Unaudited Consolidated Financial Statements of

OMT INC.

March 31, 2011

These interim consolidated financial statements have not been audited or reviewed by the Company's independent external auditors, Ernst & Young LLP.

OMT INC.

Condensed Consolidated Interim Statements of Financial Position

March 31, 2011, December 31, 2010 and January 1, 2010
(Unaudited)

	March 31 2011	December 31 2010	January 1 2010
Assets			
Current assets:			
Cash	$ -	$ 75,290	$ 108,526
Accounts receivable	185,117	155,158	150,671
Accounts receivable from a related party (note 6c)	-	-	112,602
Inventory	17,199	21,105	11,718
Prepaid expenses	58,392	55,925	20,159
Total current assets	260,708	307,478	403,676
Property and equipment (notes 1 and 11)	16,709	18,255	27,020
Intangible assets (note 2d)	3	3	3
	$ 277,420	325,736	$ 430,699
Liabilities and Shareholders' Deficiency			
Current liabilities:			
Bank overdraft	$ 4,246	$ -	$ -
Bank demand loan (note 2)	280,000	190,000	215,000
Accounts payable and accrued liabilities (note 12)	188,706	251,345	341,271
Deferred revenue	270,182	307,561	240,192
Current portion of long-term debt	4,835,280	4,732,538	-
Total current liabilities	5,578,414	5,481,444	796,463
Deferred revenue	-	14,010	35,025
Long-term debt (note 3)	-	-	4,311,450
Total liabilities	5,578,414	5,495,454	5,142,938
Commitments and contingencies (notes 6 and 8)			
Shareholders' deficiency:			
Capital stock	1,278,458	1,278,458	1,278,458
Other paid-in capital	693,579	693,579	693,579
Contributed surplus	216,427	216,427	216,427
Deficit	(7,489,458)	(7,358,182)	(6,900,703)
Total shareholders' deficiency	(5,300,994)	(5,169,718)	(4,712,239)
Total liabilities and shareholders' deficiency	$ 277,420	$ 325,736	$ 430,699

See accompanying Notes to Condensed Consolidated Interim Financial Statements.

On behalf of the Board:

"Bill Baines" Director "Murray Bamforth" Director

OMT INC.

Condensed Consolidated Interim Statements of Operations, Comprehensive Loss and Deficit

Three Months Ended March 31, 2011 and Three Months Ended March 31, 2010
(Unaudited)

	2011	2010
Sales	$ 548,260	$ 583,971
Cost of sales	173,718	181,142
Gross profit	374,542	402,829
Selling and administrative	342,181	267,921
Research and development	39,663	39,438
	381,844	307,359
Income (loss) before the undernoted	(7,302)	95,470
Other expenses:		
Amortization	1,546	2,191
Interest on long-term debt (notes 3 and 7)	122,324	118,552
Interest on short-term debt	1,982	1,387
Foreign exchange loss (gain)	(1,878)	3,820
	123,974	125,950
Net loss and comprehensive loss for the period	(131,276)	(30,480)
Deficit, beginning of period	(7,358,182)	(6,900,703)
Deficit, end of period	$ (7,489,458)	$ (6,931,183)
Total loss per share	$ (0.005)	$ (0.001)

See accompanying Notes to Condensed Consolidated Interim Financial Statements.

OMT INC.

Condensed Consolidated Interim Statements of Cash Flows

Three Months Ended March 31, 2011 and Three Months Ended March 31, 2010
(Unaudited)

	2011	2010
Cash provided by (used in):		
Operations:		
Net loss and comprehensive loss for the period	$ (131,276)	$ (30,480)
Items not involving cash:		
Amortization	1,546	2,191
Non-cash interest accretion (note 3)	102,742	98,925
Change in non-cash operating working capital	(142,548)	(47,338)
	(169,536)	23,298
Financing:		
Advance (repayment) of bank demand loan	90,000	(85,000)
Decrease in cash	(79,536)	(61,702)
Cash, beginning of period	75,290	108,526
Cash, end of period	$ (4,246)	$ 46,824
Supplementary information:		
Interest paid	$ 21,563	$ 19,627

See accompanying Notes to Condensed Consolidated Interim Financial Statements.

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

Three Month Periods ended March 31, 2011 and 2010

General:

OMT Inc. ("the Company"), through its subsidiary, OMT Technologies Inc. ("OMT") is a provider of technology and solutions to the media and broadcast industry.

