
ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT
Omni-Lite Industries Canada Inc.	March 31, 2003	May 30, 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 YY/MM/DD
"Don Kelly"	Don Kelly	May 30, 2003

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD
"Paul Schreckengost"	Paul Schreckengost	May 30, 2003

SCHEDULE 'B'

Omni-Lite Industries Canada Inc.
British Columbia Form 51-901F
For the Quarter Ended March 31, 2003

Item 1 Analysis of expenses and deferred costs to date

<u>Cost of Goods Sold</u>	\$ 166,210
<u>General and Administrative</u>	
Salaries	\$ 106,284
Insurance	24,686
Office Expense	20,111
Professional Fees	16,384
Investor Relations	9,549
Building Expense	6,461
Business Property Tax	6,250
Other	32,821
	<u>\$ 222,546</u>
<u>Research and Product Development</u>	\$ 7,750

Item 2 Related party transactions

Due to related parties includes an amount of \$ 526,243 (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.

Item 3 Securities issued and options granted

- a) Summary of common shares issued

N/A

- b) Summary of options granted

Description of Optionee	Number of Optioned Shares	Exercise Price(CDN)	Original date of Grant	Expiration Date
Consultant	20,000	.85	Jan 1, 2003	Jun 29, 2003
Director	50,000	.85	Jan 27, 2003	Jan 27, 2008
Employee	280,000	.85	Jan 27, 2003	Jan 27, 2008

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

(b) <u>Issued</u>	For the 3 months ending March 31, 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

c) Summary of options, warrants and convertible debentures outstanding

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	-	-	-
Options granted	350,000	CDN \$ 0.85	CDN \$ 0.85
Options cancelled	(30,000)	CDN \$ 1.20	CDN \$ 1.20
Options outstanding at Mar. 31, 2003	876,666	CDN \$0.98 to 2.01	CDN \$ 1.40
Options exercisable at Mar. 31, 2003	464,444	CDN \$0.98 to 2.01	CDN \$ 1.28

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 expire on dates ranging from February 13, 2003 to January 27, 2008. During the period, the Company issued 350,000 (2002 – 125,000) stock options to employees, directors and consultants with exercise prices of \$0.85. These options will expire on dates ranging from June 29, 03 to January 17, 2008.

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	President and CEO
David F. Grant	Catherine Grant	Chief Financial Officer
Donald J. Kelly	Paul Burkey	Chief Operating Officer
Paul Schreckengost	Michael Walker	V.P. Research & Development
	Donald J. Kelly	Secretary

Omni-Lite Industries Canada Inc.
Schedule "C"
British Columbia Form 51-901F
For the Quarter Ended March 31, 2003

MANAGEMENT DISCUSSION AND ANALYSIS

Item 1 General

A. Discussion of Operations and Financial Condition

Revenue from operations for the first quarter of fiscal 2003 was \$618,348US from \$667,422US in the same quarter in 2002, a decrease of 7%. Total revenue (including rental income) for the quarter was \$641,682US down from \$720,379US. EBITDA over the period was \$246,650US from \$418,026US, a decrease of approximately 41%. Over this same period, cash flow from operations decreased to \$207,774US from \$389,587US, a decrease of approximately 47%. Net Income decreased from \$274,965US to \$164,057US. Income per share was \$0.02US a decrease from earnings per share of \$0.03US.

The key differences between the same period in 2002 and the current year is attributed to a change in the revenue mix by segment. A large order in 2002 resulted in \$427,928US in sales from the Military segment versus \$127,895US in the current year, a decline of 70%. New orders have been delayed due to the restructuring of the intermediary to whom Omni-Lite provides a component that is included in their product sold to the military. We expect shipments to resume later this year. The Automotive and Aerospace segments saw significant increases. The Automotive segment grew from \$47,233US to \$171,600US, an increase of 263%. Aerospace grew from \$65,911US to \$142,713US, an increase of 117%. The Sports segment grew from \$97,577US to \$103,509US an increase of 6%.

All figures are in US dollars except as noted.

