



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2017

LITE ACCESS TECHNOLOGIES INC.
Management's Discussion and Analysis
For the Three and Nine Months Ended June 30, 2017
Expressed in Canadian Dollars

INTRODUCTION

This management's discussion and analysis ("MD&A") for Lite Access Technologies Inc. (the "Company" or "Lite Access" or "LTE"), dated August 29, 2017, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2017, and the audited consolidated financial statements for the year ended September 30, 2016, and related notes therein. Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars, which is the Company's reporting currency.

The unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended June 30, 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

FORWARD-LOOKING INFORMATION AND RISKS NOTICE

This management's discussion and Analysis is a review of the Company's financial performance and financial condition as at and for the three and nine months ended June 30, 2017, and plans for the future based on facts and circumstances as of August 29, 2017. When we discuss our costs and timing of current and proposed operations, working capital requirements, the requirement for additional capital, future prices, future accounting changes or other things that have not yet happened in this review we are making statements considered to be *forward-looking information* under Canadian securities laws.

The forward-looking information in this MD&A typically includes words and phrases about the future, such as: "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". We can give no assurance that the forward-looking information will prove to be accurate. It is based on a number of assumptions management believes to be reasonable, including but not limited to: no material adverse change in the fibre optic market and exchange rates, limited volatility in the Company's share price, and such other assumptions and factors as set out herein.

It is also subject to risks associated with our business, including but not limited to: risks inherent in the fibre optic business, requirements for additional capital, environmental risks, and the timing and possible outcome of pending litigation and other risks that are set out below.

If our assumptions prove to be incorrect or risks materialize, our actual results and events may vary materially from what we currently expect as set out in this review.

We recommend that you review this management's discussion and analysis, which includes a discussion of material risks that could cause actual results to differ materially from our current expectations. Forward-looking information is designed to help you understand management's current views of our near and longer term prospects, and it may not be appropriate for other purposes.

COMPANY OVERVIEW

Lite Access is an international manufacturer, distributor, and installer of fibre optic technology, specializing in microducts and air-blown fibre. Lite Access is a public company previously listed on the Canadian Securities Exchange ("CSE") and traded under the symbol "LTE". On December 13, 2016, Lite Access announced that its common shares would be listed on the TSX Venture Exchange ("TSX-V") effective December 14, 2016. The Company is now listed as a Tier 1 Industrial Issuer under the stock symbol "LTE". Effective the close of trading on December 13, 2016, the Company delisted its common shares from the Canadian Securities Exchange.

Lite Access was incorporated on October 20, 2003, under the Business Corporations Act (British Columbia). The head office is located at #5 – 20678 Duncan Way, Langley, British Columbia, Canada, V3A 7A3, and its registered and records office is located at 704 – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

OVERALL PERFORMANCE

United Kingdom and Ireland

Lite Access Technologies UK Ltd. ("Lite Access UK") continues to connect homes as part of a large-scale project for a major UK network operator in Wrexham, Wales and has now completed over 3,000 homes and 10kms of trunk / backbone across the United Kingdom using the Company's proven and preferred narrow trench installation methodology. At present, the Lite Access UK team has successfully cross-trained in both FTTP as well as trunk deployments, and is well positioned to ramp up growth in response to anticipated contract awards.

Importantly, Lite Access is the only company that has gained the approval of certain councils for permitting changes to accommodate the Company's unique ability to deploy more rapidly than traditional methods of deployment. As a result, changes to the current permits designed specifically for conventional type construction will now enable Lite Access to exceed the current 100 metre per day restrictions. Having proven its capabilities is a significant milestone that has been achieved in short order and, as a result, is enabling connectivity at a rate that far exceeds any competitor.

Being the only Company that has gained the approval of local councils and recommended as the Company of choice has generated the interest of other entities entering into this market. Having recently had the permitting process changed to remove the constraint on the Company's ability to trench more in a given day than our competitors has increased the Company's production and margins. Working as a subcontractor has enabled Lite Access to specialize as the narrow trench experts and focus on the core competencies that have made Lite Access a recognized and respected global entity.

The business opportunity following the successful FTTH trial in Tullamore, Ireland (see press release dated April 11, 2017) is still being evaluated. Discussions with several potential clients are being held on a regular and scheduled basis including a comprehensive appraisal of the strategies under consideration.

Western Canada

The fibre optic network build for the City of New Westminster, British Columbia (see press releases dated February 9 and March 29, 2017) was successfully completed using a specially designed microduct installed using the first ever, narrow trench deployment. Having successfully modified equipment and blades to cut a much deeper and slightly wider cut, Lite Access continues to provide cutting edge solutions ahead of all competitors. The cut is made at depths ranging between 18 and 36 inches deep, 4 to 6 inches wide using specially engineered equipment and supports a uniquely designed microduct capable of high-fibre-count installation. The Company's ability to cut at depths of 18 to 36 inches using its proven narrow trench processes to accommodate any type of infrastructure essentially offers an alternative solution to the more invasive and costlier traditional trenching approach. Being able to introduce narrow trenching to North America and working collaboratively with the City of New Westminster and its representatives enabled real time research and design of the processes and equipment required to become a mainstream type of construction for fibre connectivity.