The Company is incorporated in the Province of Manitoba and its shares are listed on the Toronto Venture Exchange under the ticker symbol OMT. The address of its registered office is: Aikins, MacAulay & Thorvaldson LLP, 30th floor, 360 Main Street, Winnipeg, MB R3C 4G1.

1. Significant accounting policies

(a) Going concern:

These consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) which contemplates the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

There is significant doubt about the appropriateness of the going concern assumption because of the material uncertainties caused by continued losses, current market conditions, and the maturity of the Company's long-term debt in July, 2011, although the Company is in the process of executing a planned restructuring as outlined in note 10. This maturity date on the long-term debt results in it all being classified as a current liability and accordingly there is a working capital deficiency of $5,317,706. The ability of the Company to carry on as a going concern is dependent upon the Company executing on the restructuring undertaking outlined in note 10 to address its liquidity issues or the ability of the Company to obtain an extension or replacement financing when the existing debt-financing becomes due on July 15, 2011 (note 3). The Company also must ensure that the current line of credit ($400,000) (note 2) is not exceeded and remains in place until either new arrangements are established or the restructuring undertaking is complete.

The outlined restructuring undertaking (note 10) is intended to include the raising of funds through a subscription agreement for subscription receipts, addressing the existing company line of credit (note 2) and debt re-financing including the associated accrued interest due on July 15, 2011 (notes 3 and 10). At this time a subscription agreement has been executed and the total proceeds of $750,000 placed in escrow, pending the remaining conditions of the subscription agreement being satisfied including new debt arrangements, the required shareholder support and final TSX-V approvals. The Company's AGM and Special Shareholders Meeting is scheduled for June 22, 2011. There can be no assurance as to the outcome or success of the restructuring undertaking until such time that all of the required conditions are fully accomplished. This uncertainty, as well as the cash flow constraints of the Company, result in significant uncertainty as to whether the Company will be able to meet its financial obligations as they become due.

If the outlined restructuring undertaking were not successfully concluded, there would be significant uncertainty whether the going concern basis is appropriate for these consolidated financial statements and adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the consolidated balance sheet classifications employed. These adjustments may be material.

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

Three Month Periods ended March 31, 2011 and 2010

1. Significant accounting policies (continued):

(b) Basis of presentation:

These unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention modified to include the fair value of certain financial instruments to the extent required or permitted under accounting standards and as set out in the relevant accounting policies.

(c) Statement of compliance:

These are the Company's first IFRS condensed consolidated interim financial statements for part of the period covered by the Company's first IFRS consolidated annual financial statements for the year ending December 31, 2011. The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (IAS) 34 and IFRS 1, "First-Time Adoption of IFRS" has been applied. The Company's consolidated financial statements were previously prepared in accordance with Canadian generally accepted accounting principles (CGAAP). When the application of IFRS accounting standards would result in a change either to financial results or presentation thereof, that change is detailed in the explanatory notes which follow. Note 11 discloses the impact of the transition to IFRS on the Company's reported condensed interim statements of financial position, condensed consolidated interim financial statements of operations, comprehensive loss and deficit, and condensed interim financial statements of cash flows. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, OMT Technologies Inc. All significant inter-company balances and transactions have been eliminated on consolidation. The condensed interim financial statements do not include all of the information required for full annual financial statements. The condensed consolidated interim financial statements should be read in conjunction with the Company's CGAAP consolidated annual financial statements for the year ended December 31, 2010.

These unaudited condensed consolidated interim financial statements were authorized for issuance by the Company's Board of Directors on June 17, 2011.

(d) Revenue recognition:

The Company recognizes revenue when there is evidence a sales arrangement exists, the sales price is fixed and determinable, collectability is reasonably assured and title has passed. For software, computer hardware and other product sales, these criteria are usually met upon delivery or shipment of the product. A system sale often includes four elements: hardware, software, training and future support fees. Hardware and software revenue are normally recognized after delivery. Training revenue is recognized when completed. Support fees are deferred and recognized over the term of the contract.

Custom contracts, which could include both hardware and software sales, are recognized pursuant to the contract terms and on a percentage-of-completion basis. Revenue recognized but not billed is treated as inventory and shown as "Contracts in progress" on the consolidated balance sheets. Service revenues are recognized over the contract life on a straight-line basis.

Revenue billed in advance of its recognition is reflected as deferred revenue.

