
ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT
Omni-Lite Industries Canada Inc.	June 30, 2003	August 29, 2003

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, 2003

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
"Donald J. Kelly"	Donald J. Kelly	August 29, 2003

**Omni-Lite Industries Canada Inc.
Consolidated Financial Statements
For the interim six month period ended
June 30, 2003
(Unaudited- Prepared by Management)
(in United States Dollars)**

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Omni-Lite Industries Canada Inc.
Consolidated Interim Balance Sheets
(Unaudited – Prepared by Management)
(in United States Dollars)

As at	June 30, 2003 (Unaudited)	December 31, 2002 (audited)
Assets		
Current		
Cash	\$ 188,915	\$ 75,377
Accounts receivable	528,603	380,273
Inventory	987,818	813,819
Prepaid expenses	5,531	4,952
Taxes receivable	3,954	-
	<u>1,714,821</u>	<u>1,274,421</u>
Investments	106,866	106,866
Capital assets	6,348,915	5,524,954
Deposits on equipment	-	484,000
Deferred development and patent expenditures	4,255	4,255
	<u>\$ 8,174,857</u>	<u>\$ 7,394,496</u>

Liabilities and Shareholders' Equity

Current		
Accounts payable and accrued liabilities	\$ 349,470	\$ 327,042
Due to related party (Note 2)	469,973	599,147
Current portion of long-term debt	379,000	324,000
	<u>1,198,443</u>	<u>1,250,189</u>
Long-term debt	2,408,730	1,899,000
Future income taxes	308,000	289,000
	<u>3,915,173</u>	<u>3,438,189</u>
Share capital (Note 3)	2,283,916	2,283,916
Subscriptions receivable (Note 3(d))	(49,030)	(49,043)
Retained earnings	2,024,798	1,721,434
	<u>4,259,684</u>	<u>3,956,307</u>
	<u>\$ 8,174,857</u>	<u>\$ 7,394,496</u>

On behalf of the Board:

 Don Kelly Director

 Norm Goodrich Director

Omni-Lite Industries Canada Inc.
Consolidated Interim Statements of Income and Retained Earnings
(Unaudited – Prepared by Management)
(in United States Dollars)

	For the six month period ended June 30, 2003	For the six month period ended June 30, 2002	For the three month period ended June 30, 2003	For the three month period ended June 30, 2002
Revenue	\$ 1,318,033	\$ 1,113,255	\$699,685	\$445,833
Cost of goods sold	346,793	305,419	180,583	129,462
Gross margin	971,240	807,836	519,102	316,371
Overhead expenses				
Amortization	85,652	199,881	41,935	104,523
General and administrative	488,499	334,026	265,953	196,448
Interest on long-term debt	53,849	32,081	28,330	13,505
Research and product design	14,904	21,133	7,154	21,133
	642,904	587,121	343,372	335,609
Income before the undernoted	328,336	220,715	175,730	(19,238)
Other income (loss)				
Foreign exchange	(25,883)	(16,998)	(27,357)	(28,180)
Rental	48,161	52,957	24,827	-
	22,278	35,959	(2,530)	(28,180)
Income before income taxes	350,614	256,674	173,200	(47,418)
Income taxes				
Current	28,250	6,127	14,893	-
Future	19,000	34,000	19,000	11,000
	47,250	40,127	33,893	11,000
Net income for the period	303,364	216,547	139,307	(58,418)
Retained earnings, beginning of period	1,721,434	2,090,838	1,885,491	2,365,803
Retained earnings, end of period	\$ 2,024,798	\$ 2,307,385	\$ 2,024,798	\$ 2,307,385
Earnings (loss) per share – basic and diluted	\$ 0.03	\$ 0.02	\$ 0.02	\$(0.01)
Weighted average shares outstanding - basic	9,234,269	9,129,210	9,234,269	9,141,822
diluted	9,234,269	9,325,599	9,234,269	9,338,211

Omni-Lite Industries Canada Inc.
Consolidated Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(in United States Dollars)

	For the six month period ended June 30, 2003	For the six month period ended June 30, 2002	For the three month period ended June 30, 2003	For the three month period ended June 30, 2002
Cash flows from operating activities				
Net income for the period	\$ 303,364	\$ 216,547	\$ 139,307	\$ (58,418)
Adjustments for:				
Amortization	85,652	199,881	41,935	104,523
Foreign exchange, unrealized loss	46,557	-	46,557	3,736
Future income taxes	19,000	34,000	19,000	11,000
Cash flow from operations	454,573	450,428	246,799	60,841
Net change in assets and liabilities				
Accounts receivable	(148,330)	3,934	46,031	340,491
Inventory	(173,999)	(193,253)	(138,101)	(116,113)
Prepaid expenses	(579)	(800)	69	1,983
Accounts payable and accrued liabilities	22,428	14,967	(193,058)	101,211
Income taxes payable	(3,954)	(10,457)	(3,954)	(10,457)
	150,139	264,819	(42,214)	377,956
Cash flows from financing activities				
Due to related parties	(175,729)	547,833	(102,826)	168,510
Issue of share capital	-	42,422	-	15,047
Proceeds (repayment) from (of) long-term debt	564,730	62,000	239,730	130,000
	389,001	652,255	136,904	313,557
Cash flows from investing activities				
Deferred development and patent expenditures	-	-	-	-
Deposit	-	(426,000)	484,000	(326,000)
Purchase of capital assets	(425,602)	(320,223)	(399,420)	(317,513)
Purchase of investments	-	-	-	-
	(425,602)	(746,223)	84,580	(643,513)
Increase (decrease) in cash	113,538	170,851	179,270	48,000
Cash, beginning of period	75,377	40,331	9,645	163,182
Cash, end of period	\$ 188,915	\$ 211,182	\$ 188,915	\$ 211,182