Lite Access identified and resolved the criteria needed to build a strong and stable foundation for future opportunities. Process and procedures were documented, presented, approved and formalized. The introduction of a more specialized piece of equipment brought into North America by Lite Access proved to alleviate the challenges and issues faced with a competitive offering. Now entering into the next evolution of alternate deployments methodologies, the Company is in discussion with several clients in North America to use this narrow trenching process to displace traditional deployment methods.

Management is pleased with the results and acceptance of the narrow trench solution and now include this process in the Company's portfolio of advanced installation methodologies. In Canada, the Company has brought in a specially designed, first-of-its-kind narrow trenching machine to accommodate the deeper cutting capability. Management is confident in the Company's ability to continue to provide the most cost effective, quickest to deploy method for fibre optic connectivity.

Work continues for fibre connectivity projects for local municipalities and the Company is also optimistic about the release of further Government funding under the Connecting Canadians program to happen by the end of summer. Accordingly, the team has expanded in North America to include new employees in the Interior of British Columbia as well as the Lower Mainland and also increased office space to accommodate the current and expected growth. As in the case of the project award for Community Wireless Networks of

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Bamfield, British Columbia (see press release dated July 20, 2017), Lite Access is involved with a number of significant projects that are awaiting funding before starting work.

United States and South Africa

Lite Access is currently working with Alpha Technologies in Charleston, Virginia. Alpha is building a fibre network that will run through different parts of Charleston and South Charleston and is designed to attract more businesses to West Virginia. Enabling the infrastructure will allow high technology jobs to flourish thus creating more jobs to help stimulate the local economy.

The Company is also working with a large construction company in the United States and finalizing a strategic alliance that will enable multiple builds throughout the continental United States. This alliance will help to increase product sales and ensure the "Lite Access Way" is the solution of choice for broadband connectivity.

Lite Access continues to work with its South Africa partner, Brite Access SA in support of numerous micro-trenching projects within gated communities and for large service providers. The Company's LiteXTend product has proven to save time and money for last mile / home connections and the Company expects Brite Access will continue to place orders.

PERFORMANCE TIMELINE

For the three and nine months ended June 30, 2017, the Company sustained its strong partnerships with manufacturers and suppliers, while continuing to establish certified construction partners throughout much of the world. As a result of persistent sales discussions, the Company's customer base expanded domestically, as well as internationally during this time.

Lite Access is at the forefront of developing and providing new fibre optic infrastructure deployment solutions, and has recently completed projects for a large number of organizations including:

- Actavo (Northern Ireland) Limited
- Columbia Basin Trust
- Parks Canada
- Rogers Communications
- Shaw Communications
- The City of Chilliwack
- The City of Cranbrook
- The City of Nelson
- The City of New Westminster
- The City of Port Moody
- The Corporation of Delta
- The Township of Langley
- The Waterton Park Community Association

On October 12, 2016, the Company announced that as a result of the increase in demand from existing and new clients, the Company is increasing manufacturing capacity of its proprietary Lite X Tend® last mile solution by 300% in support of the extensive FTTH deployments underway within the African continent.

The proprietary Lite X Tend® solution was created to facilitate rapid last mile deployments in the most cost effective and least intrusive manner possible. The innovative solution was designed to simplify and shorten the installation process and provide an environment whereby homeowners receive high speed connectivity with the least amount of impact to their surroundings.

Effective the close of trading on December 13, 2016, the Company delisted its common shares from the Canadian Securities Exchange and listed on the TSX Venture Exchange ("TSX-V") effective December 14, 2016. The Company listed as a Tier 1 Industrial Issuer under the stock symbol "LTE".

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On December 15, 2016, the Company announced that it has been awarded a contract in the amount of \$653,275 for the supply and installation of a fibre optic network build for the Township of Langley, British Columbia.

On January 4, 2017, the Company provided an update on its international expansion to the United Kingdom. In its first 100 days in operation in the UK, Lite Access Technologies (UK) Limited ("Lite Access UK") has been incorporated as a company, set up offices and storage facilities, hired and trained staff in North Wales and invested significant capital in new plant and equipment to support its first customer deployments in connection with a major operator rolling out superfast fibre to the home in the UK.

Lite Access UK has completed over 100 homes of a large-scale project for a major UK network operator in a new roll out area in Wrexham, Wales.

The Company also announced the appointment of Dylan Griffiths to the position of Managing Director of Lite Access UK. Mr. Griffiths, formerly the Company's Chief Operating Officer, is currently establishing the Company's business to provide advanced network installation services to the telecommunications industry in the United Kingdom.

