Omni-Lite Industries Canada Inc.
For the period ended March 31, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis ("MD&A") of financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and the related notes of Omni-Lite Industries Canada Inc. for the period ended March 31, 2013. Omni-Lite Industries Canada Inc. ("Omni-Lite" or the "Company") reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB. The Company's functional currency is in United States ("US") dollars and all amounts in this MD&A are expressed in US dollars. This discussion has been completed as of May 30, 2013.

Company Overview

Omni-Lite Industries Canada Inc. is a world recognized research and development company specializing in the manufacture of precision components forged from advanced composite and other alloyed materials. These components are produced utilizing computer-controlled cold forging systems that are networked to provide an optimal environment for engineering enhancements, leading to maximum production efficiencies. These capabilities provide financial benefits such as high industry gross and net margins, and significant cash flow and EBITDA[(1)] ratios, which allow the Company to execute an ambitious growth strategy.

By combining its progressive cold forging techniques with a team of key design and material engineers, production technicians, marketing and administrative support personnel, Omni-Lite has been able to deliver components with the exacting criteria required by customers in a broad group of industries. The Company's mandate is to further leverage this unique mix of skills and competencies to achieve additional growth.

Omni-Lite is managed as a single business by the chief operating decision-makers. The Company operates five business segments defined as the Military, Aerospace, Sports and Recreation, Automotive and Commercial divisions. Through its wholly owned subsidiaries which include: Omni-Lite Industries International Inc., Omni-Lite Industries California Inc., Formed Fast International Inc., and Omni-Lite Properties Inc., the Company designs, engineers, manufacturers, and markets specialized components to a broad spectrum of Fortune 500 customers. Its components are utilized in the products of Boeing, Airbus, Bombardier, the U.S. Army, U.S. Marine Corp., NATO, Chrysler, Ford, Nike, and adidas. The requirements and stature of these customers necessitates that the Company operate at a very high level of engineering and production efficiency.

[(1)] "EBITDA" is a non-GAAP term which represents earnings or losses before net interest expense, income taxes, depreciation and amortization, and non-controlling interests. The MD&A presents certain non-GAAP (Canadian generally accepted accounting principles) financial measures to assist readers in understanding the Company's performance. Non-GAAP financial measures are measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with GAAP.

The split of revenue between the five business segments for the period ended March 31, 2013 is as follows:

Division/ Segments	Military	Aerospace	Sport & Recreation	Automotive	Commercial
March 31, 2013	0%	43%	9%	47%	1%

To ensure future growth, Omni-Lite is committed to funding the research and development for new products and materials and to apply for patents to protect the intellectual property that pertains to its business. To date, the Company has been granted seven U.S. Patents covering innovations in materials, processes, and design.

To gain access to new nanostructured materials and technical services being pioneered in this innovative industry, Omni-Lite invested in California Nanotechnologies Corp., a publicly listed company trading as "CNO" on the TSX Venture Exchange. Approximately 19 percent of outstanding shares of CNO are held by Omni-Lite.

Omni-Lite's overall strategy is to continue striving to be the best in the progressive cold forging business. To carry out this strategy, following on the success of the Vision 2010 Plan, the Board of Directors approved the Vision 2015 Plan in 2009, which is summarized below:

Vision 2015 Plan

- Create superior shareholder value through development of quality products, financial discipline, and investment
- Sales growth of 20 percent to 25 percent per year
- Commission 34 Progressive cold forging systems and four Single die systems
- Maintain research and development efforts for future initiatives
- Continual update of ancillary systems to support production and quality
- Procure integrated 60,000 to 80,000 sq. ft. facility
- Growth and retention of highly skilled workforce and management
- Commit to maintaining the environment through waste reduction, energy conservation, and recycling.

