Omni-Lite Industries Canada Inc.
For the period ended September 30, 2014

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 September 30, 2014. 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 November 26, 2014.

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 four business segments defined as the Military, Aerospace, Sports and Recreation, and Specialty Automotive 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, manufactures, 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. Military, 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 distribution of revenue between the four business segments for the period ended September 30, 2014 is as follows:

Division/ Segments	Military	Aerospace	Sport & Recreation	Automotive
September 30, 2014	13%	37%	13%	37%

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 18 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. This strategy, entitled the Vision 2015 Plan 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 36 Progressive cold forging systems
- Maintain research and development efforts for future initiatives
- Continual update of ancillary systems to support production and quality
- Upgrade the current facility and lease adjoining space to improve efficiencies
- Growth and retention of highly skilled workforce and management
- Commit to maintaining the environment through waste reduction, energy conservation, and recycling.

Outlook

In 2014, 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 36 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 : 12,074,379	**For the period ended September 30, 2014**	**For the year ended December 31, 2013**	**For the year ended December 31, 2012**	**For the year ended December 31, 2011**
Revenue	$4,811,548	$5,301,035	$5,370,534	$6,514,083
Net income	549,750	137,949	210,448	1,958,656
EPS (US)	0.05	0.01	0.02	0.15
EPS (CAD)	0.05	0.01	0.02	0.15
Total assets	22,554,531	22,336,473	22,506,999	24,380,299
Long term debt	33,333	300,000	923,781	1,639,213

Results from Operations

Revenue: For the period ended September 30, 2014, Omni-Lite reported revenue of $4,811,548 ($5,367,955 CAD), an increase of 17 percent from the prior period in 2013.

The Aerospace division represented the largest portion of sales with 37 percent of revenue. Sales in this division were higher by 11 percent when compared to the period ended September 30, 2013. The Automotive division contributed 37 percent of revenue, an 11 percent increase from 2013. The Sports and Recreation division contributed 13 percent of revenue, a 5 percent increase from 2013. The Military division contributed 13 percent of revenue, a 307 percent increase from 2013.

Sales by division and by geographic location are summarized below:

Division/ Segments	**Military**	**Aerospace**	**Sport & Recreation**	**Automotive**
Nine months 2014	**13%**	**37%**	**13%**	**37%**
Nine months 2013	2%	43%	14%	41%

Geographic allocation	**United States**	**Canada**	**Barbados**
Nine months 2014	**83%**	**-**	**17%**
Nine months 2013	83%	-	17%

Net Income: Net income was $504,778 ($562,816 CAD) versus income in the amount of $392,246 in 2013, an increase of 40 percent primarily due to increases across all sales divisions including the Military division increasing approximately $305,000.

Cost of Goods Sold: Cost of Goods Sold ("COGS") increased 16 percent from $1,730,031 in 2013 to $2,015,322 in 2014. Gross margins were consistent at 58 percent in 2014 and 2013 due to recurring sales in the Automotive and Aerospace divisions. New procedures continue to be developed and applied to improve production efficiencies.

Operating Expenses: Total operating expenses decreased by 1 percent from the prior period. Interest expense of $4,317 was incurred, a decrease of 76 percent compared to 2013 due to the reduction of long term debt. The Company paid down the loan this year with the final payment in October, 2014.

Research and product design ("R&D") expense was $11,038, a decrease of 87 percent.

Current income tax expense decreased to $11,900 from $12,795 in the prior period due to an increase in net income. Deferred tax (recovery) decreased to ($24,150) from ($243,280) due to an increase in net income and a decrease in 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 benefits to cash flow.

Earnings per share: Basic earnings per share were $0.05 ($0.05 CAD) compared to $0.03 ($0.03 CAD) in 2013 based on the weighted average shares outstanding of 12,074,379 and 12,233,203 in 2013. Actual shares outstanding were 11,820,932 compared to 12,212,932 in 2013. During the period, pursuant to a normal course issuer bid under applicable securities legislation, the Company acquired 392,000 of its issued and outstanding common shares.

