Omni-Lite Industries Canada Inc.
For the Period Ended September 30, 2010

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 consolidated financial statements and the related notes of Omni-Lite Industries Canada Inc. for the period ended September 30, 2010. Omni-Lite Industries Canada Inc. ("Omni-Lite" or the "Company") reports its financial position, results of operations and cash flows in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). The Company's reporting 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 October 29, 2010.

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 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 includes: 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.

The split of revenue between the five business segments for the nine months ended September 30, 2010 is as follows:

Division/ Segments	Military	Aerospace	Sport & Recreation	Automotive	Commercial
2010	54%	15%	16%	14%	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 15 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 recently approved the Vision 2015 Plan, 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 32 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 2010, Omni-Lite will focus on building revenue in the military and automotive segments through on-going product development. The automotive division is growing through product development with emphasis on new components utilized by "green" technology for diesel engines. With the "Vision 2015" strategy, Omni-Lite has completed the purchase of 32 cold forging systems and will complete the commissioning of these systems as production requirements grow. The Company is actively searching for a 60,000 to 80,000 square foot facility to support future growth.

Selected Annual Financial Information

All figures are in US dollars except as noted.

Basic Weighted Average Shares Issued And Outstanding : 10,306,395	**For the period ended September 30, 2010**	**For the year ended December 31, 2009**	**For the year ended December 31, 2008**	**For the year ended December 31, 2007**
Revenue	5,994,776	4,385,485	7,454,327	6,983,845
Net Income	1,598,232	457,008	875,037	1,583,370
EPS (US)	$0.16	$0.04	$0.08	$0.14
EPS (CDN)	$0.16	$0.05	$0.10	$0.14
Total Assets	19,372,381	18,134,123	$17,207,148	$15,090,214
Long term debt	2,931,043	3,576,546	$3,142,470	$1,750,908

Results from Operations

Revenue: For the period ended September 30, 2010, Omni-Lite reported revenue of $5,994,776 ($6,171,022 CDN), an increase of 87 percent from the same period in 2009.

The Military division represented the largest portion of sales with 54 percent of revenue. Sales in this division were higher by 149 percent when compared to the nine months ended September 30, 2009. The Aerospace division contributed 15 percent of revenue, a 6 percent increase from 2009. The Automotive division contributed 14 percent of revenue, an increase of 176 percent from the same period in 2009. The Sports and Recreation division contributed 16 percent of revenue, and 41 percent increase from 2009. The Commercial divisions provided 1 percent of the revenue.

Sales by division and by geographic location are summarized below:

Division/ Segments	**Military**	**Aerospace**	**Sport & Recreation**	**Automotive**	**Commercial**
Nine months 2010	54%	15%	16%	14%	1%
Nine months 2009	40%	27%	22%	9%	2%

Geographic allocation	**United States**	**Canada**	**Barbados**
Nine months 2010	85%	-	15%
Nine months 2009	88%	-	12%

Net Income: Net income was $1,598,232 ($1,645,220 CDN) versus $373,998 in 2009, an increase of 327 percent. Increased revenue, coupled with the cost-saving measures instigated in 2009, resulted in significant growth in 2010.

Cost of Goods Sold: Cost of Goods Sold ("COGS") increased 75 percent from $1,049,346 in 2009 to $1,837,944 in 2010 as sales increased 87 percent. This corresponded to a gross margin of approximately 69 percent.

Operating Expenses: Total operating expenses increased by 22 percent from the prior nine month period.

Interest expense of $73,679 was incurred, an decrease of 37 percent compared to 2009 due to a lower loan balance and interest rate and long term debt was reduced from operating cash flows. The Company will continue to pay down the loans in 2010.

Research and product design ("R&D") expense was $105,139, a decrease of 27 percent. The Company continued to fund R&D efforts as it is anticipated that new business will emerge from these activities.

Current income tax expense increased to $194,700 from ($23,000) in 2009. Future tax increased to $358,000 from $151,000. Future 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 per share were $0.16 ($0.16 CDN) compared to $0.04 ($0.04 CDN) in 2009 based on the weighted average shares outstanding of 10,306,395.