Outlook

In 2013, Omni-Lite continues to focus on building revenue in the aerospace and specialty automotive segments through on-going product development. The Aerospace division is experiencing growth due to a cyclical resurgence in the aerospace industry and a focus on some of the components that the Company manufactures for composite aircraft. The Specialty Automotive division is growing primarily due to an emphasis on new components focusing on "green" technology for diesel engines. With the "Vision 2015" strategy, Omni-Lite has completed the purchase of 34 cold forging systems and will complete the commissioning of these systems as production requirements grow.

Selected Annual Consolidated Financial Information

All figures are in US dollars except as noted.

Basic Weighted Average Shares Issued And Outstanding : 12,223,276	**For the period ended March 31, 2013**	**For the year ended December 31, 2012**	**For the year ended December 31, 2011**	**For the year ended December 31, 2010**
Revenue	$1,055,939	$5,370,534	$6,514,083	$7,120,813
Net income (loss)	(60,829)	210,448	1,958,656	1,820,072
EPS (US)	(0.01)	0.02	0.15	0.18
EPS (CAD)	(0.01)	0.02	0.15	0.18
Total assets	22,324,035	22,506,999	24,380,299	19,240,986
Long term debt	740,890	923,781	1,639,213	2,787,504

Results from Operations

Revenue: For the period ended March 31, 2013, Omni-Lite reported revenue of $1,055,939 ($1,073,964 CAD), a decrease of 23 percent from the prior period in 2012.

The Automotive division represented the largest portion of sales with 47 percent of revenue. Sales in this division were higher by 30 percent when compared to the period ended March 31, 2012. The Aerospace division contributed 43 percent of revenue, a 13 percent decrease from 2012. The Sports and Recreation division contributed 9 percent of revenue, a 75 percent decrease from 2012. The Commercial division provided 1 percent of the revenue and the Military division contributed nil percent of revenue.

Sales by division and by geographic location are summarized below:

Division/ Segments	**Military**	**Aerospace**	**Sport & Recreation**	**Automotive**	**Commercial**
Q1 2013	**0%**	**43%**	**9%**	**47%**	**1%**
Q1 2012	5%	38%	28%	28%	1%

Geographic allocation	**United States**	**Canada**	**Barbados**
Q1 2013	**95%**	**-**	**5%**
Q1 2012	75%	-	25%

Net Income (Loss): Net loss was $60,829 ($61,867 CAD) versus income in the amount of $63,543 in 2012, a decrease of 196 percent primarily due to seasonal delays in Sports and Recreation division sales and a decrease in the Military division sales. Another contributing factor to the decrease in income was that several new products that were expected to be completed continued to experience technical issues delaying completion.

Cost of Goods Sold: Cost of Goods Sold ("COGS") decreased 20 percent from $603,402 in 2012 to $483,191 in 2013. Gross margins decreased to 54 percent in 2013 from 56 percent due to an increase in sales of lower margin parts from the Automotive division. New procedures have been developed to improve production yield and certain detection systems are being investigated that will mitigate yield reducing issues.

Operating Expenses: Total operating expenses increased by 3 percent from the prior period. Interest expense of $6,653 was incurred, a decrease of 46 percent compared to 2012 due to reducing long term debt utilizing cash flows. The Company will continue to pay down the loans in 2013 with final payments on two equipment loans in July, 2013.

Research and product design ("R&D") expense was $46,739, an increase of 31 percent. The Company continued to fund and increase R&D efforts as it is anticipated that new business will emerge from these activities.

Current income tax expense (recovery) increased to $1,355 from ($70,106) in the prior period due to prior period Internal Revenue Service tax allowances and refunds. Deferred tax decreased to ($113,900) from $44,600 due to unused tax losses carried forward to future years. Deferred tax expense is an accounting principle that deals with the effect of temporary tax-to-book differences in the depreciation of equipment. For a capital-intensive company, such as Omni-Lite, these accounting considerations can have significant effects on cash flow.