The diluted earnings per share were $0.05 ($0.05 CAD) compared to $0.03 ($0.03 CAD) in 2013. At September 30, 2014, the diluted weighted average number of shares was 12,208,564. 440,000 (2013 – 414,333) 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: 12,208,074	**For the period ended September 30, 2014**	**For the period ended September 30, 2013**	**% Increase**
Revenue	$4,811,548	$4,118,283	17%
Cash flow from operations[(2)]	1,373,729	935,806	47%
Net income	549,750	392,246	40%
Adjusted EBITDA[(2)]	1,348,158	885,110	52%
EPS (US)	0.05	0.03	42%
EPS (CAD)	0.05	0.03	55%

(Note: at 09/30/14, $1US = $1.116 CAD; 9/30/13, $1US = $1.030 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, future income taxes, asset write-downs and gains (losses) on sale of assets, if any. Adjusted EBITDA is a non-GAAP financial measure defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation provision, gains (losses) on sale of assets, if any. These are non-GAAP financial measures, as defined herein, and should be read in conjunction with GAAP financial measures. These non-GAAP financial measures are not presented as an alternative to GAAP cash flows from operations, as a measure of our liquidity or as an alternative to reported net income as an indicator of our operating performance. The non-GAAP financial measures as used herein may not be comparable to similarly titled measures reported by other companies. We believe the use of Adjusted EBITDA and non-GAAP cash flow from continuing operations along with GAAP financial measures enhances the understanding of our operating results and may be useful to investors in comparing our operating performance with that of other companies and estimating our enterprise value.

Adjusted EBITDA is also a useful tool in evaluating the operating results of the Company given the significant variation that can result from, for example, the timing of capital expenditures and the amount of working capital in support of our customer programs and contracts. We also use Adjusted EBITDA internally to evaluate the operating performance of the Company, to allocate resources and capital, and to evaluate future growth opportunities.

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 30/2014	Jun 30/2014	Mar 31/2014	Dec 31/2013	Sep 30/2013	Jun 30/2013	Mar 31/2013	Dec 31/2012
Revenue	1,628,758	1,809,465	1,373,325	1,182,752	1,667,030	1,395,314	1,055,939	1,090,939
Cash Flow from Operations[(2)]	462,181	535,912	375,636	53,130	512,102	342,092	81,612	(18,952)
Adjusted EBITDA[(2)]	461,223	531,684	355,245	113,723	457,242	349,372	78,496	276,846
Net Income (Loss)	244,750	262,401	42,599	(254,297)	316,596	136,479	(60,829)	(173,132)
E(L)PS - basic (US)	.021	.022	.003	(.021)	.026	.011	(.005)	(.013)
E(L)PS - basic (CAD)	.023	.023	.004	(.022)	.027	.012	(.005)	(.014)
E(L)PS - diluted (US)	.020	.022	.003	(.021)	.026	.011	(.005)	(.014)
E(L)PS - diluted (CAD)	.023	.023	.004	(.022)	.027	.012	(.005)	(.014)

(2) See definition from Summary of Financial Highlights from prior page.

Liquidity and Capital Resources

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

	Sept 30/2014	Sept 30/2013
Net cash from operating activities	$ 1,386,158	$ 358,807
Net cash used in financing activities	(491,627)	(633,393)
Net cash used in investing activities	(765,215)	(546,287)
Net increase (decrease) in cash	129,316	(820,873)
Cash at the beginning of the period	1,925,038	2,745,856
Cash at the end of the period	2,054,354	1,924,983

At September 30, 2014, 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 $5,390,904, which has increased from 2013 when working capital was $4,763,111.

A comparison between total current assets divided by total current liabilities shows that at September 30, 2014 the current ratio[(3)] was 12.55x compared to 6.65x at December 31, 2013. Debt ratio[(3)] ((Current liability + Total long-term debt)/Total Assets) reduced to 0.02x in 2014 compared to 0.04x in 2013. 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 increased to $1,373,729.

Cash flow used in financing activities was $491,627. The related party began making payments to the Company on the advances in March of 2014. The Company repurchased the common shares for $290,949 (December 31, 2013 – $47,071).

Cash flow used in investing activities was $765,215. The Company paid deposits of $253,000 in September, 2014 for a new progressive cold forging system and to rebuild and upgrade another.

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 September 30, 2014, 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 September 30, 2014, the Company had 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 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 measures the performance of the Company by the metrics of Cash Flow from Operations and EBITDA[(2)] and adjusted EBITDA[(2)]. The calculation of EBITDA[(2)] and adjusted EBITDA[(2)] on a 12-month rolling basis is set out in the following table.