On January 31, 2017, the Company reported its fiscal fourth quarter and full fiscal year 2016 financial results:

Financial Highlights

- Record revenue of \$12,605,075 for fiscal 2016, an increase of 1,083%, versus \$1,065,582 in 2015;
- Record net income after taxes of \$1,457,507 for fiscal 2016 compared to a net loss of \$1,626,970 in 2015;
- Adjusted EBITDA of \$2,644,032 (21% of total revenue) in fiscal 2016 versus (\$1,305,755) in 2015;
- Record earnings per share of \$0.05 for fiscal 2016 compared to a loss per share of \$0.08 in 2015;
- Operating expenses for 2016 fiscal year of \$2,590,259 includes a non-cash \$662,949 expense associated with stock based compensation. With these costs removed Lite Access' expenses increased by 5.9% versus the same period in fiscal 2015. Increased expenses are also partly attributed to investment in launching UK operations to support expanding international demand;
- Third consecutive quarter of profitability and third consecutive quarter of positive adjusted EBITDA

Business Highlights

Apart from the significant revenue increase 2016 was also a year of significant investment in new systems and infrastructure to support further growth including a new head office and expanded warehouse facilities. Other significant highlights include:

International Expansion

In 2016, Lite Access continued one of its key strategic objectives to expand its international footprint. The Company increased its network of certified installation partners to over 20 and secured large product orders for its leading fibre connectivity solutions around the world, such as: South Africa, Peru, Trinidad and Tobago, Yukon Territories, Washington, West Virginia, and Nevada to name a handful. The Company further demonstrated its ability to scale across additional markets and provide its solutions globally while keeping sales and marketing expenses in check.

Local Projects

Adoption of the Company's fibre deployment methodologies and product portfolio has spread rapidly and broadly on the domestic front as well in 2016. The Company continued its momentum with local municipal builds and ongoing, multiple expansion projects, such as Chilliwack, Langley and Coquitlam. In many cases, the Company's proprietary products are now being specified into municipal builds which the Company expects will result in increased business.

Haida Gwaii

The largest contract in the Company's history was secured for the deployment of a fibre optic network for GwaiiTel Society in Haida Gwaii, British Columbia. Construction of the fibre build commenced in January 2016 and was completed ahead of schedule and on budget in March 2016. Lite Access remains committed to working closely with both First Nations in Canada and Native Americans in the United States to solidify strong relationships. These partnerships are expected to continue to provide Lite Access with opportunities to collaborate on future projects and increase sales.

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South Africa

South Africa provided another opportunity for the Company to showcase its state-of-the-art technologies and its unique ability to re-invent new and more efficient installation processes that are not only adaptable to different locations and infrastructure but can successfully displace traditional construction methods in any part of the globe. The Company received its first of many follow-on purchase orders for its specially designed Lite-X-Tend® product. This revolutionary new product is a home-drop solution for last mile connections and reduces the significant costs and complications associated with last mile connections. South Africa is considered virgin territory and a tremendous potential market opportunity as it jumps into the digital age with aggressive fibre-to-the-home (FTTH) rollouts.

United Kingdom

In 2016, the Company continued its international expansion by launching a new operations office in the United Kingdom following market research and meeting with local Service Providers. The Company identified significant demand and opportunity to take advantage of its proven air-blown fibre technologies, microduct and narrow trench deployment techniques. Lite Access trained work crews and invested in new plant and equipment to support customer deployments. The Company has now completed over 500 homes of a large-scale project for a major UK network operator rolling out superfast, fibre-to-the-home. Launching into the UK market has proven successful and an ever-expanding initiative with the potential to drive significant revenue growth.

On February 9, 2017, the Company announced that it had been awarded a contract in the amount of \$459,000 for the supply and installation of a fibre optic network build for the City of New Westminster, British Columbia. Using Lite Access' proprietary micro / narrow trench and air-blown fibre optic technologies, this project will focus on providing and installing microduct and fibre optic cable for backbone connectivity.

On February 14, 2017, the Company announced that its new South American partner, TEASA and Tilsit (T/T), has been selected for a fibre connectivity project in Panama. Lite Access has provided equipment and trained and certified T/T on all aspects of its fibre deployment solutions, including micro / narrow trenching, air-blown fibre and approved reinstatement methodologies.

T/T is a synergistic partnership between Paraguay-based TEASA and Uruguay-based Tilsit. T/T works on many deployment projects for large communications carriers interested in achieving additional fibre connectivity throughout Central and South America.

On March 6, 2017, the Company announced that it had entered into an agreement with Cormark Securities Inc. on behalf of a syndicate of Underwriters (the "Underwriters") pursuant to which the Underwriters have agreed to purchase, on a bought deal private placement basis, 5,600,000 common shares ("Common Shares") of the Company at a purchase price of \$2.25 per Share (the "Issue Price"), for gross proceeds to the Company of \$12.6 million (the "Offering"). The Underwriters have also been granted an option, exercisable in whole or in part at any time prior to the closing date, to purchase for resale up to an additional 1,200,000 Shares at the Issue Price, which would result in additional gross proceeds of \$2.7 million.