Earnings per share: Basic earnings (loss) per share were $(0.01) ($(0.01) CAD) compared to $0.01 ($0.01 CAD) in 2012 based on the weighted average shares outstanding of 12,223,276 and 13,012,134 in 2012. Actual shares outstanding were 12,251,132. The weighted average number of shares decreased approximately 6 percent over the prior period.

The diluted earnings (loss) per share were $(0.01) ($(0.01) CAD) compared to $0.01 ($0.01 CAD) in 2012. At March 31, 2013, the diluted weighted average number of shares was 12,235,152. 180,346 (2012 – 180,834) options were excluded in calculating the weighted-average number of diluted common shares outstanding, because their exercise price was greater than the annual average common share market price in the period.

Basic earnings (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if options and warrants to issue common shares were exercised. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments, in accordance with standards approved by the Canadian Institute of Chartered Accountants.

SUMMARY OF FINANCIAL HIGHLIGHTS (US $)

All figures in US dollars unless noted.

Basic Weighted Average Shares Issued And Outstanding: 12,223,276	**For the period ended March 31, 2013**	**For the period ended March 31, 2012**	**% Increase (Decrease)**
Revenue	$1,055,939	$1,367,644	(23%)
Cash flow from operations[2]	81,612	323,527	(75%)
Net income (loss)	(60,829)	63,543	(196%)
E(L)PS (US)	(0.01)	0.01	(202%)
E(L)PS (CAD)	(0.01)	0.01	(203%)

(Note: at 03/31/13, $1US = $1.01707 CAD; 3/31/12, $1US = $0.99703 CAD)

[2] Cash flow from operations is a non-GAAP term requested by the oil and gas investment community that represents net earnings adjusted for non-cash items including depreciation, depletion and amortization, deferred taxes, asset write-downs and gains (losses) on sale of assets, if any.

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 31/2013	Dec 31/2012	Sep 30/2012	Jun 30/2012	Mar 31/2012	Dec 31/2011	Sep 30/2011	Jun 30/2011
Revenue	1,055,939	1,090,939	1,525,127	1,386,824	1,367,644	1,098,466	1,793,959	2,139,344
Cash Flow from Operations[2]	81,612	(18,952)	407,355	313,234	323,527	110,268	414,176	763,456
Net Income (Loss)	(60,829)	(173,132)	140,134	179,903	63,543	996,036	143,761	510,960
E(L)PS - basic (US)	(.005)	(.013)	.011	.014	.005	.076	.011	.039
E(L)PS - basic (CAD)	(.005)	(.014)	.011	.014	.005	.081	.011	.038
E(L)PS - diluted (US)	(.005)	(.014)	.011	.014	.005	.074	.011	.038
E(L)PS - diluted (CAD)	(.005)	(.014)	.011	.014	.005	.079	.011	.037

[2] Cash flow from operations is a non-GAAP term requested by the oil and gas investment community that represents net earnings adjusted for non-cash items including depreciation, depletion and amortization, deferred taxes, asset write-downs and gains (losses) on sale of assets, if any.

Liquidity and Capital Resources

The following table summarizes the Company's cash flows by activity and cash on hand:

	Mar 31/2013	Mar 31/2012
Net cash from operating activities	$ 49,460	$ 133,400
Net cash from (used in) financing activities	(306,128)	(459,924)
Net cash used in investing activities	(130,514)	(181,487)
Net increase (decrease) in cash	(387,182)	(508,011)
Cash at the beginning of the period	2,745,856	5,231,092
Cash at the end of the period	2,358,674	4,723,081

At March 31, 2013, the single source of liquidity was cash from operating activities and these amounts were used along with the beginning cash balances for equipment purchases and repayment of debt in executing the Vision 2015 plan. At the period end, the Company's working capital (current assets – current liabilities) was $4,578,698, which has decreased from 2012 when working capital was $4,748,937.

A comparison between total current assets divided by total current liabilities shows that at March 31, 2013 the current ratio[3] was 5.09x compared to 4.87x at December 31, 2012. Debt ratio[3] ((Current liability + Total long-term debt)/Total Assets) reduced to 0.050x in 2013 compared to 0.055x in 2012. The Company is able to meet its debt service.