	September 30, 2014	September 30, 2013
Net Income	**$ 362,693**	$ 151,874
Less:		
Gain on share purchase warrants	**-**	(8,897)
Add:		
Interest expense	**(21,096)**	(7,817)
Provision for income taxes	**13,052**	(824,194)
Amortization	**981,697**	946,894
EBITDA	**$ 1,336,346**	$ 257,860
Add:		
Stock based compensation	**$ 68,895**	$ 88,995
Non-recurring items	**$ 56,634**	$ 585,107
ADJUSTED EBITDA	**$ 1,461,875**	$ 931,962

Risk Factors

Please see the 2013 Annual Financial Statements and Management Discussion & Analysis for full disclosure of risk factors potentially affecting Omni-Lite.

Asset Protection

As Omni-Lite's revenues increase, 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 the fourth quarter 2012.

Financial Instruments

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

	September 30, 2014		December 31, 2013	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
At fair value through profit or loss				
Cash	**$ 2,054,354**	**$ 2,054,354**	$ 1,925,038	$ 1,925,038
Loans and receivable				
Accounts receivable	**1,015,612**	**1,015,612**	1,034,045	1,034,045
Due from related parties	**1,522,173**	**1,522,173**	1,609,208	1,609,208
Available for sale				
Investments	**505,442**	**505,442**	274,802	274,802
Other financial liabilities				
Accounts payable and accrued liabilities	**426,260**	**426,260**	541,242	541,242
Current debt	**33,333**	**33,333**	300,000	300,000

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

	Total	**Level 1**	**Level 2**	**Level 3**
Assets				
Cash	$ 2,054,354	$ 2,054,354	**$ -**	**$ -**
Investments	505,442	505,442	**-**	**-**

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

The carrying values of accounts receivable, accounts payable and accrued liabilities and current portion of long- term debt approximate their fair value due to their short-term nature.

The fair value of the Company's due from related parties approximate their fair values due to the interest rates applied to these instruments, which approximate market interest rates.

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to various risks. 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 is 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 September 30, 2014, the increase or decrease in income before taxes for each 1 percent change in interest rates on floating rate debt amounts to approximately $333 (September 30, 2013 - $3,000). The related disclosures regarding these debt instruments are included in Note 8 of the condensed 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 September 30, 2014, 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 September 30, 2014	USD December 31, 2013
Cash	**$ 40,828**	$ 5,584
Accounts payable	**57,563**	79,647

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	**$ 1,674**
U.S. Dollar Exchange Rate – 10% decrease	**(1,674)**

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 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, 2014:

	≤ 1 year	> 1 year ≤ 3 years	> 3 year ≤ 4 years	> 5 years	Total
Accounts payable and accrued liabilities	$ 426,260	$ -	$ -	$ -	$ 426,260
Long-term debt	33,333	-	-	-	33,333
Total	$ 459,593	$ -	$ -	$ -	$ 459,593

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 period ended September 30, 2014, the Company was engaged in contracts for products with four (September 30, 2013 – three) customers in excess of 10% of revenue, which accounted for $3,235,171 (September 30, 2013 - $2,415,840) or 70% (September 30, 2013 – 59%) of the Company's total revenue. During the same period, export sales to one (September 30, 2013 – one) customer in an international country (outside of the United States) amounted to $569,682 (September 30, 2013 – $524,917) or 12% (September 30, 2013 – 13%) 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 the age of our past due accounts receivables which are not considered impaired.

Total	**Current**	**≤ 30 days**	**> 30 days ≤ 60 days**	**60 days ≤ 90 days**	**> 90 days**
$ 1,015,612	$ 788,564	$ 218,415	$ 4,000	$ 133	$ 4,500

Outstanding Share Capital

As of November 25, 2014:

- 11,699,932 Common Shares issued and outstanding
- Stock options:

Description		**Number**
Options outstanding at September 30, 2014		1,170,012
Options	- granted	-
	- exercised	-
	- forfeited	-
	- expired	-
Options outstanding at November 25, 2014		1,170,012
Options exercisable at November 25, 2014		483,344

Transactions with Related Parties

Due from related parties includes advances to a company under common management. An amount of $1,084,972 (December 31, 2013 - $1,144,938) 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 Corp. Additional security for the loan has been provided by David F. Grant, one of the founders and a current member of the board of directors of the California Nanotechnologies Corp.