The Offering is scheduled to close on or about March 28, 2017 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange and any applicable securities regulatory authorities. The Underwriters have agreed to endeavour to arrange for substituted purchasers for the Shares. The net proceeds of the Offering will be used to fund growth initiatives and for general corporate purposes.

On March 7, 2017, the Company announced that it has increased its previously announced "bought-deal" financing to 6,667,000 common shares ("Common Shares") of the Company. A syndicate of underwriters led by Cormark Securities Inc. and including Beacon Securities Limited and Canaccord Genuity Corp. (collectively, the "Underwriters") has agreed to buy and sell to the public an additional 1,067,000 Common Shares of the Company at a price of \$2.25 per Common Share for additional gross proceeds to the Company of \$2,400,750. Total gross proceeds of the Offering are now \$15,000,750 (the "Offering").

The Underwriters will also have the option, exercisable in whole or in part at any time up to the closing of the Offering, to purchase up to an additional 2,223,000 Common Shares of the Company. In the event that the option is exercised in its entirety, the aggregate gross proceeds of the Offering will be \$20,002,500. Closing of the Offering is expected to occur on or about March 28, 2017 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange

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and any applicable securities regulatory authorities. The Underwriters have agreed to endeavour to arrange for substituted purchasers for the Common Shares. The net proceeds of the Offering will be used to fund growth initiatives and for general corporate purposes.

On March 28, 2017, the Company announced that it closed its previously announced "bought-deal" financing of 9,090,000 common shares ("Common Shares") of Lite Access, which includes 2,223,000 Common Shares issued pursuant to the exercise of the underwriters' option in full and an oversubscription of 200,000 Common Shares, at \$2.25 per share (the "Issue Price") for gross proceeds of \$20,452,500 (the "Offering").

The Offering was underwritten by a syndicate of underwriters led by Cormark Securities Inc. and including Beacon Securities Limited, Canaccord Genuity Corp. and Haywood Securities Inc. (collectively, the "Underwriters"). In consideration of their services, the Underwriters received a cash commission equal to 6.0% of the gross proceeds of the Offering, and such number of broker warrants ("Broker Warrants") equal to 6.0% of the aggregate number of Common Shares issued pursuant to the Offering. Each Broker Warrant is exercisable for one Common Share at the Issue Price for a period of 24 months from closing of the Offering.

The securities issued under the Offering will be subject to resale restrictions expiring on July 29, 2017.

The net proceeds of the Offering will be used to fund growth initiatives and for general corporate purposes.

On March 29, 2017, the Company announced the construction of its fibre optic network build for the City of New Westminster, British Columbia has commenced using the next evolution of its already proven least invasive installation methods, called narrow trenching.

Already tested and in use in the UK, Lite Access now offers a slightly wider and much deeper cut made using specially designed and engineered equipment. The cut is made at depths ranging between 18 and 24 inches deep, 4-6 inches wide and supports a uniquely designed microduct capable of high fibre count installation. The Company's ability to cut at depths of 18-24 inches using specially designed equipment, LTE's proven processes and through any type of infrastructure essentially offers an alternate solution to the more invasive and more costly traditional trenching approach.

In the UK, Lite Access trunk crews (consisting of 4 people) are cutting 90-150 metres per day for backbone / trunk applications for major telecom operators. The equipment and processes allow for a single pass through any type of infrastructure including layers of asphalt and concrete enabling fast and efficient installation of high fibre count microducts. Restoration and seamless reinstatement is accomplished and, as is the case with narrow trench installations, is faster, cleaner, and more cost effective without the need for large equipment or large crews, resulting in reduced environmental concerns and less civil disruption.

On March 31, 2017, the Company announced that its Board of Directors granted stock options to its key employees and management as part of Lite Access' annual employee bonus plan. In total, Lite Access granted 646,000 stock options, exercisable at a price of \$3.72 per share for a period of three to five years from the date of grant and are subject to various vesting provisions.

On April 11, 2017, the Company provided an update on its recently completed capital raise and ever expanding operations initiative into the United Kingdom and the surrounding market. On March 28, 2017, the Company announced closing of a \$20.45 million bought-deal financing. The main use of net proceeds raised under the financing are to advance and support further customer deployments in the UK.

Lite Access will ramp up UK operations in support of a major operator's rollout of superfast, fibre-to-the-home (FTTH) connectivity initiative. The decision to significantly scale up crews and installation capacity is a direct response to the strengthening demand for the Company's deployment methodologies, namely narrow trenching, that have proven to enable faster, cleaner and the most cost effective installation possible. Narrow trenching has also been introduced for the construction of the recently awarded fibre optic network build for the City of New Westminster and the Company expects this new process to gain significant popularity in North America. In anticipation of the growing interest, Lite Access is well positioned to potentially scale up local operations to support the next evolution of installation methods it introduces. Regarded as a global leader in the space, the Company is at the forefront through its ability to move quickly and continually create better installation efficiencies and new and unique product solutions.