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

Three Month Periods ended March 31, 2011 and 2010

1. Significant accounting policies (continued):

(e) Foreign currency translation:

Monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates in effect at the consolidated balance sheet dates and non-monetary items are translated into Canadian dollars at their historical exchange rates. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in net loss for the year.

(f) Property and equipment:

Assets included in property and equipment is stated at cost net of accumulated amortization. Amortization is provided for over the estimated useful lives of the assets on a straight-line basis for each individual asset. The transition to IFRS gave the Company the opportunity to estimate the remaining useful life of individual assets and based on cost and year of acquisition, reset the net book asset values retroactively, and then calculate depreciation using IFRS rules. Overall, lives of individual assets have been extended by several years. Average amortization time for computers and other equipment is about 8 years; furniture is about 15 years. Transition adjustments at January 1, 2010 and 2011 in the amount of $27,018 and $18,253 have been credited to retained earnings for this increase in the value of property and equipment. Increased depreciation expenses are shown as IFRS transition adjustments on note 11.

(g) Intangible assets:

Software and other intangible assets are stated at cost less accumulated amortization and are amortized on a straight-line basis over their estimated useful lives. Subsequent costs on acquired intangible assets are expensed as they are incurred. These assets have all been fully depreciated in past years. Under IFRS rules, if an intangible item does not meet both the definition of and the criteria for recognition as an intangible asset, then IAS 38 requires the expenditure on this item to be recognized as an expense when it is incurred. The standard also prohibits a company from subsequently reinstating, as an intangible asset, at a later date, an expenditure that was originally charged as an expense. Based on the above rules, there is no justification for placing value on any intangible asset. No transition adjustment from CGAAP to IFRS is deemed necessary or appropriate. Current expenditures are expensed as they are incurred.

(h) Impairment of property and equipment and finite-life intangible assets:

Impairment of property and equipment and finite-life intangible assets is recognized when an event or change in circumstances causes the asset's carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. The impairment loss is calculated by deducting the estimated fair value of the asset from its carrying value. Any loss resulting from impairment is expensed in the period the impairment is identified.

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

Three Month Periods ended March 31, 2011 and 2010

1. Significant accounting policies (continued):

(i) Long-term debt:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method (EIR). Gains and losses are recognized in the consolidated statements of income and comprehensive income when the liabilities are de-recognized as well as through the EIR. Amortized cost is calculated by taking into account any discount or premium on acquisition. The EIR amortization is included in interest costs in the consolidated statements of income and comprehensive income.

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender at substantially the same terms, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying value is recognized in the consolidated statements of income and comprehensive income.

(j) Stock-based compensation:

The Company awards share options of OMT Inc. under a stock option plan. Under the fair value-based method, compensation cost is measured at fair value at the date of grant using the Black-Scholes option pricing model using valuation techniques which take into account its exercise price, its expected life, the risk free interest rate, the expected volatility and the dividends of OMT’s shares. Compensation cost is expensed over the award’s vesting period. Any consideration paid by option holders upon exercise of stock options is recorded as an increase in capital stock. There have been no options granted or vested during the two previous years.

(k) Business combinations:

IFRS 1 provides the option to apply IFRS 3 “Business Combinations”, retrospectively or prospectively from the transition date. The retrospective basis would require restatement of all business combinations that occurred prior to the transition date. The Company elected not to retrospectively apply IFRS 3 to business combinations that occurred prior to the transition date and such business combinations have not been restated. Any goodwill arising from such business combinations before the transition date has not been adjusted from the carrying value previously determined under CGAAP as a result of applying this exemption.

(l) Borrowing costs:

IAS 23, “Borrowing Costs”, requires an entity to capitalize the borrowing costs related to all qualifying assets for which the commencement date for capitalization is on or after January 1, 2009, or the date of transition to IFRS, whichever is later. The Company elected to use the transition date to start to capitalize borrowing costs. The adoption of this exemption had no impact on the condensed consolidated interim financial statements.

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

Three Month Periods ended March 31, 2011 and 2010

2. Critical accounting estimates and use of judgements:

The preparation of these financial statements, in accordance with IFRS, requires management to make estimates and exercise judgement that affect reported amounts of assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses during the reported period. These estimates and judgements are made based on information available as at the date of issuance of financial statements. Accordingly, actual amounts may differ from these amounts. Accounting policies that require management's estimates and judgements are discussed below.