[3] Non-GAAP measure - certain supplementary measures in this MD&A do not have any standardized meaning as prescribed under Canadian GAAP and, therefore, are considered non-GAAP measures. These measures are described and presented in order to provide shareholders and potential investors with additional information regarding the Corporation's financial results, liquidity and its ability to generate funds to finance its operations. These measures are identified and presented, where appropriate, together with reconciliations to the equivalent GAAP measure. However, they should not be used as an alternative to GAAP because they may not be consistent with calculations of other companies.

Cash flow from operating activities decreased to $49,460.

Cash flow used in financing activities was $306,128.

Cash flow used in investing activities was $130,514.

The Company's liquidity needs can be met through a variety of sources including cash on hand, cash provided by operations, short borrowings from our credit line, and long term debt securitized by real estate and equipment. At March 31, 2013, Omni-Lite had $1,200,000 of available credit on the primary credit facility.

The terms of the long-term primary credit facility requires that certain measurable covenants be met. At March 31, 2013, the Company has met some of these covenants, with the exception of the debt service coverage ratio, effective tangible net worth limit, and no consecutive quarterly losses. A waiver was not received by the lender by the report date.

Capital Disclosures

The objective for managing the Company's capital structure is to ensure that the Company has the financial capacity, liquidity and flexibility to fund expansion projects and product development efforts. The Company generally relies on operating cash flows to fund expansion and product development. However, given the long cycle time of some of the development projects, which require significant capital investment prior to cash flow generation; it is not unusual for capital expenditures to exceed cash flow from operating activities in any given year. The Company's financing needs depend on the timing of expected net cash flows from new products and sales of current products. This requires the Company to maintain financial flexibility and liquidity. The Company's capital management policies are aimed at:

> Maintaining an appropriate balance between short-term borrowings, long-term debt and shareholders' equity; maintaining sufficient undrawn committed credit capacity to provide liquidity; ensuring ample covenant room permitting it to draw down credit lines as required; and ensuring the Company maintains a credit rating that is appropriate for their circumstances.

As a capital equipment-intensive company, Omni-Lite's management will continue to measure the performance of the Company by the metrics of Cash Flow from Operations and EBITDA[1]. The calculation of EBITDA[1] on a 12-month rolling basis is set out in the following table.

	March 31, 2013	**March 31, 2012**
Net Income	**$ 210,448**	**$ 1,714,300**
Less:		
Gain on share purchase warrants	**(130,411)**	**(1,251,796)**
Add:		
Interest expense	**35,320**	**56,488**
Provision for income taxes	**(644,612)**	**85,378**
Write down of inventory	**585,107**	**-**
Amortization	**898,527**	**939,062**
EBITDA	**$ 830,007**	**$ 1,543,432**

[1] "EBITDA" is a non-GAAP term which represents earnings or losses before net interest expense, income taxes, depreciation and amortization, and non-controlling interests.

Risk Factors

Please see the 2012 Annual Financial Statements and Management Discussion & Analysis for full disclosure of risk factors potentially affecting Omni-Lite.

Asset Protection

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:

- Patent and trademark protection – The Company protects novel ideas and processes developed at Omni-Lite by filing with the U.S. Patent Office.
- Confidentiality agreements – These agreements prevent employees and third parties from sharing any information considered proprietary with unauthorized individuals or companies.

Of particular significance is the fact that Omni-Lite has received seven U.S. patents to date and applied for the eighth patent in fourth quarter 2012.

Financial Instruments

Financial instruments of the Company consist of cash, accounts receivable, due from related parties, investments, accounts payable and accrued liabilities, and long-term debt.