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In addition to current operations in the UK, Lite Access UK has successfully completed a fibre-to-the-home (FTTH) trial ordered by Actavo to connect 265 homes in Tullamore on behalf of a major operator's initiative to bring ultrafast broadband connectivity into local communities within the Republic of Ireland. Being flexible and adaptable in its ability to provide a proven solution for a cost effective and efficient way to deploy fibre-to-the-premises (FTTP) solutions in all parts of the world further solidifies Lite Access as a global leader.

Actavo is a leading international strategic operations company headquartered in Dublin and operating in over 100 locations around the globe. Actavo's Network Solutions team has extensive experience in delivering high quality solutions to the telecommunications, overhead power and civil engineering sectors. The Network Solutions division has a presence in Ireland, the UK, the USA and the Caribbean. Actavo has a global work force of over 5,000, generated revenues of €431 million in fiscal 2015 and is currently rolling out one of the largest FTTH networks in the world. Their key clients include Digicel, Virgin Media, Irish Water, CityFibre, SIRO and SSE.

On June 19, 2017, the Company announced that it has appointed an international telecom veteran, Steven King, and a capital markets veteran, Kevin Smith, to its Board of Directors at its Annual General Meeting held June 16, 2017.

At the Annual General Meeting, all matters put forth were approved by the shareholders of Lite Access. Shareholders represented in person or by proxy at the meeting elected, Michael Plotnikoff, Michael Priest, Dylan Griffiths, David Toyoda, Greg Smith, Kevin Smith and Steven King as Directors of the Company for the ensuing year, and appointed Crowe MacKay LLP as the Company's external auditor. In addition, shareholders represented in person or by proxy at the meeting approved and adopted the Company's stock option plan.

In line with Lite Access' equity compensation plan, the Board of Directors granted a total of 450,000 stock options to its new and existing independent Board members. The options are exercisable at a price of \$2.50 per share, being a 25% premium above market price, and expire five years from the date of grant.

On July 13, 2017, the Company provided an update on the current operational activities of the Company. Since closing the \$20.45 million bough-deal financing on March 28, 2017, the Company is executing on its accelerated growth plan, focusing on training and equipping employees as well as further streamlining "The Lite Access Way" for both trunk and FTTP connectivity in both the UK and Ireland. Having successfully demonstrated "The Lite Access Way" to a major network operator and continuing to build out networks on a daily basis, Lite Access UK's method of construction has become a recommended and preferred method in numerous cities and councils.

With "Project Lightning's" mandate to connect 17 million homes and businesses, Lite Access UK has focused on engaging new operators and construction companies for potential alliances and opportunities in support of build out in the UK.

United Kingdom and Republic of Ireland

Lite Access UK successfully opened its new office in Wrexham, Wales. The Wrexham location will serve as the head office and the Company expects to set up satellite offices in areas outside this region based on new and identified locations for fibre deployments.

Lite Access UK continues to work in the Wrexham area and has also returned to Ireland to assist with additional training and certification for builds that have recently been announced. Since closing the \$20.45 million bought-deal financing, the number of employees has expanded to 65 with an expectation of having to increase further hire and training to support the growing list of new entrants, as well as additional builds being identified on a constant basis. To be able to respond immediately to new fibre builds and network extensions, the training program enables teams to be cross trained in both FTTP, as well as trunk deployments.

Following the successful FTTH trial in Tullamore, Lite Access UK has returned to the Republic of Ireland to train additional crews with the expectation of potentially taking part in further fibre rollouts. Discussions are underway with several potential clients, however, no announcement is expected until all due diligence has been conducted and impact studies performed and analyzed.

Western Canada

Lite Access is increasing operations in the Kootenay region of British Columbia and locally in support of ongoing network expansion projects and the much anticipated release of Federal and Provincial Government funding assigned for many tenders the Company has been engaged in from the very beginning. Lite Access is also pleased to report that it is operating at the highest safety standards in the

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industry, recently attaining 96% on the last set of tests for its Certificate of Recognition (COR) certification versus the BC Construction Safety Alliance (BCCSA) average of 88% achieved by companies.

The first narrow trench project for the City of New Westminster, British Columbia, encompassing backbone application with high fibre count at a new 24" depth, was recently completed using the Company's new and modified cutting equipment. The next generation of Lite Access' narrow trench machinery arrived at its Langley, British Columbia headquarters last week, the first in Canada and believed to be the first of its kind in North America. This new trencher will now enable a 5" cut by 36" deep at speeds equivalent to the Company's micro-trench equipment and at costs far less than conventional construction methods.