(a) Valuation of accounts receivable:

The Company estimates that a certain portion of receivables from customers will not be collected, and maintains an allowance for doubtful accounts. If circumstances related to specific customers change, economic conditions change, or actual results differ from expectations, the Company's estimate of the recoverability of receivables could fluctuate from that provided for in the consolidated financial statements. A change in estimate could impact bad debt expense and accounts receivable.

(b) Property and equipment:

Property and equipment are amortized on a straight line basis over the estimated period of future benefit. The Company reviews these estimates on an annual basis, or more frequently if events during the year indicate that a change may be required, with consideration given to technological obsolescence, competitive pressures, and other relevant business factors. A change in management's estimate could impact depreciation expense and the carrying value of property and equipment.

3. Long-term debt:

	2011	2010
Long-term loans bearing interest at 8%(face value at maturity of $3,000,000, plus deferred interest of $974,000 for a total of $3,974,000, due July 15, 2011)	$ 3,873,745	$ 3,791,689
Long-term debentures (face value at maturity of $995,000), interest only at 8%, payable monthly, due July 15, 2011	961,535	940,849
	4,835,280	4,732,538

Long-term loans and long-term debentures are convertible into common shares at a price equal to $0.12 per share. The affect on the share capital of the Company of a conversion would be significant to the Company, but has not been reported because of the unlikelihood. The shares are currently listed at about $0.02.

The long-term debt is collateralized by a general security agreement covering all assets and by an assignment of all the book debts of the Company, subordinate to the bank line of credit (note 2).

Details of interest paid and interest accreted are as follows:	2011	2010
Interest paid	$ 19,582	$ 19,627
Interest accreted	102,742	98,925
Interest on long-term debt	122,324	118,552

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

Three Month Periods ended March 31, 2011 and 2010

4. Segment Information:

The Company, through its subsidiary, OMT Technologies Inc. (“OMT”) is a provider of technology and solutions to the media and broadcast industry and it operates only one distinguishable segment.

Geographic information about the Company’s revenues is based on the product shipment destination or the location of the contracting organization. Assets are based on their physical location as at March 31, 2011 and at December 31, 2010.

	2011		2010	
	Revenue	Property and equipment	Revenue	Property and equipment
	$ [000’s]	$	$ [000’s]	$
Canada	203	17	167	18
United States	345	-	417	-
	548	17	584	18

Sales to two significant customers in 2011 represent 34% (2010 – 47%) of the total revenue.

5. Related party transactions and measurement uncertainty:

(a) Rental premises:

The Company has contracted to rent premises from a company of which one of the Company’s directors is also an officer and director. Monthly rent is $3,283 plus $2,750 (50% of estimated operating costs). At March 31, amounts paid and owing to the lessor for these premises in 2011 are $21,000 and Nil (2010- $16,000 and $6,000) respectively.

(b) Bank line guarantee:

In October 2005, a major shareholder of the Company provided a guarantee for $400,000 to the Bank of Nova Scotia to support the Company’s line of credit at the bank (note 2). This guarantee is ongoing and requires payments of a monthly administration fee of $1,000, as well as a monthly standby fee of $1,000. In the event that the Company actually draws down on the guarantee, then the interest rate would be 20% of the amount received. The guarantee is secured by a charge on any current and after-acquired assets and ranks ahead of the long-term debt (note 3).

(c) Account receivable:

There were no outstanding accounts receivable from related parties at March 31, 2011 (2010 – Nil). Related party transactions are recorded at the exchange amount which is the rate agreed upon by the related parties.

(d) Compensation of key management personnel:

OMT’s key management consists of two officers, a CEO and a CFO. Total compensation in the first quarter of 2011 was $56,335 and in 2010 it was $56,794. It was all short term salary. There are no post employment benefits.