	March 31, 2013		December 31, 2012	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
At fair value through profit or loss				
Cash	**$ 2,358,674**	**$ 2,358,674**	$ 2,745,856	$ 2,745,856
Loans and receivable				
Accounts receivable	**756,683**	**756,683**	712,029	712,029
Due from related parties	**1,535,059**	**1,535,059**	1,448,071	1,448,071
Available for sale				
Investments	**288,766**	**288,766**	398,374	398,374
Other financial liabilities				
Accounts payable and accrued liabilities	**373,075**	**373,075**	297,942	297,942
Long-term debt	**740,890**	**740,890**	923,781	923,781

The table below sets out fair value measurements using the fair value hierarchy.

	Total	**Level 1**	**Level 2**	**Level 3**
Assets				
Cash	$ 2,358,674	$ 2,358,674	**$ -**	**$ -**
Investments	288,766	288,766	**-**	**-**

There have been no transfers during the year between Levels 1 and 2.

As disclosed in Note 2(q) of the consolidated financial statements, the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to interest rate risk, industry credit risk and market risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. The Company does not use off statement of financial position contracts to manage these risks.

Interest rate risk
The Company's long-term credit facility and the two promissory notes borrowings are subject to floating rates. The floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates. As of March 31, 2013, the increase or decrease in income before taxes for each 1 percent change in interest rates on floating rate debt amounts to approximately $7,409 (March 31, 2012 - $14,584). The related disclosures regarding these debt instruments are included in Note 11 of the consolidated financial statements.

Foreign currency risk
A significant portion of the Company's operations are located outside of the United States and, accordingly, the related financial assets and liabilities are subject to fluctuations in exchange rates.

The Company manages its exposure to foreign currency fluctuations by maintaining foreign currency bank accounts and receivables to offset foreign currency payables and planned expenditures. The Company reports in its functional currency, the United States dollar. At March 31, 2013, the Company had the following balances denominated in Canadian dollars. The balances have been translated into United States currency in accordance with the Company's foreign exchange accounting policy.

	USD **March 31, 2013**	USD December 31, 2012
Cash	**$ 331,232**	**$ (4,813)**
Accounts payable	**73,428**	**83,618**

Omni-Lite operates with a U.S. dollar functional currency which gives rise to currency exchange rate risk on Omni-Lite's Canadian dollar denominated monetary assets and liabilities, such as Canadian dollar bank accounts and accounts payable, as follows:

	Impact on Net Income
U.S. Dollar Exchange Rate – 10% increase	**$ 33,123**
U.S. Dollar Exchange Rate – 10% decrease	**(33,123)**

Other Price Risk
The Company has financial instruments that may fluctuate in value as a result of changes in market price. The Company has an investment in shares of California Nanotechnologies Corp. This investment is recorded on the statement of financial position at fair value as of the statement of financial position date for the shares which have been released from escrow while the shares remaining in escrow are carried at cost, with changes from the prior period's fair value reported in Other Comprehensive Income.

Liquidity Risk
The Company is exposed to liquidity risk due to the borrowings under the credit facilities. This risk is mitigated by complying with the covenants and managing the cash flow by controlling receivables and payables.

The following table provides an analysis of the financial liabilities based on the remaining terms of the liabilities as at March 31, 2013:

	≤ 1 year	> 1 year ≤ 3 years	> 3 year ≤ 4 years	> 5 years	Total
Accounts payable and accrued liabilities	$ 373,075	$ -	$ -	$ -	$ 373,075
Long-term debt	540,890	200,000	-	-	740,890
Total	$ 913,965	$ 200,000	$ -	$ -	$ 1,113,965

The bank loans may be prepaid in whole or in part at any time without penalty.