The diluted earnings per share were $0.15 ($0.16 CDN) compared to $0.04 ($0.04 CDN) in 2009. As at September 30, 2010, the diluted weighted average number of shares was 10,475,394. 264,167 (2009 – 550,000) 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 per common share is computed by dividing net income 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: 10,306,395	**For the period ended September 30, 2010**	**For the period ended September 30, 2009**	**% Increase (Decrease)**
Revenue	5,994,776	3,209,969	87%
Cash flow from operations[1]	2,655,453	1,104,318	140%
Net Income	1,598,232	373,998	327%
EPS (US)	0.16	0.04	340%
EPS (CDN)	0.16	0.04	317%

(note: at 9/30/10, $1US = $1.0294 CDN; 9/30/09, $1US = $1.0861 CDN)

(1) 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, future income 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

	Sep 30/2010	Jun 30/2010	Mar 31/2010	Dec 31/2009	Sept 30/2009	Jun 30/2009	Mar 31/2009	Dec 31/2008
Revenue	1,720,995	2,439,705	1,834,076	1,175,516	1,084,771	1,151,296	973,902	1,366,201
Cash Flow from Operations(1)	881,838	1,005,306	768,309	429,416	314,077	395,702	393,026	288,442
Net Income	427,806	687,889	482,537	83,011	95,078	170,322	108,597	(557,483)
EPS(US)	.042	.066	.045	.008	.009	.016	.010	(.052)
EPS(CDN)	.043	.069	.046	.008	.010	.016	.010	(.064)

(1) 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, future income taxes, asset write-downs and gains (losses) on sale of assets, if any.

In the third quarter of 2010, revenue was $1,720,995 ($1,771,592 CDN), a increase of 59 percent over the same period in 2009. Net income was $427,806 ($440,383 CDN) versus a $95,078 in 2009, an increase 350 percent. In 2010, new components are being manufactured after completing their development in the third and fourth quarters of 2009.

Liquidity and Capital Resources

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

	Sep 30/2010	Sep 30/2009
Net cash from operating activities	$ 2,420,093	$ 541,534
Net cash from (used in) financing activities	(784,552)	331,664
Net cash from (used in) investing activities	(1,484,125)	(602,196)
Net increase (decrease) in cash	151,416	271,002
Cash at the beginning of the period	39,935	(7,664)
Cash at the end of the period	191,351	263,338

As at September 30, 2010, the main source of liquidity was cash from operating activities and these amounts were used almost equally for equipment purchases and repayment of debt. At the period end, the Company's working capital (current assets – current liabilities) was $2,982,962, which has increased from 2009 when working capital was $2,125,176.

A comparison between total current assets divided by total current liabilities shows that at September 30, 2010 the current ratio was 2.80x compared to 1.90x at September 30, 2009. Debt ratio ((Current liability + Total long-term debt)/Total Assets) reduced to 0.18x in 2010 compared to 0.26x in 2009. The Company is able to meet its debt service.

Cash flow from operating activities increased to $2,420,093.

Cash flow used in financing activities was $784,552.

Cash flow used in investing activities was $1,484,125.

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, and long term debt securitized by real estate and equipment. At September 30, 2010, Omni-Lite had $309,883 of available credit on the primary credit facility.

The terms of the new long-term primary credit facility requires that certain measurable covenants be met. As at September 30, 2010, the Company has met these covenants.

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 period. 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.

The Company has the ability to make adjustments to its capital structure by issuing additional equity or debt, returning cash to shareholders and making adjustments to its capital investment programs. The Company's capital consists of shareholders' equity, short-term borrowings, long-term debt, and cash and cash equivalents as follows:

Net Debt	**September 30, 2010**	December 31, 2009
Long-term debt	**1,768,843**	$ 2,285,876
Current portion long-term debt	**1,162,200**	1,290,670
Less: cash and cash equivalents	**(191,351)**	(39,935)
Total Net Debt	**2,739,692**	3,536,611
Shareholders' Equity	**12,924,519**	11,265,329

The Company monitors the leverage in its capital structure by reviewing the ratio of net debt to cash flow from operating activities and interest coverage ratios.

The Company uses the ratio of net debt to cash flow from operating activities as a key indicator of leverage and to monitor the strength of the balance sheet. Net debt is a non-GAAP measure that does not have a standard meaning prescribed by GAAP and is unlikely to be comparable to similar measures presented by others. The Company calculates net debt using long-term debt and short-term borrowings less cash and cash-equivalents. For the period ended September 30, 2010, the net debt to cash flow from operating activities was 0.99 times compared to 4.04 times at December 31, 2009. It is expected that the target ratio to fluctuate between 1.0 and 2.0 times, however, this can be higher when the Company invests in new equipment. Whenever the target ratio is exceeded, a strategy is developed to reduce the leveraging and lower the ratio back to target levels over a period.

The interest coverage ratio allows the Company to monitor its ability to fund the interest requirements associated with its debt. The interest coverage increased in 2010 from 7.98 times at September 30, 2009 to 30.45 times at September 30, 2010. Interest coverage is calculated by dividing the twelve-month trailing earnings before interest, taxes, depreciation and amortization by interest expense.