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

Three Month Periods ended March 31, 2011 and 2010

6. Financial instruments:

(a) Credit risk:

The project nature of the business also leads to a concentration of credit risk. As at March 31, 2011 four customers accounted for 60% (March 31, 2010 four customers – 68%) of the total accounts receivable. However, the risk of loss is partially mitigated due to the Company's policy of collecting a deposit before any project is commenced. The Company also bills in advance for service and support contracts. At March 31, 2011 the overdue accounts receivable from customers totaled $33,000 (March 31, 2010 - $29,000). Detail concerning the overdue accounts receivable at March 31, 2011 are:

Overdue 31 - 60 days	$ 21,000
Overdue 61 – 90 days	$ 7,000
Overdue 91 and over days	$ 5,000

The allowance for doubtful accounts on trade receivables was set at $600 (March 31 2010 - $7,600). The allowance for losses on uncollectible accounts is based on specific customer history, and write-offs are solely based on specific customer defaults. In 2011, there were no write-offs related to any specific customers (2010 - $500). Amounts previously allowed for and collected have been taken into income (2011 - $700, 2010 - $8,400). Accounts receivable as well as accounts payable are kept relatively current, and there is minimal risk of delayed collections affecting the Company's ability to pay its creditors.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash and debt management. In managing liquidity risk, the Company has access to short-term financing through its line of credit (note 2). The Company's ability to meet its financial liability obligations in the short term is dependent on the continued availability of its line of credit. The Company's ability to continue to operate as a going concern in the longer term is dependent upon the Company executing on the restructuring undertaking outlined in note 10.

	Carrying amount	Contractual cash flows	0 to 6 months
Accounts payable and accrued liabilities	$188,706	$188,706	$188,706
Bank overdraft and demand loan	$284,246	$284,246	$284,246
Long-term loans	$2,900,060	$3,000,000	$3,000,000
Long-term debentures	$961,535	$995,000	$995,000
Transaction and financing costs payable	$973,685	$996,900	$996,900

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

Three Month Periods ended March 31, 2011 and 2010

6. Financial instruments (continued):

(c) Fair value:

At March 31, 2011, the carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and deferred revenue approximates their fair value due to the relatively short period to maturity. Long term debt of $995,000 consisting of the debentures is carried at amortized cost based on an effective interest rate of 20% which approximates its fair value. Management has determined that the market interest rate for the debentures would be 20% and has calculated the value of this debt using that rate. The long-term debt of $3,000,000 is due to related parties and management's estimate of the fair value on that portion of the debt would be approximately 5% to 15% of the amounts recorded as the carrying value, given the distressed liquidity position of the Company.

7. Capital stock:

(a) Authorized:

Authorized capital stock consists of an unlimited number of common voting shares with no par value and an unlimited number of retractable, redeemable, cumulative, convertible 8 1/2% preferred voting shares issuable in series. There were no preferred shares issued at December 31, 2010 or 2009. Preferred shares are retractable at the option of the holder and redeemable at the option of the Company. The retraction price is calculated by dividing the stated capital of the preferred shares by the number issued plus a sum calculated on the basis of an annual compounded return on stated capital of 15%, inclusive of paid dividends to the date of retraction. The redemption price is calculated by dividing the stated capital of the preferred shares by the number issued plus a sum calculated on the basis of an annual compounded return on stated capital of 20%, inclusive of paid dividends to the date of redemption. Conversion privileges of preferred shares are specified at the date of any new issue.

(b) Issued common shares are summarized below:

	Number of shares	Amount
Balance at December 31, 2010 and 2009	28,922,090	$1,278,458

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements

Three Month Periods ended March 31, 2011 and 2010

7. Capital stock (continued):

(c) Capital management:

The Company defines capital as cash and other current financial assets. The objective in managing capital is to ensure sufficient liquidity to meet its obligations in the normal course of business.

Initially, the Company had funded its activities through public offerings of common shares and preferred shares. Subsequently, the preferred shares and accrued dividends on the preferred shares were replaced by the issuance of common shares and subordinated long-term debt.

Presently, there are no externally imposed capital requirements and the Company follows no formal written policy or process concerning capital management. Rather, management and the Board of Directors are addressing the need to manage its liquidity constraints and the upcoming maturity of the debt through its restructuring undertaking (note 16).

(d) Options:

As at March 31, 2011, the number of outstanding options under the share option plan as a percentage of common shares outstanding was 1.04% (December 31, 2010 – 1.04%). During the three months ended March 31, 2011, no new options were issued under the share option plan.

(e) Per share amounts:

The weighted average number of common shares outstanding for the periods ended March 31, 2011 and 2010 was 28,922,090.