1. Basis of and Responsibility for Presentation

These unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"), which are more fully described in the annual audited financial statements for the year ended December 31, 2002 included in the Company's 2002 Annual Report. These statements do not include all of the disclosures required by Canadian GAAP for annual financial statements.

These financial statements have been prepared using the same accounting policies and methods of application as the audited financial statements of the Company for the year ended December 31, 2002.

In management's opinion, all adjustments necessary for fair presentation have been included in these financial statements.

2. Due to Related Party

Due to related parties includes an amount of \$ 469,973 (2002 - \$599,147) due to a director and shareholder of the Company, which is unsecured, non-interest bearing and has no set terms of repayment.

3. Share Capital

(a) Authorized
 Unlimited number of common shares

(b) Issued

	For the six months ended June 30, 2003		For the year ended December 31, 2002 (audited)	
	Number of Shares	Amount	Number of Shares	Amount
Total issued and outstanding, beginning of period	9,234,269	\$ 2,283,916	9,084,602	\$ 2,183,114
Issued upon exercise of stock options	-	-	149,667	100,802
Total issued and outstanding, end of period	9,234,269	\$ 2,283,916	9,234,269	\$ 2,283,916

3. Share Capital – continued

(c) Stock options

The Company has granted stock options to directors, consultants, and employees of the Company as follows:

	Number of Shares	Option Price per Share Range	Weighted Average Exercise Price
Options outstanding at Dec. 31, 2002	556,666	CDN \$ 0.98 to 1.97	CDN \$ 1.40
Options - exercised	-	-	-
- granted	350,000	CDN \$ 0.85	CDN \$ 0.85
- cancelled	(205,000)	CDN \$ 0.85 to 1.97	CDN \$ 1.37
Options outstanding at June 30, 2003	701,666	CDN \$0.85 to 2.01	CDN \$ 1.13
Options exercisable at June 30, 2003	274,999	CDN \$0.98 to 2.01	CDN \$ 1.34

The Company established a stock option plan for employees, directors and consultants on September 15, 1997. Under this plan, the Company is authorized to issue options up to 10% of the outstanding number of issued and outstanding shares. Vesting of options is determined on a grant-by-grant basis. Options granted can have expiry dates up to 5 years from the date of grant.

The options that are exercisable at June 30, 2003 are summarized as follows:

Options outstanding	Option price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options Currently Vested	Weighted Average Exercise Price of Options Currently Exercisable
380,000	CDN \$0.85 to \$0.99 CDN \$1.00 to \$1.99	CDN \$ 0.87	4.3 years	33,333	CDN \$ 0.98
288,333	CDN \$2.01	CDN \$ 1.38	2.0 years	208,333	CDN \$ 1.30
33,333		CDN \$ 2.01	0.3 years	33,333	CDN \$ 2.01
<u>701,666</u>				<u>274,999</u>	

3. Share Capital – continued

The Company does not record compensation expense when stock options are issued to employees.

Had compensation expense related to employees been determined based on the fair value at the grant dates, the net income and earnings per share for the six month period ended June 30, 2003 would have been reduced to the pro forma amounts indicated below:

Net profit	- as reported	\$	303,364
	- pro forma	\$	284,764
Earnings per share- basic and diluted (Loss)	- as reported	\$	0.033
	- pro forma	\$	0.031

The fair value of share options granted in the current period was estimated using the Black-Scholes option-pricing model with the following assumptions: Dividend yield (Nil), Expected volatility (0.35), risk-free interest rate (5.0%), and weighted average life of 5 years.

(d) Subscriptions receivable

During 2002, the Company issued promissory notes to options holders totaling \$49,043 to exercise stock options to acquire an aggregate of 76,667 common shares at exercise prices ranging from CDN\$0.98 to CDN\$1.40 per common share. The promissory notes are non-interest bearing and have a repayment date of 1 year from the date of the note.

4. Segmented Information

Operating Segments:

The Company operates as one operational segment selling specialized products to the sports and recreation, automobile, aerospace, military and commercial industries.

Geographic Segments:

The Company has its operations and subsidiaries in the United States, Canada and in Barbados. The Company has utilized and reported revenues based on the Company locations for each of these segments as follows:

June 30,2003	United States	Canada	International	Inter-corporate elimination	Total
Revenues	\$ 503,753	\$ -	\$ 1,226,755	\$ (412,475)	\$ 1,318,033
Capital assets	\$ 6,242,865	\$ 10,148	\$ 95,902	\$ -	\$ 6,348,915