South Africa

Lite Access has received a purchase order valued at over \$200,000 from its South Africa partner Brite Access SA for the LiteXTend last mile solution. To support network expansion efforts, Brite Access was first required to hire and train additional crews in response to satisfying major operators criteria for construction partners. Now that Brite Access has increased its capacity by adding trained crews and equipment for micro-trench projects in South Africa, the Company expects to receive additional orders from this partner.

Ongoing Expansion Plans

In eastern Canada, Lite Access recently attended the Municipal Information Systems Association (MISA) conference and met with Municipalities interested in building their own fibre optic infrastructure. In addition, the Company plans on expanding into the United States. A new US Sales VP, Gary Stahlbrand, possessing extensive experience and industry contacts was recently hired to pursue opportunities in this strong and growing market.

On July 20, 2017, the Company announced that it had been awarded a contract in the amount of \$315,000 for the supply and installation of a fibre optic network for Community Wireless Networks of Bamfield, British Columbia as part of "Project Gigafy Bamfield" (the "Project"). Using Lite Access' proprietary micro-trench and air blown fibre optic technologies will enable connectivity to many households in the most future proof, non-disruptive and cost-effective fibre manner possible.

Project Gigafy Bamfield intends to build a local fibre optic network that is scalable, secure, reliable and future proof. The objective is to connect all residents and businesses to a gigabit fibre network in Bamfield, British Columbia, which is located on the west coast of Vancouver Island, and is accessible by an 80 km active gravel logging road, by floatplane, or by boat. Funding for the Project has been approved by the Connecting Canadians program which aims to extend and/or enhance broadband networks for rural, remote and northern communities to provide access to high quality broadband services to household to participate in the digital economy.

About Connecting Canadians

The Government of Canada created Connecting Canadians so that citizens in rural, remote and northern parts of the country can enjoy access to commerce, employment opportunities and distance education and make the most of the digital economy, no matter where they live. On July 11, 2017, Innovation, Science and Economic Development Canada announced more than 3,500 households in 22 rural and remote communities in British Columbia, Alberta and Manitoba will have improved high-speed Internet access thanks to an investment of almost \$10 million from the Government of Canada. The funding, is being allocated through Connecting Canadians, a federal program that provides underserved communities with internet access at speeds of five megabits per second (Mbps) or more. The Connecting Canadians program allows Canadians in every region of the country to participate fully in the digital economy, from seizing new business opportunities to connecting with friends and family around the world.

Currently, the requirements of Apple TV, Netflix, Hulu, Spotify and an ever-growing host of new services has created huge bandwidth requirements that cannot be met with existing infrastructure. Massive retrofitting of existing infrastructure with higher-capacity fibre optic cable as well as new network installations to remote communities is costing billions of dollars per year. The focus of the Company is to capitalize on the opportunities available as a result of these circumstances.

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SELECTED ANNUAL INFORMATION

	Year Ended September 30, 2016 (audited)	Year Ended September 30, 2015 (audited)	Year Ended September 30, 2014 (audited)
	\$	\$	\$
Revenue	12,605,075	1,065,582	854,955
Cost of Sales	8,261,965	906,646	606,948
Gross Profit	4,343,110	158,936	248,007
Assets	10,417,189	4,202,675	151,909
Long-Term Liabilities	344,554	112,387	-
Net Income (Loss)	1,457,507	(1,626,970)	31,883
Basic and Diluted Income (Loss) per Common Share	0.05	(0.08)	0.00

The audited consolidated financial statements for the years ended September 30, 2016, 2015 and 2014 were prepared in accordance with International Financial Reporting Standards (IFRS), with a Canadian dollar presentation currency. The functional currency of the Company and its subsidiaries is as follows:

Name	Location of incorporation	Functional currency	% equity interest			
			2017	2016	2015	2014
Lite Access Holdings Inc.	Canada	Canadian Dollar	100%	100%	100%	100%
DSG Communications Ltd.	Canada	Canadian Dollar	100%	100%	100%	-
Lite Access Technologies (UK) Limited	United Kingdom	U.K. Pound Sterling	100%	100%	-	-

RESULTS OF OPERATIONS AND CAPITAL MANAGEMENT

Lite Access UK operations began generating revenues in the latter part of the first fiscal quarter of 2017 and has generated a net loss for the three and nine months ended June 30, 2017, which is attributable to start-up costs associated with the initial investment in the new operations. Lite Access UK recorded revenues, cost of sales, operating expenses and net loss as follows:

	Three months ended June 30, 2017	Nine months ended June 30, 2017	Year ended September 30, 2016
	\$	\$	\$
Revenue	1,116,293	2,189,682	-
Cost of sales	1,858,822	3,218,195	-
Operating expenses	278,542	920,511	59,160
Net loss	1,021,071	1,949,024	59,160

Revenue from Lite Access UK for the three months ended June 30, 2017 was \$1,116,293 (three months ended March 31, 2017: \$954,196; three months ended December 31, 2016: \$119,193).