8. Contingencies:

A financing transaction was concluded by the Company in December 2004 involving the outstanding preferred shares, and was initially described as a redemption of preferred shares. The intent of all parties was to repurchase the preferred shares on a tax neutral basis. Unfortunately, the wording used did not support the original intent and could result in a possible tax liability. Correcting this required a rectification order (the “Order”), with the proper wording, to be issued by the Manitoba Court of Queen’s Bench. The rectification order with the proper wording has been issued in our favor. It is possible that Canada Revenue Agency (CRA) might appeal the Order, but management does not expect this to happen because the original intent was for the transaction to be tax neutral. If CRA were to appeal the order or the revised transaction and, if such appeals were successful, the Company could face a potential income tax liability of approximately $600,000. If such appeals were filed by CRA, the Company would vigorously defend its position.

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

Three Month Periods ended March 31, 2011 and 2010

9. Bank demand loan

The bank line of credit, which bears interest at a floating rate of prime plus 1%, was reestablished to a maximum of $400,000 and its maturity date extended to June 30, 2011. Security on the loan is provided through a guarantee by a major shareholder. On March 31, 2011, the amount drawn on the line of credit was $280,000 (December 31, 2010 - $190,000). If the bank should exercise the guarantee and receive funds from the guarantor, then the major shareholder would have first rank under its guarantor general security agreement (note 5b).

The Company has outlined a restructuring undertaking (note 10), which, if successful, will raise $750,000 and is expected to be used to repay this bank line of credit.

10. Events after the reporting period:

(a) Consolidation and issue of common stock:

A subscription agreement was approved on May 4, 2011 with a total value of $750,000, for Subscription Receipts at a price of $0.05 per Subscription Receipt. Each Subscription Receipt will, for no additional consideration, automatically be exercised into one unit of the Company (a “Unit”), as constituted following the completion by the Company of a consolidation of its common shares on a nine (9) for one (1) basis. Each Unit will consist of one post-consolidated common share of the Company and one common share purchase warrant with each warrant entitling the holder thereof to purchase one additional post-consolidated common share of the Company at $0.10 per warrant share for a period of 12 months from the date the warrants are issued. The total proceeds of $750,000 have been deposited with an escrow agent pending certain escrow release conditions being satisfied by the Company. The Company will provide notice to the escrow agent that the release conditions have been satisfied and, upon receipt of the notice, the escrow agent will release immediately the escrow funds and the subscription receipts will automatically be exercised and converted into the associated shares and warrants. The share subscription pricing has been conditionally approved by the TSX Venture Exchange, with final TSX Venture Exchange approval subject to the approval of the shareholders at a special meeting of shareholders to be held on June 22, 2011.

The key conditions of the subscription agreement for subscription receipts to be satisfied by the Company include:

(i) the completion of the Share Consolidation;

(ii) the Company reaching new arrangements with the debt and debentures holders in a manner that is satisfactory to the Company and to the holders of more than 50% of the Subscription Receipts;

(iii) the Company shall not have issued any additional common shares or other securities; and

(iv) receipt of final TSXV approval of the private placement of Subscription Receipts; and,

(v) the approval of holders of not less than 50% of the issued and outstanding Shares with respect to the change of control resulting from the issuance of the shares (and warrants) in exchange for the Subscription Receipts.

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

Three Month Periods ended March 31, 2011 and 2010

10. Events after the reporting period (continued):

(a) Consolidation and issue of common stock (continued):

While the Company believes that the conditions required by the subscription agreement for subscription receipts will be met, resulting in the release of the funds in escrow, there cannot be certainty until the shareholder approvals are obtained at the upcoming meeting, to be held on June 22, 2011, new debt arrangements are concluded and final TSX-V approval is confirmed.

(b) Rental premises:

The lease for premises that expired on May 31, 2011 has been extended for two years to May 31, 2013. The basic monthly rent is increased to $3,372.50 to May 31, 2012 and 3,481.25 to May 31, 2013. The Company also shares building costs estimated at $2,750.00 per month. Either party is able to terminate this sub-lease agreement with written notice for any reason and without penalty, subject to a 120 day notice period.

