



NEWS RELEASE

Omni-Lite Industries Reports Strong Third Quarter

- ❖ **Q3 Cash Flow Up 44%**
- ❖ **Q3 Adjusted EBITDA⁽¹⁾ Up 30%**
- ❖ **Q3 Earnings per share Up 48%**

TSXV: OML
OTCQX: OLNCF

CERRITOS, CALIFORNIA, OCTOBER 20, 2016 – For the nine months ended September 30, 2016 Omni-Lite Industries Canada Inc. (the “Company” or “Omni-Lite”) is pleased to report revenue of \$5,768,520 US and cash flow from operations⁽¹⁾ of \$1,855,315 US. In the first nine months of 2016, gross margin increased to 61.4 percent from 59.8 percent in the same period last year.

SUMMARY OF NINE MONTH FINANCIAL HIGHLIGHTS (US \$)

	For the period ended September 30, 2016	For the period ended September 30, 2015	% Increase (Decrease)
Revenue	\$5,768,520	\$6,017,254	(4)%
Cash flow from operations ⁽¹⁾	1,855,315	1,987,909	(7)%
Adjusted EBITDA ⁽¹⁾	1,848,070	2,075,091	(11)%
Net income	1,086,389	1,250,347	(13)%
EPS (US)	0.10	0.11	(8)%

Revenue in the three month period ended September 30, 2015 was \$2,173,388 US, an increase of 9% over the same period last year. Cash flow from operations⁽¹⁾ was \$908,908 US, an increase of 44% over the same period in 2015. Adjusted EBITDA⁽¹⁾ over the period was \$906,537 US, an increase of 30%. Net income in the third quarter was \$505,223 US, an increase of 36% over 2015. Earnings per share in Q3 2016 were \$0.05 US, an increase of 48% over the third quarter of 2015.

SUMMARY OF THREE MONTH FINANCIAL HIGHLIGHTS (US \$)

	For the three months ended September 30, 2016	For the three months ended September 30, 2015	% Increase
Revenue	\$2,173,388	\$2,002,623	9%
Cash flow from operations ⁽¹⁾	908,908	633,086	44%
Adjusted EBITDA ⁽¹⁾	906,537	698,385	30%
Net Income	505,223	370,453	36%
EPS (US)	\$0.05	\$0.03	48%

The Company is pleased to report that gross margins improved to 66.8% in Q3. This is a 610 basis point increase from the gross margin in the prior period. "The Company produced over 32 million components in Q3, a record for quarterly production at Omni-Lite. This helped drive the Company to almost record production efficiencies," stated Allen Maxin, President.

Under the NCIB, the Company has repurchased a total of 855,100 shares from January 1, 2016 to September 30, 2016.

The Company is pleased to announce that it has initiated the construction of a 172KW solar array on the rooftop of the corporate headquarters in Los Angeles. "This system will produce almost 50% of the power utilized by the California facility," stated David Grant, Chairman and CEO. "Utilizing some of the most efficient equipment available, the Company expects to produce over \$5,000,000 US worth of power in the next 30 years. This will significantly reduce our carbon footprint in the years to come."

Quarterly Information

The following table summarizes the Company's financial performance over the last eight quarters.

	Sep 30/2016	Jun 30/2016	Mar 31/2016	Dec 31/2015	Sep 30/2015	Jun 30/2015	Mar 31/2015	Dec 31/2014
Revenue	\$2,173,388	\$2,110,643	\$1,484,489	\$1,462,704	\$2,002,623	\$2,241,296	\$1,773,335	\$1,038,770
Cash Flow from Operations ⁽¹⁾	908,908	604,607	341,800	118,319	663,086	829,469	525,354	(104,004)
Adjusted EBITDA ⁽¹⁾	906,537	599,740	341,793	263,389	698,385	854,870	519,631	(93,019)
Net Income (Loss)	505,223	410,946	170,220	(365,372)	370,453	567,581	312,313	(80,467)
EPS (Loss) - basic (US)	.047	.037	.015	(.031)	.032	.048	.027	(.007)
EPS (Loss) - diluted (US)	.043	.036	.015	(.030)	.031	.045	.026	(.007)

ALL FIGURES REPORTED IN US DOLLARS

⁽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. Adjusted EBITDA is a non-GAAP financial measure defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation provision, non-recurring items, 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 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 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.

Omni-Lite Industries Canada Inc. is a rapidly growing high technology company that develops and manufactures mission critical, precision components utilized by Fortune 500 companies including Boeing, Airbus, Bombardier, Embraer, Alcoa, Ford, Borg Warner, Chrysler, John Deere, the U.S. Military and Nike.

Except for historical information contained herein this document contains forward-looking statements. These statements contain known and unknown risks and uncertainties that may cause the Company's actual results or outcomes to be materially different from those anticipated and discussed herein.

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