
ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT
Omni-Lite Industries Canada Inc.	September 30, 2002	November 29, 2002

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
"Robert Inkster"	Robert Inkster	November 29, 2002

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
"Donald J. Kelly"	Donald J. Kelly	November 29, 2002

SCHEDULE 'B'

Omni-Lite Industries Canada Inc.
British Columbia Form 51-901F
For the Quarter Ended September 30, 2002

Item 1 Analysis of expenses and deferred costs to date

<u>Cost of Goods Sold</u>	\$557,382 US
<u>General and Administrative</u>	
Salaries	\$190,734 US
Office Expense	63,288
Insurance	57,795
Building Expense	44,188
Professional Fees	43,301
Investor Relations	37,476
Business Promotion	25,094
Other	<u>73,083</u>
Total	\$534,959

Item 2 Related party transactions

See notes to financial statements, Schedule "A", Notes 6 and 11.

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 (CDN)	Type of Consideration	Commission Paid
-	-	-	-	-	-	-	-

None

b) Summary of options granted

Description of Optionee	Number of Optioned Shares	Exercise Price(CDN)	Original date of Grant	Expiration Date
-	-	-	-	-

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	Catherine Grant	<i>Interim CFO</i>
Donald J. Kelly	Paul Burkey	<i>Chief Operating Officer</i>
Paul Schreckengost	Michael Walker	<i>V.P. Research and Development</i>
	Donald J. Kelly	<i>Secretary</i>

Omni-Lite Industries Canada Inc.
Schedule "C"
British Columbia Form 51-901F
For the Quarter Ended September 30, 2002

**MANAGEMENT DISCUSSION AND
ANALYSIS**

Item 1 General

A. Discussion of Operations and Financial Condition

During the third quarter, total revenue was \$673,822 US or approximately \$1,063,028 CDN, a decrease of 27% over the same period in 2001. During this time frame, cash flow decreased by 70% to \$199,463 US or approximately \$314,852 CDN. The Company reported net income for the three month period of \$25,600 US or approximately \$40,410 CDN.

All figures are in US dollars except as noted.

SUMMARY OF FINANCIAL HIGHLIGHTS (US \$)

Shares Issued And Outstanding : 9,161,602	Three months ended September 30, 2002	Three months ended September 30, 2001	Nine months ended September 30,2002	Nine months ended September 30, 2001	For the year ended Dec. 31, 2001
Total Revenue	\$673,822	\$926,167	\$1,787,077	\$1,909,725	\$2,231,704
Cash flow from operations	\$199,463	\$622,406	\$ 649,891	\$1,191,150	\$1,151,862
Net Income (loss)	\$25,600	\$532,214	\$ 242,147	\$ 921,295	\$ 819,886
EPS (US)	\$0.00	\$0.05	\$0.03	\$0.09	\$0.08
EPS (CDN)	\$0.01	\$0.08	\$0.04	\$0.14	\$0.13

Over the nine-month period to September 30, 2002 total revenue was \$ 1,787,077 US, a decrease of 6% over the previous period. Over the same period cash flow decreased to \$649,891 US, a decrease of 45% over the same period in 2001. Net income decreased to \$242,147 or 74% below that achieved in the January to September period in 2001.

Sales in the Military division were disrupted by changes in the distribution channel when a customer's business was sold to another company. Problems stemming from the transfer of technology from one company to the other have caused delays in the production of the completed assembly. This has created a substantial backlog for the assembly for which Omni-Lite manufactures a crucial component. 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 solved.

In the Automotive Division, Omni-Lite restructured the transmission component program and began supplying Borg-Warner directly. This restructuring has allowed the unit price of this product line to double. 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 BorgWarner will arise from Omni-Lite's dedication to customer service and quality.

As the number of services provided by Omni-Lite increase and quality requirements rise, staffing levels have increased. The additional people and equipment have enabled Omni-Lite to expand its product line and to focus more on negotiating new sales contracts. New equipment has been used to manufacture components for Fairchild that were previously not attempted.

Amortization expenses have risen due to the value added by the improvements made to the building and from new equipment. The increased amortization of deferred R&D costs reflects a more conservative approach taken by the Company.

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 third quarter 2002, the Company continued delivery of components 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 these projects has made the Aerospace division the fastest growing in the Company.

Ongoing improvements to the quality systems, equipment, and production will be the key to the Company's future sales 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 2000, Omni-Lite's components were utilized in the products of Daimler-Chrysler, GM, Ford, Mazda, Nike, adidas, Reebok, Boeing, Airbus, Bombardier, the U.S. Army, and NATO. The requirements and stature of these customers necessitates that the Company operate at a very high level of engineering and production efficiency.

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. 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. The first two systems were delivered in August of 2002 and the remaining systems should arrive starting in December.

E. Growth Expectations

In 2002, the Company has been very active in attracting new business. Several new projects were initiated in the Aerospace, Automotive, and Military divisions. These long-term developments bode well for the Company's future growth. Also, the deferred sales from the Military division should add to revenues by second quarter 2003.

F. Risk Factors

The Company's business and operating performance is subject to economic forces beyond its control, such as changes in consumer preferences, spending patterns, and general economic downturns.

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.

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

	Sept 30/02	June 30/02	Mar 31/02	Dec 31/01	Sept 30/01	June 30/01	Mar 31/01	Dec 31/00
Total Rev	673,822	445,833	731,561	385,582	979,123	591,263	498,211	393,186
Cash Flow	199,463	60,841	389,587	-39,288	622,406	349,267	219,477	147,094
Net Income	25,600	-58,418	274,965	-101,409	532,214	269,217	119,864	40,701
EPS(US)	.00	-.01	.03	-.01	.05	.03	.01	.01
EPS(CDN)	.01	-.01	.05	-.02	.08	.04	.01	.01

Item 3 Liquidity and Capital Resources

The Company anticipates that cash flow will meet the on going working capital requirements of the Company. The Omni-Lite will continue the repayment of long-term debt with excess funds. In October 2002, the Company leased approximately 5800 square feet of office space for a period of three years. Subsequently to the period, Omni-Lite secured lines of credit totaling \$3,000,000 from a major US bank with favourable terms. This will allow the Company to meet any foreseeable obligations.

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.