Dec. 31, 2002
Revenue and Rental	\$724,512	\$445,833	\$1,366,194	\$1,166,212	\$2,296,254
EBITDA	\$243,465	\$ 70,610	\$ 490,115	\$ 488,636	\$ 504,116
Cash flow from operations	\$246,799	\$ 60,841	\$ 454,573	\$ 450,428	\$ 415,671
Net Income (loss)	\$139,307	\$(58,418)	\$ 303,364	\$ 216,547	\$ (369,404)
EPS (US\$)	\$0.02	\$(0.01)	\$0.03	\$0.02	\$(0.04)
EPS (CDN\$)	\$0.02	\$(0.01)	\$0.04	\$0.03	\$(0.06)

SECOND QUARTER FINANCIAL HIGHLIGHTS (US \$)

Shares Issued And Outstanding : 9,234,269	Three months ended June 30, 2003	Three months ended June 30, 2002	% Increase (decrease)
Revenue and rental	\$724,512	\$445,833	63%
EBITDA	\$243,465	\$ 70,610	245%
Cash flow from operations	\$246,799	\$ 60,841	305%
Net Income (loss)	\$139,307	\$(58,418)	-
EPS (US\$)	\$0.02	\$(0.01)	-
EPS (CDN\$)	\$0.02	\$(0.01)	-

Over the six-month period to June 30, 2003 revenue including rental was \$ 1,366,194 US, an increase of 17% over the same period in 2002. EBITDA increased to 6% to \$490,115. Cash flow increased to \$ 469,573 US, an increase of 4% over the same period in 2002. Net income increased to \$337,365 or 56% above that achieved in the first quarter of 2002.

SIX MONTHS FINANCIAL HIGHLIGHTS(US\$)

Shares Issued And Outstanding : 9,234,269	Six months ended June 30, 2003	Six months ended June 30, 2002	% Increase (decrease)
Revenue and rental	\$1,366,194	\$1,166,212	17%
EBITDA	\$490,115	\$488,636	-
Cash flow from operations	\$454,573	\$450,428	1%
Net Income	\$303,364	\$216,547	40%
EPS (US\$)	\$0.03	\$0.02	54%
EPS (CDN\$)	\$0.04	\$0.03	37%

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.

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. 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 capacity 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 2002, the Company continued to execute its expansion plans. Omni-Lite moved into the new production facilities and created a world-class metallurgical laboratory. Procurement of an additional five progressive forging systems for \$1,420,000US was initiated. In March 2003, the company received final shipment of new cold forging systems, bringing the total number of machines to 16.

E. Growth Expectations

In 2003, Omni-Lite will continue its focus on building sales in all of Omni-Lite's divisions. With the new facilities, technical services, and increased forging capabilities, Omni-Lite will be able to attract new business from the various market segments, mainly in aerospace and automotive. To further enhance this growth process, Mr. Donald Garbison joined the Omni-Lite team in July as National Sales Manager.

F. Risk Factors

As Omni-Lite increases its 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 with one patent pending.

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

	June 30/03	Mar 31/03	Dec 31/02	Sept 30/02	June 30/02	Mar 31/02	Dec 31/01	Sept 30/01
Revenue and Rental	724,512	641,682	498,751	673,822	445,833	731,561	385,582	979,123
Cash Flow	246,799	207,774	-234,220	199,463	60,841	389,587	-39,288	622,406
Net Income	139,307	164,057	-611,551	25,600	-58,418	274,965	-101,409	532,214
EPS(US)	.02	.02	-.07	.00	-.01	.03	-.01	.05
EPS(CDN)	.02	.03	-.11	.01	-.01	.05	-.02	.08

Item 3 Liquidity and Capital Resources

The Company anticipates that cash flows will meet the ongoing working capital requirements of the Company. The Company will continue the repayment of long-term debt with excess funds.

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.