Lite Access UK results reflect a period of intensive training and trialing of different deployment methods. As a result, cost of sales exceeded revenue over this period. This is largely due to the Company focusing on long-term success by investing in the development

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and refinement of processes to achieve the most optimal deployment methods while intentionally overstaffing crews to allow for development of an experienced, trained workforce that can be rapidly scaled in response to anticipated contract awards. Additional start-up costs, including supplies, vehicle and travel, amortization, rentals, management and employee wages, rent, insurance, travel, shipping, and office supplies resulted in the net loss during the three and nine months ended June 30, 2017. These activities have allowed Lite Access UK to demonstrate superior installation techniques, to the point where Lite Access UK's method of construction has become a recommended and preferred method in numerous cities and councils. Most importantly, Lite Access is the only company that has gained the approval of certain councils for permitting changes to accommodate the Company's unique ability to deploy more rapidly than traditional methods of deployment.

Successfully changing permitting processes has removed constraints on our ability to trench more in a given day than any competitor, thus increasing our production and margins going forward.

With recent announcements from major network operators not meeting schedules and expectations as well as new entrants into the UK market, combined with a positive response to Lite Access UK's narrow trenching processes, the Company is in a strong and stable position to service the unique needs emerging in the UK. To this end, Lite Access UK continues to pursue positive discussions with prospective customers to further expand the Company's footprint in the area.

While management anticipates a positive gross margin from Lite Access UK as the expansion matures, the impact of startup, training, R&D costs and expansion expenses on the Company's net income is expected to persist in to future quarters as the Company continues to grow its presence within the United Kingdom.

Consolidated Statements of Financial Position as at June 30, 2017 and September 30, 2016

Significant variances include:

Assets

	June 30, 2017	September 30, 2016	Variance
Cash and cash equivalents	\$ 17,242,798	\$ 2,115,078	\$ 15,127,720

Cash and cash equivalents increased primarily due to the receipt of funds from the bought-deal private placement financing completed on March 28, 2017, and the collection of outstanding customer receivables and funds from the private placement financing completed on September 30, 2016, partially offset by cash outflows from operating activities and purchases made for property, plant and equipment.

	June 30, 2017	September 30, 2016	Variance
Amounts receivable	\$ 1,321,299	\$ 3,413,998	\$ (2,092,699)

Amounts receivable decreased primarily due to the receipt of amounts receivable from the private placement financing completed on September 30, 2016, and the collection of prior year customer receivables, partially offset by new customer receivables for fibre optic installations and sales of product made during the nine months ended June 30, 2017.

	June 30, 2017	September 30, 2016	Variance
Income taxes recoverable	\$ 260,457	-	\$ 260,457

Income taxes recoverable increased primarily due to income tax installments being greater than the current period income tax expense.

	June 30, 2017	September 30, 2016	Variance
Unbilled revenue	\$ 954,832	\$ 227,880	\$ 726,952

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Unbilled revenue increased due to fibre optic installation revenues earned in excess of customer billings for the Actavo, Township of Langley, and City of New Westminster projects, based on the percentage of contract completion, partially offset by the billing and subsequent collection of payments for the City of Chilliwack and the City of Port Moody projects, recorded as unbilled revenue as at September 30, 2016.

	June 30, 2017	September 30, 2016	Variance
Inventory	\$ 456,159	\$ 155,409	\$ 300,750

Inventory increased due to timing and the stockpile of inventory for the anticipation of future product sales subsequent to period end.

	June 30, 2017	September 30, 2016	Variance
Property, plant and equipment	\$ 3,809,779	\$ 1,763,756	\$ 2,046,023

Property, plant and equipment increased primarily due to purchases of equipment and automotive equipment made to service the Company's expanding fibre optic installation segment, including the expansion of operations into the UK, partially offset by disposals of aged equipment and automotive equipment.

Liabilities

	June 30, 2017	September 30, 2016	Variance
Income taxes payable	-	\$ 432,721	\$ (432,721)

Income taxes payable decreased due to the repayment of the prior year income tax payable balance.

	June 30, 2017	September 30, 2016	Variance
Obligations under finance lease	\$ 476,303	\$ 92,441	\$ 383,862

Obligations under finance lease increased primarily due to leases obtained for purchases of equipment and automotive equipment made to service the Company's expanding fibre optic installation segment, including the expansion of operations into the UK.

Consolidated Statements of Operations and Comprehensive Income (Loss) for the Three Months Ended June 30, 2017

For the three months ended June 30, 2017, the Company had comprehensive loss of \$2,032,540 (2016: comprehensive income of \$614,386).

Significant variances include:

Gross Profit

	2017	2016	Variance
Revenue	\$ 1,912,934	\$ 2,437,537	\$ (524,603)

Revenue decreased primarily due to the prior period fibre optic installation revenues associated with the fibre optic network for GwaiiTel Society in Haida Gwaii, British Columbia. The decrease was partially offset by current period fibre optic installation revenues from the Lite Access UK segment as previously discussed, as well as fibre optic installation revenues within Canada from existing customer relationships and new projects unique to fiscal 2017, and sales of product.