Credit Risk

The Company manages credit risk by dealing with financially sound customers, based on an evaluation of the customer's financial condition. For the three months ended March 31, 2013, the Company was engaged in contracts for products with four (March 31, 2012 – three) customers in excess of 10% of revenue, which accounted for $848,183 (March 31, 2012 - $788,694) or 80% (March 31, 2012 – 58%) of the Company's total revenue. During the same period, export sales to nil (March 31, 2012 – one) customers in an international country (outside of the United States) amounted to $nil (March 31, 2012 - $282,470) or nil% (March 31, 2012 – 21%) of the Company's total revenue. The maximum exposure to credit risk is the carrying value of account receivable. The table below provides an analysis of our current financial assets and the age of our past due accounts receivables but not impaired financial assets by type of credit risk.

Total	**Current**	**≤ 30 days**	**> 30 days ≤ 60 days**	**60 days ≤ 90 days**	**> 90 days**
$ 756,683	$ 490,598	$ 237,586	$ 20,561	$ -	$ 7,938

Outstanding Share Capital

As at April 29, 2013:

- 12,217,432 Common Shares issued and outstanding
- Stock options:

Description		**Number**
Options outstanding at March 31, 2013		594,679
Options	- granted	-
	- exercised	-
	- forfeited	-
	- expired	-
Options outstanding at April 29, 2013		594,679
Options exercisable at April 29, 2013		451,345

Transactions with Related Parties

Due from related parties includes advances to a company under common control. An amount of $1,178,423 (December 31, 2012 - $1,111,149) is due from California Nanotechnologies Corp. bearing interest at 2% per annum and due on demand. The loan is secured by all the assets of California Nanotechnologies Inc.

For the three month period ended March 31, 2013, the Company did not pay the Chief Executive Officer. It is management's estimate that the fair value salary would approximate $35,000 (March 31, 2012 - $35,000). Due to the lack of independent evidence with respect to the fair value of these services, this transaction has been recorded at the carrying amount of $nil.

The Company has outstanding an unsecured interest free loan to two employees in the amount of $40,000 (December 31, 2012 - $40,000) related to the acquisition of property with maturity dates in 2016 and 2017. Other employees have received unsecured interest free loans from the Company with amounts due totalling $23,874 (December 31, 2012 - $20,253), with a current portion of $15,075 (December 31, 2012 - $13,176), repayable in bi-weekly instalments with maturity dates in 2013 and 2014. The Company has issued a loan to the Chief Executive Officer for $307,837 (December 31, 2012 - $276,669) at a 5% interest rate and with a maturity date in 2014. The loan is secured by the related property.

Third Party Investor Relations Contracts

No third party investor relations arrangements have been made.

Board of Directors

The Company's four directors are material shareholders. Currently, there is one vacancy to be filled.

International Operations

In September 1997, Omni-Lite Industries Canada Inc. was established by the amalgamation of Omni-Lite Industries Inc. and Omni-Lite Industries Corp., which were both incorporated in Calgary, Alberta. 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 Cerritos production center is located in the heart of Southern California's aerospace industry which facilitates access to customers, specialized equipment, materials, and workforce. The staff in Barbados is responsible for marketing, sales, and maintaining international markets for Omni-Lite's products.

The Company allocates its revenues between countries based on the location that has title to the contract. The Company has utilized and reported revenues based on the Company locations for each of these segments as follows:

March 31, 2013	**United States**	**Canada**	**Barbados**	**Inter-corporate elimination**	**Total**
Revenues	**$ 1,029,636**	**$ -**	**$ 53,718**	**$ (27,415)**	**$ 1,055,939**
Net income/(loss)	**(73,812)**	**(6,334)**	**19,317**	**-**	**(60,829)**

March 31, 2012	United States	Canada	Barbados	Inter-corporate elimination	Total
Revenues	$ 1,241,845	$ -	$ 346,335	$ (220,536)	$ 1,367,644
Net income	(56,338)	2,620	117,261	-	63,543

Recent accounting pronouncements

In November 2009, the International Accounting Standards Board ("IASB") published IFRS 9, "Financial Instruments," which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2011, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through profit or loss. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of profit or loss and recognize the change in other comprehensive income. IFRS 9 is effective for the Company on January 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively. The Company is currently assessing the impact upon implementation of the issued standard.

