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**ISSUER DETAILS**

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NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT
Omni-Lite Industries Canada Inc.	March 31,2002	May 30, 2002

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**ISSUER'S ADDRESS**

1600 Bow Valley Sq2  
205 5<sup>th</sup> Ave. SW

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

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

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

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**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.

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DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD
"David Grant"	David Grant	May 30, 2002

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DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YYMM/DD
"Robert Inkster"	Robert Inkster	May 30, 2002

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## SCHEDULE 'B'

Omni-Lite Industries Canada Inc.  
British Columbia Form 51-901F  
For the Quarter Ended March 31, 2002

### *Item 1 Analysis of expenses and deferred costs*

<u>Cost of Goods Sold</u>	\$175,957 US
 <u>General and Administrative</u>	
Salaries	\$61,816 US
Professional Fees	22,988
Insurance	22,599
Business Promotion	10,200
Other	<u>19,975</u>
Total	\$137,578

### *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	Type of Consideration	Commission Paid
Jan 7, 2002	Common 'A'	Exercise of option	33000	0.60	\$12,452.83	Cash	None
Feb 7, 2002	Common 'A'	Exercise of option	20000	1.20	\$15,019.00	Cash	None
Mar 25, 2002	Common 'A'	Exercise of option	16667	1.20	\$12,616.96	Cash	None
Mar 26, 2002	Common 'A'	Exercise of option	16666	1.20	\$12,679.39	Cash	None

#### b) Summary of options granted

Description of Optionee	Number of Optioned Shares	Exercise Price(CDN)	Original date of Grant	Expiration Date
Consultant	35,000	1.95	Jan 10, 2002	Jan 10, 2004
Director	20,000	1.72	Mar 4, 2002	Mar 4, 2007

*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 March 31, 2002

**MANAGEMENT DISCUSSION AND  
ANALYSIS**

Item 1 General

A. Discussion of Operations and Financial Condition

Total revenue for first quarter 2001 increased to \$731,561US from \$498,211US, an increase of approximately 47%. EBITDA over the period increased to \$418,026US from \$226,526US, an increase of approximately 85%. Over this same period, cash flow increased to \$389,587US from \$219,477US, an increase of approximately 78%. Net income increased from \$119,864US to \$274,965US, an increase of 129%. Earnings per share increased from \$.01 US/share to \$.03 US/share or \$.05 CDN/share. Of particular note, the amortization period estimated for projects on hand at January 1, 2002 was revised to 3 years straight-line from 10 years.

All figures are in US dollars except as noted.

**SUMMARY OF FINANCIAL HIGHLIGHTS (US \$)**

<b>Weighted Average Shares Issued And Outstanding : 9,116,457</b>	<b>For the quarter ended March 31, 2002</b>	<b>For the quarter ended March 31, 2001</b>	<b>% Increase</b>
Total Revenue	\$731,561	\$498,211	47
EBITDA	\$418,026	\$226,526	85
Cash flow from operations	\$389,587	\$219,477	78
Net Income	\$274,965	\$119,864	129
EPS (US)	\$0.03	\$0.01	150
EPS (CDN)	\$0.05	\$0.02	157

## 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 21<sup>st</sup> century. This strategy has quickly brought Omni-Lite to the forefront of technological development.

In first quarter 2002, of particular significance is the development of a multi-component program with Monogram. To date the company has developed and begun shipping nine components to Monogram. These products from the Aerospace division will be utilized in the products of Boeing, Airbus, Bombardier and other aircraft manufactures. The successful implementation of these projects has made the Aerospace and Military divisions the fastest growing in the company. Ongoing Research and Development into the metallurgy, structural design and production of these and other complex components will be the key to the company's financial 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 2002, Omni-Lite's components were utilized in the products of Daimler-Chrysler, GM, Ford, Mazda, Nike, adidas, Reebok, the U.S. Army and NATO and the aircraft manufacturers mentioned above. The requirements and stature of these customers necessitates that the company operate at a very high level of engineering and production efficiency. To this end the company has added, in 2002, a full-time quality manager and full-time tool and die support. These initiatives, coupled with the move to the new facility at the end of Q2 in 2002, should provide improved efficiencies for the corporation.

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. The equipment is being modified for a variety of product developments which are scheduled to begin in the second quarter of 2002. 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.

## 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.

## F. Risk Factors

The business climate of the 21<sup>st</sup> century presents risks that include the development of competition on a worldwide basis. Of particular concern over the last year, has been the continued slowing of the U.S. economy and the terrorist attacks of September 11, 2001.

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.

While key individuals are continuously trained in the critical aspects of the company's technology, providing redundancy at the production level, retaining highly skilled staff is a challenge in the marketplace in which the company operates. The company has experienced additional expense as key staff are trained.

## 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

	Mar 31/02	Dec 31/01	Sept 30/01	June 30/01	Mar 31/01	Dec 31/00	Sept 30/00	June 30/00
Total Rev	731,561	385,582	979,123	591,263	498,211	393,186	590,650	397,963
Cash Flow	389,587	-39,288	622,406	349,267	219,477	147,094	264,364	204,151
Net Income	274,965	-101,409	532,214	269,217	119,864	40,701	209,198	161,094
EPS(US)	.03	-.01	.05	.03	.01	.01	.02	.02
EPS(CDN)	.05	-.02	.08	.04	.01	.01	.03	.03

Of particular note, because of the reduction in the number of shares and fluctuations in exchange rates over the year, the earnings per share at year-end are .14CDN/share.

### Item 3 Liquidity and Capital Resources

The company anticipates that cash flow will meet the on going working capital requirements of the company. Between June 2001 and December 2001 the company repurchased 329,300 common shares through its normal course issuer bid which expired in May 2002. 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 is currently being modified to allow the rental of approximately 6000 square feet, providing 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.*