SUMMARY OF FINANCIAL HIGHLIGHTS (US \$)

Weighted Average Shares Issued And Outstanding : 9,234,269	For the Quarter ended March 31, 2003	For the Quarter ended March 31, 2002	% Increase (Decrease)
Revenue and Rental	\$641,682	\$720,379	(11)
EBITDA	\$246,650	\$418,026	(41)
Cash flow from operations	\$207,774	\$389,587	(46)
Net Income	\$164,057	\$274,965	(56)
EPS (US)	\$0.02	\$0.03	(56)
EPS (CDN)	\$0.02	\$0.06	(56)

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 the first quarter the company continued to see some growth in sales to Monogram Aerospace Fasteners. These products from the Aerospace division will be utilized in the products of Boeing, Airbus, Bombardier and other aircraft manufacturers. The successful implementation of this project has made the Aerospace division the fastest growing in the company.

The Company is continuing to quote on new products and to work on research and development for the Military division. The company continues to believe the backlog in the supply chain for the SNC product from 2002 will be cleared and hopes to go into production during the latter part of 2003. Omni-Lite manufactures a crucial component for this military product. It is estimated that full production will resume by second quarter 2003 and that the customer's inventory of Omni-Lite's component will be depleted around that time. Omni-Lite continues to build inventory for this crucial component in anticipation of a surge in orders when the customer's production problems are solved. It is anticipated that revenues, cash flow, and profits will increase substantially when the issues are resolved.

In the Automotive Division, Omni-Lite restructured the transmission component program and began supplying Borg-Warner directly. To become a supplier to Borg-Warner, many new services have been added to Omni-Lite's capabilities, such as, Electronic Data Interchange (EDI), automated vision inspection, and Eddy-current analysis. The production costs at Omni-Lite have also risen as requirements for inspection of the components have increased. Some of these costs will be minimized as the new processes are fully integrated into production. It is anticipated that other opportunities with Borg-Warner will arise from Omni-Lite's dedication to customer service and quality.

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 2003, 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 operates at a very high level of engineering and production efficiency. During 2003 the company will continue enhancing its key strength areas by implementing an expansion to the on-site lab for testing and the implementation of a fully computerized manufacturing control system.

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. 2003 is a pre-Olympic year and we expect to see increase demand in the market for this year.

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 July, equipment for creating a metallurgical lab was purchased. Omni-Lite moved into the new production facility in August 2002. In March 2003, the company received shipment for the final three of the five progressive forging systems that were negotiated for purchase for \$1,420,000US in March 2002. The company now has 16 cold forging systems of various sizes. These machines were all purchased at a significant discount to retail list value and included favorable financing terms.

E. Growth Expectations

In 2003, Omni-Lite will continue its expansion and development on all fronts. Several new projects have been initiated in the Aerospace, Automotive and Military Divisions. These long-term developments bode well for the company's future growth. With the new technical services, new facilities, and increased forging capabilities, Omni-Lite is attracting new business from the various market segments, mainly in aerospace and automotive. The new facilities should result in increased efficiencies, increased cost control, and ability to expand the diversity of the client base.

F. Risk Factors

The business climate of the 21st century presents risks that include the development of competition on a worldwide basis.

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.

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 31/03	Dec 31/02	Sept 30/02	June 30/02	Mar 31/02	Dec 31/01	Sept 30/01	June 30/01
Total Revenue	641,682	487,569	673,822	445,833	731,561	374,935	979,123	591,263
Cash Flow	207,774	(234,220)	199,463	60,841	389,587	(39,288)	622,406	349,267
Net Income	164,057	(611,551)	25,600	(58,418)	274,965	(101,409)	532,214	269,217
EPS(US)	.02	(0.02)	0.00	(0.01)	0.03	(0.01)	0.05	0.03
EPS(CDN)	.02	(0.11)	0.01	(0.01)	0.05	(0.02)	0.08	0.04

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. During the first quarter a lease was signed for a portion of the new facility for a period of three years and a total value of \$313,200US 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.