IFRS 10, "Consolidated Financial Statements" has been issued and is effective for periods beginning on or after January 1, 2013. This standard will replace all of the existing guidance on control and consolidation in IAS 27, Consolidated and separated financial statements and SIC12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control so the same criteria are applied to all entities to determine control and includes detailed guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The Company does not expect the impact of the standard to be significant.

IFRS 11, “Joint Arrangements” has been issued and is effective for periods beginning on or after January 1, 2013. The new rules are aimed at providing investors with greater clarity about a participant’s involvement in a joint arrangement. The key change in relation to the participant’s contractual rights and obligations arising from their joint arrangements will determine the accounting under IFRS 11 rather than the arrangement’s legal form. The Company does not expect the impact of the standard to be significant.

IFRS 12, “Disclosure of interest in other entities” has been issued and is effective for periods beginning on or after January 1, 2013. IFRS 12 sets out the required disclosures for entities reporting under the two new standards IFRS 10 and IFRS 11 *Joint arrangements*. The new rules also replace the disclosure requirements currently found in IAS 28 *Investments in associates*. IFRS 12 requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. The Company does not expect the impact of the standard to be significant.

On May 12, 2011, the IASB issued IFRS 13, “Fair value measurements,” which establishes a single source of guidance for fair value measurement under IFRSs. IFRS 13 defines fair value, provides guidance on its determination and introduces consistent requirements on when fair value measurement is required; it prescribes how fair value is to be measured if another Standard requires it. IFRS 13 is effective for the Company on January 1, 2013. Early adoption is permitted and the standard is required to be applied prospectively. The Company uses fair value measurements in the preparation of its consolidated financial statements and consequently will be subject to the new requirements.

In June 2011, the IASB amended IAS 1, “Presentation of Financial Statements.” The principal change resulting from the amendments to IAS 1 is a requirement to group together items within OCI that may be reclassified to the statement of income. The amendments also reaffirm existing requirements that items in OCI and net income should be presented as either a single statement or two consecutive statements. The amendment to IAS 1 will be effective for the Company’s fiscal periods beginning on January 1, 2013, with earlier application permitted. The Company does not expect any changes to its consolidated financial statement presentation from this amendment as the items within OCI that may be reclassified to the statement of income are already grouped together.

Forward-looking statements

In the interest of providing Omni-Lite shareholders and potential investors with information regarding the Company and its subsidiaries, including Management’s assessment of Omni-Lite’s future plans and operations, certain statements contained in this document constitute forward-looking statements or information (collectively referred to herein as “forward-looking statements”) within the meaning of the “safe harbour” provisions of applicable securities legislation. Forward-looking statements are typically identified by words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “forecast”, “target”, “project” or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements in this document include, but are not limited to, statements with respect to: projections relating to the adequacy of the Company’s provision for taxes; the potential impact of implementation of Vision 2015 on Omni-Lite’s financial condition and projected 2012 capital investment. Although these “forward-looking” statements are based on currently available competitive, financial and economic data and operating plans, they are subject to risks and uncertainties. In addition to general global events outside the Company’s control, there are factors which could cause actual results, performance or achievements to vary from those expressed or inferred herein including risks associated with an investment in the common shares of the Company and the risks related to the Company's business. Risk factors are discussed in greater detail in the section on “Risk Factors” previously in this MD&A. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Company’s actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements.

Furthermore, the forward-looking statements contained in this document are made as of the date of this document, and except as required by law Omni-Lite does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Intention of management's discussion and analysis

This MD&A is intended to provide an explanation of financial and operational performance compared with prior periods and the Company's prospects and plans. It provides additional information that is not contained in the Company's consolidated financial statements.

Additional Omni-Lite documents filed with Canadian regulatory agencies

Further information regarding Omni-Lite Industries Canada Inc. can be accessed under the Company's public filings found at www.sedar.com and on the Company's website www.omni-lite.com.