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements

Three Month Periods ended March 31, 2011 and 2010

11(a) Reconciliation of Equity: Reconciliation of Condensed Consolidated Interim Financial Statements of Financial Position as at January 1, 2010 (note 2c)

Description	CGAAP $	Adjustments $	IFRS $
Assets			
Current assets			
Cash and cash equivalents	108,526		108,526
Trade and other receivables	150,671		150,671
Account receivable from a related party	112,602		112,602
Inventory	11,718		11,718
Prepaid expenses	20,159		20,159
	403,676		403,676
Property and equipment			
Computer hardware	55,624		55,624
Amortization	55,623	18,462	37,161
	1		18,463
Furniture and equipment	28,865		28,865
Amortization	28,864	8,556	20,308
	1		8,557
Intangible assets			
Software	10,626		10,626
Amortization	10,623		10,623
	3		3
	403,681	27,018	430,699
Liabilities and Shareholders' deficiency			
Current liabilities			
Bank demand loan	215,000		215,000
Accounts payable and accrued liabilities	341,271		341,271
Deferred revenue	275,217		275,217
Long-term debt	4,311,450		4,311,450
	5,142,938		5,142,938
Shareholders' deficiency			
Capital stock	1,278,458		1,278,458
Other paid in capital	693,579		693,579
contributed surplus	216,427		216,427
	-		-
Deficit	6,927,721	-27,018	6,900,703
Total shareholders' deficiency	4,739,257	-27,018	4,712,239
	403,681	-27,018	430,699

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements

Three Month Periods ended March 31, 2011 and 2010

11(b) Reconciliation of Equity: Reconciliation of Condensed Consolidated Interim Financial Statements of Financial Position as at December 31, 2010 (note 2c)

Description	CGAAP $	Adjustments $	IFRS $
Assets			
Current assets			
Cash and cash equivalents	75,290		75,290
Trade and other receivables	155,158		155,158
Account receivable from a related party	0		0
Inventory	21,105		21,105
Prepaid expenses	55,925		55,925
	307,478		307,478
Property and equipment			
Computer hardware	55,624		55,624
Amortization	55,623	11,337	44,286
	1		11,338
Furniture and equipment	28,865		28,865
Amortization	28,864	6,916	21,948
	1		6,917
Intangible assets			
Software	10,626		10,626
Amortization	10,623		10,623
	3		3
	307,483	18,253	325,736
Liabilities and Shareholders' deficiency			
Current liabilities			
Bank demand loan	190,000		190,000
Accounts payable and accrued liabilities	251,345		251,345
Deferred revenue	321,571		321,571
Long-term debt	4,732,538		4,732,538
	5,495,454		5,495,454
Shareholders' deficiency			
Capital stock	1,278,458		1,278,458
Other paid in capital	693,579		693,579
contributed surplus	216,427		216,427
Deficit	-7,376,435	-18,253	-7,358,182
Total shareholders' deficiency	-5,187,971	-18,253	-5,169,718
	307,483	-18,253	325,736

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements

Three Month Periods ended March 31, 2011 and 2010

11(c) Reconciliation of Condensed Consolidated Interim Financial Statements of Financial Position as at March 31, 2010

Description	CGAAP $	Adjustments $	IFRS $
Assets			
Current assets			
Cash and cash equivalents	46,824		46,824
Trade and other receivables	230,999		230,999
Account receivable from a related party	0		0
Inventory	17,512		17,512
Prepaid expenses	74,815		74,815
	370,150		370,150
Property and equipment			
Computer hardware	55,624		55,624
Amortization	55,623	16,681	38,942
	1		16,682
Furniture and equipment	28,865		28,865
Amortization	28,864	8,146	20,718
	1		8,147
Intangible assets			
Software	10,626		10,626
Amortization	10,623		10,623
	3		3
	370,155	24,827	394,982
Liabilities and Shareholders' deficiency			
Current liabilities			
Bank demand loan	130,000		130,000
Accounts payable and accrued liabilities	291,292		291,292
Deferred revenue	306,034		306,034
Long-term debt	4,410,375		4,410,375
	5,137,701		5,137,701
Shareholders' deficiency			
Capital stock	1,278,458		1,278,458
Other paid in capital	693,579		693,579
contributed surplus	216,427		216,427
Deficit	-6,956,010	-24,827	-6,931,183
Total shareholders' deficiency	-4,767,546	-24,827	-4,742,719
	370,155	-24,827	394,982

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements

Three Month Periods ended March 31, 2011 and 2010

11(d) Reconciliation of Total Comprehensive Income and Retained Earnings of Condensed Consolidated Interim Financial Statements for the year ended December 31, 2010 (note 2c)