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. EBITDA is a non-GAAP measure, which is calculated using net income excluding interest expense, provision for income taxes, depreciation and amortization. The calculation of EBITDA on a 12-month rolling basis is set out in the following table.

	September 30, 2010	**September 30, 2009**
Net Income	**$ 1,598,232**	$ 373,998
Add:		
Interest Expense	**73,679**	117,134
Provision for Income Taxes	**552,700**	128,000
Amortization	**660,725**	561,533
EBITDA	**$ 2,885,336**	$ 1,180,665

Risk Factors

Please see the 2009 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. California Nanotechnologies Inc. has received one U.S. patent to date.

Financial Instruments

Financial instruments of the Company consist of cash, accounts receivable, loans receivable, investments, accounts payable and accrued liabilities, bank loans, loans due to related parties.

	September 30, 2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Held-for-trading				
Cash	$ 191,351	$ 191,351	$ 39,935	$ 39,935
Loans and receivable				
Accounts receivable	1,029,784	1,029,784	744,809	744,809
Due from related parties	500,195	500,195	342,203	344,203
Available for Sale				
Investments	188,297	188,297	184,778	184,778
Liabilities				
Accounts payable and accrued liabilities	473,169	473,169	630,910	630,910
Long-term debt	2,931,043	2,931,043	3,576,546	3,576,546

The table below sets out fair value measurements using the Section 3862 fair value hierarchy.

Financial assets and liabilities at fair value through profit or loss
At September 30, 2010

	Total	**Level 1**	**Level 2**	**Level 3**
Assets				
Cash	$ 191,351	$ -	$ 191,351	$ -
Investments	188,297	188,297	-	-

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

As disclosed in Note 2 of the 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 balance sheet 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 at September 30, 2010, the increase or decrease in income before taxes for each 1 percent change in interest rates on floating rate debt amounts to approximately $29,310 (2009 - $37,112). The related disclosures regarding these debt instruments are included in Note 11 of the financial statements.

Foreign currency risk

A significant portion of the Company’s operations is 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 to offset foreign currency payables and planned expenditures. The Company reports in its functional currency, the United States dollar. As at September 30, 2010, the Company had the following balances below denominated in Canadian dollars. The balances have been translated into United States currency in accordance with the Company's foreign exchange accounting policy.

	USD September 30, 2010	USD December 31, 2009
Cash	**$ 58,787**	$ 42,187
Accounts payable	**3,837**	112,373

At September 30, 2010, if the U.S. dollar strengthened or weakened by 10% relative to the Canadian dollar, the impact on net income and other comprehensive income due to the translation of monetary financial instruments would be as follows:

	Impact on Net Income
U.S. Dollar Exchange Rate – 10% increase	**$ (5,879)**
U.S. Dollar Exchange Rate – 10% decrease	**$ 5,879**

Market 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 balance sheet at fair value as of the balance sheet 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 September 30, 2010 and includes the related interest charges:

	≤ 1 year	> 1 year ≤ 3 years	> 3 year ≤ 4 years	> 5 years	Total
Trade accounts payable and accrued liabilities	$ 473,169	$ -	$ -	$ -	$ 473,169
Bank loan and interest	1,162,200	1,766,843	-	-	2,931,043
Total	$ 1,635,369	$ 1,766,843	$ -	$ -	$ 3,404,212

Credit Risk

The Company manages credit risk by dealing with financially sound customers, based on an evaluation of the customer's financial condition. During 2010, the Company was engaged in contracts for products with five (2009 – four) customers, which accounted for $4,900,971 (2009 - $2,267,169) or 82% (2009 – 71%) of the Company's total revenue. During the same period, export sales to four (2009 – six) customers in various international countries (outside of the United States) amounted to $904,948 (2009 - $636,300) or 15% (2009 – 20%) 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 but not impaired financial assets by type of credit risk.

Aging	**Current AR**	**≤ 30 days**	**> 30 days ≤ 60 days**	**60 days ≤ 90 days**	**> 90 days**
Accounts Receivable	$ 1,007,780	$ 22,004	$ -	$ -	$ -

Transactions with Related Parties

Due from related parties includes an amount of $290,654 (2009 – $106,070) from California Nanotechnologies Corp. bearing interest at 5% per annum. The loan is secured by all the assets of California Nanotechnologies, Inc.

