Omni-Lite Industries Canada Inc.

MANAGEMENT DISCUSSION AND ANALYSIS (in $US)
For the Quarter Ended September 30, 2005

This management's discussion and analysis of financial condition and results of operations supplements the financial statements for the nine months (Q3) ended September 30, 2005.

This MD&A contains forward-looking statements about Omni-Lite's objectives, strategies, financial condition, results of operations, cash flows and businesses. These statements are forward-looking because they are based on our current expectations, estimates and assumptions about the markets we operate in, the American economic environment, our ability to attract and retain customers and to manage capital assets and operating costs. A forward-looking statement may include words such as anticipate, believe, could, expect, goal, intend, may, objective, plan, seek, strive, target, and will. Forward-looking statements in this MD&A describe our expectations on November 02, 2005. Our actual results could be materially different from what we expect if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate.

We have completed this discussion and analysis on November 17, 2005.

Revenue

For the nine months ended September 30, 2005, Omni-Lite Industries Canada Inc. reported record revenues of $3,267,341 ($3,827,037 CDN), a 34% increase over the corresponding period in 2004. The Aerospace division continues to lead sales at the end of third quarter representing 34% of revenues, up 90% over the same period in 2004. The growth in the Aerospace division reflects the increased demand of Omni-Lite's components by existing and new customers. The Sports and Recreation division contributed the next highest proportion of revenues at 30% in 2005 versus 31% in 2004. It was expected that the proportion represented by the Sports and Recreation division would decrease as the other divisions grew, but the sales in the Sports and Recreation division grew a surprising 30% over the same nine months in 2004. Sales in the Military division represented the next 20% of revenue, also up 23% over the same period in 2004. The Automotive division represented 13% of revenues. However, the sales in the Automotive division were down 5% reflecting slower sales in the automotive market. Sales in the Commercial division completed the remaining 3% of revenue.

Net Earnings

Net income for the nine-month period of 2005 was $1,146,389 ($1,342,765 CDN) or $0.12 ($0.14 CDN) per common share. This compares to net income of $729,303 or $0.08 per share in the nine-month period of 2004, an increase of 57%.

General and administration costs now include rental and foreign exchange. The rental income is used to offset G&A expenses rather than being shown as an income item. The 2004 G&A expenses have been restated to reflect the reclassification.

Earnings per share were calculated using the weighted average shares outstanding of 9,747,582. Through the financing completed in February, 1,650,000 common shares were issued. In the third quarter, 47,600 shares were issued for stock option exercises. As of September 30, 2005, there were 10,046,904 shares outstanding.

ALL FIGURES IN US DOLLARS UNLESS NOTED

SUMMARY OF FINANCIAL HIGHLIGHTS (US $)

Weighted Average Shares Issued And Outstanding: 9,747,582	**For the nine months ended September 30, 2005**	**For the nine months ended September 30, 2004**	**% Increase**
Revenue	$3,267,341	$2,443,852	34%
Cash flow from operations[(1)]	$1,537,071	$912,755	68%
Net Income	$1,146,389	$729,303	57%
EPS (US)	$0.12	$0.08	50%
EPS (CDN)	$0.14	$0.11	27%

(note: at 9/30/05, $1US = $1.1713 CDN; 9/30/04, $1US = $1.2699 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.

For the three months ended September 30, 2005, revenue was a new record for Omni-Lite at $1,332,953 ($1,561,288 CDN), an increase of 47%. Net income was $464,421 ($543,976 CDN), an increase of 92% over the same period in 2004. Cash flow from operations increased by 108% over the same period in 2004 to $634,018. The Sports and Recreation division led sales in third quarter with 41% of the sales. The Aerospace division followed with 31% of the sales. The Military and Automotive divisions contributed 14% and 13% to third quarter revenue, respectively. The Commercial division contributed the remaining 1% of sales.