Description	CGAAP $	Adjustments $	IFRS $
Sales	$1,832,373		1,832,373
Cost of sales	465,554		465,554
Gross profit	1,366,819		1,366,819
			0
Selling and administrative expenses	1,172,975		1,172,975
Research and development expenses	148,833		148,833
	1,321,808		1,321,808
Income before the undernoted	45,011		45,011
Other expenses (gains)			
Amortization	0	8,765	8,765
Interest on long-term debt	500,628		500,628
Interest on long-term debt	7,284		7,284
Foreign exchange loss	15,813		15,813
	523,725		532,490
Loss for the year before discontinued operations	-478,714		-487,479
Income from discontinued operations	30,000		30,000
Net loss and comprehensive loss for the year	-448,714		-457,479
Deficit, beginning of year	-6,927,721	27,018	-6,900,703
Deficit, end of year	-$7,376,435		-$7,358,182
Loss per share before discontinued operations	-$0.017		-$0.017
Earnings per share from discontinued operations	$0.001		$0.001
Total loss per share	-$0.016		-$0.016

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements

Three Month Periods ended March 31, 2011 and 2010

11(e) Reconciliation of Total Comprehensive Income and Retained Earnings of Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2010 (note 2c)

Description	CGAAP $	Adjustments $	IFRS $
Sales	$583,971		583,971
Cost of sales	181,142		181,142
Gross profit	402,829		402,829
Selling and administrative expenses	267,921		267,921
Research and development expenses	39,438		39,438
	307,359		307,359
Income before the undernoted	95,470		95,470
Other expenses (gains)			
Amortization	-	2,191	2,191
Interest on long-term debt	118,552		118,552
Interest on long-term debt	1,387		1,387
Foreign exchange loss	3,820		3,820
	123,759		125,950
Net loss and comprehensive loss for the period	-28,289		-30,480
Deficit, beginning of period	-6,927,721	27,018	-6,900,703
Deficit, end of year	-$6,956,010		-$6,931,183
Loss per share before discontinued operations	-$0.001		-$0.001
Earnings per share from discontinued operations	$0.000		$0.000
Total loss per share	-$0.001		-$0.001

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements

Three Month Periods ended March 31, 2011 and 2010

11(f) Reconciliation of Cash Flows of Condensed Consolidated Interim Financial Statements for the year ended December 31, 2010 (note 2c)

Description	CGAAP $	Adjustments $	IFRS $
Cash provided by (used in):			
Operations:			
Net loss and comprehensive loss for the year	-448,714	8,766	-457,480
Items not involving cash			
Amortization	-	8,766	8,766
Interest accreted on long-term debt	421,088		421,088
Gain on sale of discontinued operations	-30,000		-30,000
Change in non-cash operating working capital	19,390		19,390
	-38,236		-38,236
Financing			
Decrease in bank demand loan	-25,000		-25,000
Cash received on sale of discontinued operations	30,000		30,000
	5,000		5,000
Net decrease in cash	-33,236		-33,236
Cash, beginning of year	108,526		108,526
Cash, end of year	75,290		75,290

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Notes to Condensed Consolidated Interim Financial Statements

Three Month Periods ended March 31, 2011 and 2010

11(g) Reconciliation of Cash Flows of Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2010 (note 2c)

Description	CGAAP $	Adjustments $	IFRS $
Cash provided by (used in):			
Operations:			
Net loss and comprehensive loss for the period	-28,289	2,191	-30,480
Items not involving cash			
Amortization	-	2,191	2,191
Interest accreted on long-term debt	98,925		98,925
Change in non-cash operating working capital	-47,338		-47,338
	23,298		23,298
Financing			
Decrease in bank demand loan	-85,000		-85,000
Net decrease in cash	-61,702		-61,702
Cash, beginning of period	108,526		108,526
Cash, end of period	46,824		46,824

OMT INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

Three Month Periods ended March 31, 2011 and 2010

12. Accounts payable and accrued liabilities:

	March 31 2011 $	December 31 2010 $	January 1 2010 $
Trade payables	134,007	171,462	143,362
Accrued outstanding service invoices	33,964	60,290	137,208
Personnel related accrued liabilities	20,735	19,593	60,701
	188,706	251,345	341,271

Trade payable and other payables are non-interest bearing and are normally settled on 30 or 60 day terms. Personnel related accrued liabilities include primarily vacation accruals.

13. Expenses

	March 31 2011 $	March 31 2010 $
Salary, commissions and benefits		
Included in selling and administrative	105,005	103,484
Included in research and development	36,238	36,153
	141,243	139,637