

Final Report

Investors should consider this report as only a single factor in making their investment decision.

Omni-Lite Industries Canada, Inc.

Dropping Coverage

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December 21, 2017

OLNCF \$1.23 — (OTC)

	<u>2015A</u>	<u>2016A</u>	<u>9m17A</u>
Revenues (millions)	\$7.5	\$7.2	\$5.5
Earnings (loss) per share	\$0.07	\$0.07	\$0.11

52-Week range	\$1.61 – \$1.07	Fiscal year ends:	December
Common shares out as of 11/28/17	10.0 million	Revenue per share (TTM)	\$0.67
Approximate float	8.4 million	Price/Sales (TTM)	1.8X
Market capitalization	\$12 million	Price/Sales (FY2018)E	NA
Tangible book value/share	\$1.86	Price/Earnings (TTM)	15.8X
Price/tangible book value	0.7X	Price/Earnings (FY2018)E	NA

Headquartered in Cerritos, CA, Omni-Lite Industries Canada Inc. is a research and development company specializing in the manufacture of precision components forged from advanced composite and other alloyed materials. (www.omni-lite.com)

Key investment considerations:

Dropping coverage due to discontinuance of research services.

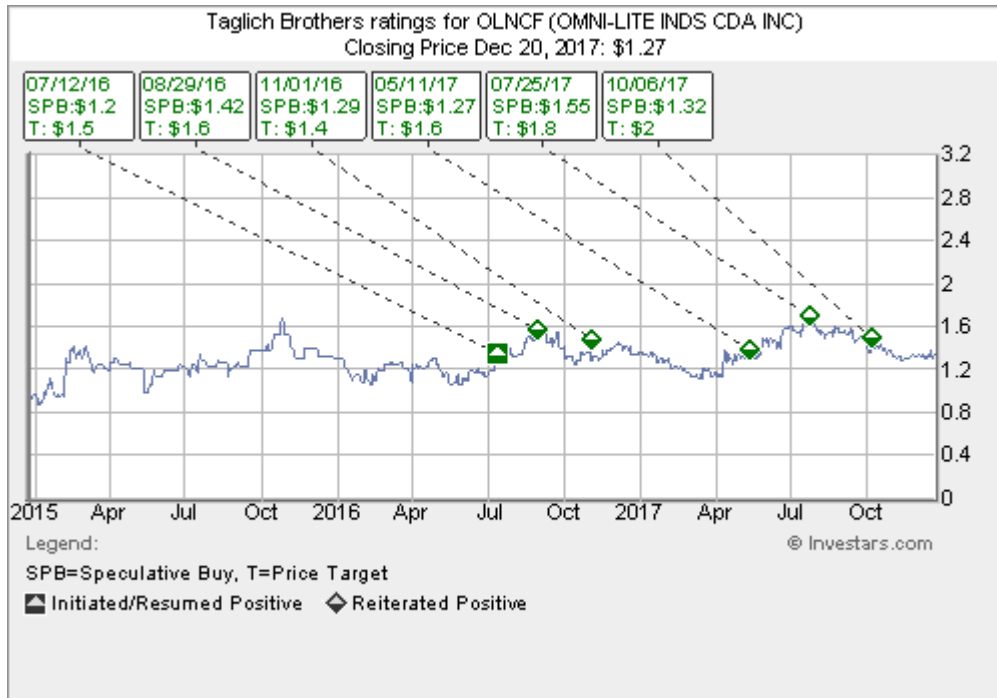
Omni-Lite reported (12-1-2017) 3Q17 revenue decreased 7% to \$2 million and EPS decreased \$0.01 to \$0.04.

In December 2017, Omni-Lite announced it received new contracts worth over \$1 million. Of these orders, 70% are in the Aerospace Division, 26% are in the Specialty Automotive Division, and 4% are in the Sports and Recreational Division.

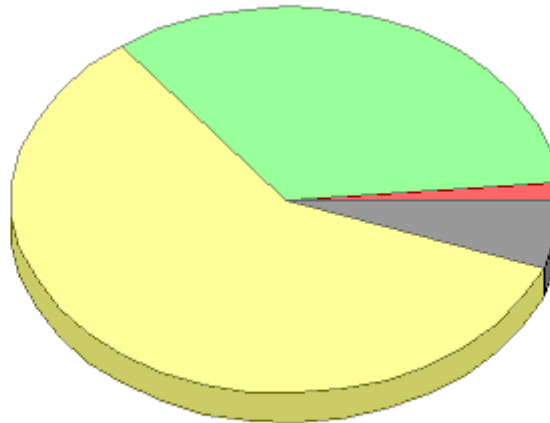
Certain high volume components for the aerospace industry can be successfully manufactured using the company's hot heading test center that was completed in 2Q17.

****Please view our disclosures on pages 2 - 4.***

Price Chart



Taglich Brothers' Current Ratings Distribution



■ 33.8 % Buy ■ 59.15 % Hold ■ 5.63 % Not Rated ■ 1.41 % Sell

Investment Banking Services for Companies Covered in the Past 12 Months		
Rating	#	%
Buy	2	10
Hold		
Sell		
Not Rated	1	33

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Public companies mentioned in this report:

Meaning of Ratings

Buy – The growth prospects, degree of investment risk, and valuation make the stock attractive relative to the general market or comparable stocks.

Speculative Buy – Long term prospects of the company are promising but investment risk is significantly higher than it is in our BUY-rated stocks. Risk-reward considerations justify purchase mainly by high risk-tolerant accounts. In the short run, the stock may be subject to high volatility and could continue to trade at a discount to its market.

Neutral – Based on our outlook the stock is adequately valued. If investment risks are within acceptable parameters, this equity could remain a holding if already owned.

Sell – Based on our outlook the stock is significantly overvalued. A weak company or sector outlook and a high degree of investment risk make it likely that the stock will underperform relative to the general market.

Dropping Coverage – Research coverage discontinued due to the acquisition of the company, termination of research services, non-payment for such services, diminished investor interest, or departure of the analyst.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

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