ALL FIGURES IN US DOLLARS UNLESS NOTED

SUMMARY OF FINANCIAL HIGHLIGHTS (US $)

Weighted Average Shares Issued And Outstanding: 9,747,582	**For the three months ended September 30, 2005**	**For the three months ended September 30, 2004**	**% Increase**
Revenue	$1,332,953	$906,909	47%
Cash flow from operations[(1)]	$634,018	$304,637	108%
Net Income	$464,421	$241,974	92%
EPS (US)	$0.05	$0.03	67%
EPS (CDN)	$0.05	$0.04	25%

(note: at 9/30/05, $1US = $1.1713 CDN; 9/30/04, $1US = $1.2699 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.

Omni-Lite as a Business

Omni-Lite Industries is a developer and manufacturer of specialized products utilized by a wide range of customers. By combining advanced materials and precision computer-controlled cold forging techniques with a team of key design and material engineers, production technicians, marketing and administrative support personnel, Omni-Lite has risen to the forefront of technological development in progressive cold forging.

Omni-Lite Industries Canada Inc.'s common shares are publicly traded on the TSX Venture Exchange under the symbol "OML".

Omni-Lite's Markets

Omni-Lite's primary market is the development and manufacture of precision components utilized by many of the world's largest corporations. Omni-Lite's components were utilized in the products of Daimler-Chrysler, GM, Ford, Mazda, Nike, adidas, Reebok, Boeing, Airbus, Bombardier, Alcoa, the U.S. Army, and NATO. The requirements and stature of these customers necessitates that the Company operates at a very high level of engineering and production efficiency. Currently, revenues are received through five divisions: Automotive, Aerospace, Sports and Recreation, Military, and Commercial.

The majority of the growth has resulted from a combination of new components being developed and from increases in sales of existing components. Growth will continue to be strong as prototype components are approved and enter the production phase.

Growth Record

From the period of January 1998 to April 2000, Omni-Lite's manufacturing capability increased from two production systems to ten, thus allowing Omni-Lite to begin expanding into the automotive, aerospace, commercial, and military markets. During 2000, the Company commenced discussions towards purchasing a larger cold forging system. This equipment was purchased in February 2001, at very favorable pricing. The Company continued to execute its expansion plans in 2002 as Omni-Lite moved into the new production facilities and developed a world-class metallurgical laboratory. Then, the procurement of an additional five progressive forging systems for $1,420,000US was initiated. In March 2003, the company received final shipment of new cold forging systems, bringing the total number of machines to 16.

Growth Expectations

In 2005, Omni-Lite will continue its focus on building sales in all divisions. With the new facilities, technical services, and increased forging capabilities, Omni-Lite will be able to attract new business from the various market segments, mainly in aerospace and automotive. New projects have been initiated in each sales division and the sales department has aggressively pursued new opportunities in each division. The Company is targeting overall growth of 25% to 30% per year for the next five years.

Currently, there are number of growth opportunities for Omni-Lite. The management also expects growth in the Military division as it is anticipated that sales for its components will increase as the U.S. Military replenishes its stockpile of munitions used in training and in conflicts. The Aerospace division has benefited from the R&D initiated last year. It is expected that demand for existing and new components will continue to grow for the remainder of the year. The Automotive division has experienced a slowdown as a component has been phased out. It is anticipated that sales will increase in the latter part of 2005 as the new components are accepted for production use. Even though the Sports and Recreation division showed substantial growth in third quarter, it is expected that sales over the year in this division will remain relatively stable.

Risk Factors

Risk factors are substantially unchanged. Please refer to the 2004 annual report for disclosure.

Transactions with Related Parties

Due to related parties includes an amount of $ 144,986 that was repaid in February 2005. This amount was due to David F. Grant, a director and shareholder of the Company, which was unsecured, non-interest bearing and had no set terms of repayment. The money was loaned during periods when cash flow was tight and allowed the Company to operate without having to seek cash from external sources.

Third Party Investor Relations Contracts

No third party investor relations arrangements have been made.

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. The staff in Barbados is responsible for marketing, sales, and maintaining international markets for Omni-Lite's products. 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 specialized equipment, materials, and workforce.