In the period, the Company received $24,000 (2009 - $51,000) in management fees from California Nanotechnologies Corp. The transaction was conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

For 2010, the Company did not pay the Chief Executive Officer. It is management's estimate that the fair value of the salary would approximate $140,000 (2009 - $140,000). 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 issued an interest free loan to two employees for $25,000 related to the acquisition of various properties. The loan is secured by the value of the related property and is to be repaid in five years. The Company has issued a loan to one of its officers and directors for $184,541 at a 5 percent interest rate and is to be repaid in five years. 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 chief executive officer and its corporate secretary are material shareholders. A resolution was passed in 2003 that increased the size of the board of directors to five members. 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 facility is located in the heart of Southern California's aerospace industry. This allows for easy 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:

September 30, 2010	**United States**	**Canada**	**Barbados**	**Inter-corporate elimination**	**Total**
Revenues	**$ 5,630,484**	**$ -**	**$ 904,948**	**$ (540,656)**	**$ 5,994,776**
Property, plant and equipment	**$ 13,822,646**	**$ -**	**$ -**	**$ -**	**$ 13,822,646**

September 30, 2009	United States	Canada	Barbados	Inter-corporate elimination	Total
Revenues	$ 3,300,315	$ -	$ 636,298	$ (726,644)	$ 3,209,969
Property, plant and equipment	$ 13,431,725	$ -	$ -	$ -	$ 13,431,725

Recent accounting pronouncements

In January 2009, the CICA issued Section 1601, "Consolidated Financial Statements," which will replace CICA Handbook Section 1600 of the same name. This guidance requires uniform accounting policies to be consistent throughout all consolidated entities and the difference between reporting dates of a parent and a subsidiary to be no longer than three months. These are not explicitly required under the current standard. Section 1601 is effective for the Company on January 1, 2011 with early adoption permitted. This standard will have no impact to the Company.

In February 2008, the CICA announced that Canadian GAAP (CGAAP) for publicly accountable enterprises will be replaced by International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal year. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to the Company's reporting for the first quarter of 2011, for which the current and comparative 2010 information will be prepared under IFRS.

The Company's IFRS conversion project consists of three phases – 1) scoping 2) evaluation and design and 3) implementation and review. The Company is in the process of completing phase 1 of the project. The Company has done a high-level assessment to identify key areas of CGAAP-IFRS differences that are most likely to impact the Company and is deliberating on the consequent changes in accounting policies these differences would entail.

The changes identified below should not be regarded as a complete list of changes that will result from the transition to IFRS as it is intended to highlight those areas where significant progress has been made and that are believed to be significant at this point of time. The International Accounting Standards Board has significant ongoing projects that could affect the ultimate differences between CGAAP and IFRS and their impact on the Company's consolidated financial statements. Therefore, the Company's analysis of changes and accounting policy decisions have been made based on the accounting standards that are currently effective.

Standards	Key Issue	Preliminary Findings
Property, Plant and Equipment (IAS 16)	CGAAP: Property and equipment are to be recorded at cost upon initial acquisition and are to be depreciated over the useful lives. IFRS: An entity may choose between using the cost model (identical to Canadian GAAP) or revaluation model (mark to fair market value) for subsequent measurement.	We will continue to use the cost method. We expect that this standard will have no significant impact on our consolidated financial statements. It should be noted that much more extensive disclosure is required under IFRS in the notes to the consolidated financial statements in the area of fixed assets.
Share-based Payments IFRS 2	CGAAP: It is possible to use the straight-line method to record the compensation expense when a different method than graded vesting is used to determine the expected life used in the fair value calculation of options. The compensation expense related to a stock-based compensation award must be recorded as an expense over the period during which the corresponding services are performed if the award relates to future services. In the case of cancellations or settlements, an entity must cease to record the expense. IFRS: When the options granted vest gradually, an entity must consider each portion as a distinct grant and amortize the corresponding expense distinctly. If an equity instrument is cancelled or settled during the vesting period, the amount that would have otherwise been recorded during the remainder of the vesting period for services performed is recorded immediately.	Omni-Lite will need to assess if it has graded vesting options at the date of transition. These options will need to be valued as separate tranches. Forfeitures are required to be estimated at grant versus being accounted for as they occur.
Disclosures	IFRS generally has more extensive disclosure requirements than current CGAAP. There are also significant additional disclosures required from first time adoption to IFRS, including a reconciliation of income and equity from CGAAP to IFRS and the opening IFRS Balance Sheet.	Omni-Lite is in the process of drafting model disclosure financial statements to facilitate smooth transition to full compliance with additional disclosure requirements under IFRS.

The Company is currently assessing the impact of the transition to IFRS in the above areas and has deployed additional trained resources and formal project management practices and governance to ensure the timely conversion to IFRS.

The Company will continue to monitor any changes in the adoption of IFRS and will update its plan as necessary.

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 2010 capital investment. 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.
Although Omni-Lite believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. 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 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.