For the nine month period ended September 30, 2014, the Company did not pay the Chief Executive Officer. It is management's estimate that the fair value salary would approximate $120,000 (September 30, 2013 - $105,000). 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 one employee under the Company's green incentives program in the amount of $20,000 (December 31, 2013 - $40,000) related to the acquisition of property with a maturity date in 2017. A previous loan of this type to one previous employee is included in bad debt in the amount of $20,000 (December 31, 2013 - $nil). Another employee has received a loan related to the purchase of a hybrid/electric car under the Company's green incentives program in the amount of $5,000 with $1,000 forgiven annually for service time and a maturity date in 2018. Other employees have received unsecured interest free loans from the Company with amounts due totalling $8,816 (December 31, 2013 - $23,986), with a current portion of $8,816 (December 31, 2013 - $11,374), repayable in bi-weekly installments with maturity dates in 2014 and 2015. The Company has issued a loan due on demand to the Chief Executive Officer for $403,385 (December 31, 2013 - $400,285) at a 2% interest rate. 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

Of the Company's four directors, three are material shareholders. Currently, there is one director position open.

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 from products sold based on the Company locations for each of these segments as follows:

September 30, 2014	**United States**	**Canada**	**Barbados**	**Inter-corporate elimination**	**Total**
Revenues	**$ 4,338,727**	**$ -**	**$ 812,229**	**$ (339,408)**	**$ 4,811,548**
Net income/(loss)	**109,467**	**(5,791)**	**446,074**	**-**	**549,750**

September 30, 2012	United States	Canada	Barbados	Inter-corporate elimination	Total
Revenues	$ 3,621,147	$ -	$ 773,721	$ (276,585)	$ 4,118,283
Net income	(51,201)	(16,568)	460,015	-	392,246

New accounting policies

On January 1, 2013, the Company adopted the following new standards and amendments that became effective for annual periods on or after January 1, 2013:

i. IFRS 10, "Consolidated Financial Statements," supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities". This standard provides a single model to be applied in control analysis for all investees including special purpose entities. The adoption of this standard had no impact on the amounts recorded in the Company's financial statements.

ii. IFRS 11, "Joint Arrangements," whereby joint arrangements are classified as either joint operations or joint ventures, each with their own accounting treatment. All joint arrangements are required to be reassessed on transition to IFRS 11 to determine their type to apply the appropriate accounting. The adoption of this standard had no impact on the amounts recorded in the Company's financial statements.

iii. IFRS 12, "Disclosure of Interest in Other Entities," combines the disclosure requirements for entities that have interest in subsidiaries, joint arrangements, and associates as well as unconsolidated structured entities. The adoption of this standard had no impact on the Company's financial statements.

iv. IFRS 13, "Fair Value Measurement," establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. This standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The adoption of this standard had no material impact on the Company's financial statements.

v. IFRS 7, "Financial Instruments: Disclosures" was amended to develop common disclosure requirements for financial assets and financial liabilities that are offset in the financial statements, or that are subject to enforceable master netting arrangements or similar agreements. The adoption of this amendment had no material impact on the Company's financial statements.

vi. IAS 1, "Presentation of Financial Statements" was amended to introduce new terminology for the statement of income (loss) and comprehensive income (loss). The amendments required the Company to group other comprehensive income (loss) items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. These changes did not result in any adjustments to comprehensive loss or other comprehensive loss.

On January 1, 2014, the Company adopted the following new standards and amendments that became effective for annual periods on or after January 1, 2014:

i. IAS 36, "Impairment of Assets" was amended to reduce the circumstances in which the recoverable amount of CGUs is required to be disclosed and clarifies the disclosures required when an impairment loss has been recognized or reversed in the period. The adoption of this amendment had no material impact on the Company's financial statements.

ii. IFRS Interpretations Committee ("IFRIC") 21 "Levies" clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified in the relevant legislation, occurs. The adoption of this clarification had no material impact on the Company's financial statements.

Future accounting policies

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact to the Company:

i. IFRS 2, "Share-based payment" - Annual Improvements to IFRSs 2010–2012 Cycle" was issued in December 2013. The definitions of 'vesting conditions' and 'market condition' were amended and the definitions of 'performance condition' and 'service condition' were added. An entity is required to prospectively apply that amendment to share-based payment transactions for which the grant date is on or after July 1, 2014. The Company will apply the revised standard on share-based payment transactions, if any, made on or after July 1, 2014.

ii. IFRS 9, "Financial Instruments" - On November 12, 2009, the IASB issued IFRS 9, "Financial Instruments" ("IFRS 9"), which will replace IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39"). The standard was to be effective for annual periods beginning on or after January 1, 2015. In February 2014, the IASB tentatively decided the mandatory effective date of the final IFRS 9 would now be January 1, 2018. The final standard is expected in mid-2014. IFRS 9 applies to classification and measurement of financial assets as defined in IAS 39. It uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options in IAS 39.

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 2014 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 are 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.