The Company allocates its revenues between countries based on 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, 2005	United States	Canada	Barbados	Inter-corporate Elimination	Total
Revenues	$ 2,627,399	$ -	$ 949,945	$ (310,003)	$ 3,267,341
Property and Equipment	$ 6,601,873	$ 843	$ -	$ -	$ 6,602,716

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, 2005	Jun 30, 2005	Mar 31, 2005	Dec 31, 2004	Sep 30, 2004	Jun 30, 2004	Mar 31, 2004	Dec 31, 2003
Revenue	1,332,953	1,010,728	923,660	709,803	906,909	855,134	681,809	735,845
Cash Flow from operations	634,018	474,129	428,924	319,717	304,637	234,235	373,883	119,652
Net Income	464,421	372,812	309,156	48,955	241,974	221,547	265,782	126,752
EPS(US)	.05	.04	.03	.00	.03	.03	.03	.01
EPS(CDN)	.05	.05	.04	.00	.04	.03	.04	.01

Omni-Lite's revenue tends to peak in the third quarter of each year coinciding with the seasonal increase in demand for products from the Sports and Recreation division. The traditionally low revenue periods in the first and fourth quarters have grown to provide a more balanced income stream throughout the year.

Liquidity and Capital Resources

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

	September 30/05	September 30/04
Net cash from operations	1,537,071	912,755
Net cash from (used in) financing activities	(503,101)	(452,968)
Net cash from (used in) investing activities	(91,911)	(45,864)
Net increase in cash (decrease)	366,871	(174,991)
Cash at the beginning of the period	66,347	196,764
Cash at the end of the period	433,218	21,773

Cash Flows and Liquidity

For Q3, the primary source of liquidity was cash from operations and cash received from subscription of shares in Omni-Lite E-FORM Technologies Inc. The Company had cash holdings of $433,218. It is anticipated that internally generated cash flow, both in the short-term and long-term, will meet the on-going working capital requirements of Omni-Lite.

Cash flow generated by operating activities was $1,537,071. Accounts receivables remained high as of September 30, 2005, as a large portion of shipments were made late in the quarter. Most customers are paying within 60 days. To date, Omni-Lite has collected $725,713 after end of the third quarter, or 59% of the outstanding Accounts Receivable. Inventory continues to grow as the Company is stocking larger quantities of raw materials because of long lead times for delivery. The number of components stocked by the Company has also increased due to the just-in-time delivery requirements of major customers.

Financing activities decreased cash by $503,101. Omni-Lite has twice paid dividends this year. In January, a dividend of $0.02 CDN per share was paid to shareholders on record as of December 29, 2004. Net proceeds of $1,530,469 were received from the financing completed in February and were used to pay down credit facilities. On July 31, 2005, Omni-Lite paid another cash dividend of $0.02 CDN per common share.

Cash used in investing activities were $91,911. The majority of the $333,911 used for property and equipment was for the purchase of non-consumable tooling.

On February 9, 2005, Omni-Lite E-FORM Technologies Inc. ("E-FORM") was incorporated in California, USA by officers and directors of Omni-Lite and related parties, who invested all of E-FORM's initial capital of $122,000. At that time, 50% of the shares of E-FORM were issued to Omni-Lite for nominal consideration. In September 2005, additional subscriptions from third parties resulted in a further investment of $120,000 and a reduction of Omni-Lite's ownership to 38.48%. Because of the relationship between the management of the two corporations, current accounting rules require that E-FORM's financial statements be consolidated with Omni-Lite's statements resulting in the inclusion of E-FORM's assets in the Omni-Lite Balance sheet and the recording of an $18,000 gain from the dilution occurring on the September investment.

As the Company's sales continue to grow and become more balanced from quarter to quarter, the ability to meet working capital requirements has improved. A calculation between total current assets divided by total current liabilities shows that the current ratio has improved dramatically in the third quarter 2005 from the last quarter 2004. The ratio of 8.27 up from 1.36 indicates that the Company improved its ability to generate sufficient cash to meet on-going demands. The repayment of debt from the funds received from the financing in February 2005 contributed substantially to this improvement.

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.