	2017	2016	Variance
Cost of sales	\$ 2,511,852	\$ 1,024,925	\$ 1,486,927

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Cost of sales increased primarily due to increased purchases and direct wages associated with the ramp up of operational activities in the Lite Access UK segment as previously discussed. The increase was partially offset by the prior period fibre optic installation for the fibre optic network for GwaiiTel Society in Haida Gwaii, British Columbia.

	2017	2016	Variance
Gross profit	-31%	58%	-89%

Gross profit decreased primarily due to the ramp up of operational activities in the Lite Access UK segment in fiscal 2017. As described above, the current period results reflect a period of intensive training and trialing of different deployment methods in the UK. As a result, cost of sales exceeded revenue over this period. This is largely due to the Company intentionally overstaffing crews to allow for development of an experienced, trained workforce that can be rapidly scaled to meet anticipated future demand. Additional start-up costs, including amortization and rentals resulted in the decrease in gross profit for the three months ended June 30, 2017.

Operating Expenses

	2017	2016	Variance
Office and supplies	\$ 132,087	\$ 32,749	\$ 99,338

Office and supplies increased primarily due to start-up costs associated with Lite Access UK, including the opening of a new office location in Wrexham, United Kingdom, and the purchase of new tools to equip the increased workforce in the UK, as well as the replacement of aged tools for the installation segment workforce in Canada.

	2017	2016	Variance
Research and development	\$ 312,314	-	\$ 312,314

Research and development increased primarily due the trialing and refinement of drilling and narrow trenching deployment methods used on the Township of Langley and City of New Westminster projects.

	2017	2016	Variance
Wages and consulting	\$ 438,852	\$ 278,528	\$ 160,324

Wages and consulting increased primarily due the increased employee headcount associated with the expansion of operations into the UK, which commenced in August 2016, as well as additional sales staff in Canada.

Consolidated Statements of Operations and Comprehensive Income (Loss) for the Nine Months Ended June 30, 2017

For the nine months ended June 30, 2017, the Company had comprehensive loss of \$4,194,855 (2016: comprehensive income of \$1,261,562).

Significant variances include:

Gross Profit

	2017	2016	Variance
Revenue	\$ 5,518,751	\$ 10,146,561	\$ (4,627,810)

Revenue decreased primarily due to the prior period fibre optic installation revenues associated with the fibre optic network for GwaiiTel Society in Haida Gwaii, British Columbia. The decrease was partially offset by current period fibre optic installation revenues within Canada from existing customer relationships, as well as new projects unique to fiscal 2017, and fibre optic installation revenues from the Lite Access UK segment. Finally, the current period saw the expansion of sales of product to new customers in the United States, South Africa, Panama and United Kingdom.

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	2017	2016	Variance
Cost of sales	\$ 5,819,652	\$ 6,388,551	\$ (568,899)

Cost of sales decreased primarily due to decreased purchases associated with the prior period fibre optic installation for the fibre optic network for GwaiiTel Society in Haida Gwaii, British Columbia. The decrease was partially offset by current period increases in direct wages due to the intensive training and trialing of different deployment methods in the UK, as previously discussed.

	2017	2016	Variance
Gross profit	-5%	37%	-42%

Gross profit decreased primarily due to the ramp up of operational activities in the Lite Access UK segment in fiscal 2017. As described above, the current period results reflect a period of intensive training and trialing of different deployment methods in the UK. As a result, cost of sales exceeded revenue over this period. This is largely due to the Company intentionally overstaffing crews to allow for development of an experienced, trained workforce that can be rapidly scaled to meet anticipated future demand. Additional start-up costs, including vehicle and travel, amortization and rentals resulted in the decrease in gross profit for the nine months ended June 30, 2017.

Operating Expenses

	2017	2016	Variance
Office and supplies	\$ 304,262	\$ 106,646	\$ 197,616

Office and supplies increased primarily due to start-up costs associated with Lite Access UK, including the opening of a new office location in Wrexham, United Kingdom, and the purchase of new tools to equip the increased workforce in the UK, as well as the move to a new head office location in Langley, British Columbia, and the replacement of aged tools for the installation segment workforce in Canada.

	2017	2016	Variance
Share-based payments	\$ 1,179,274	\$ 544,038	\$ 635,236

Share-based payments increased primarily due to current period grants of 1,176,000 stock options with an average grant date fair value of \$2.07 per option, as well as share-based payments from prior period stock options. This increase was partially offset by prior period grants of 780,000 stock options with an average grant date fair value of \$0.96 per option. The stock option grants were made to directors, executive team members, and employees.

	2017	2016	Variance
Research and development	\$ 312,314	-	\$ 312,314

Research and development increased primarily due the trialing and refinement of drilling and narrow trenching deployment methods used on the Township of Langley and City of New Westminster projects.

	2017	2016	Variance
Wages and consulting	\$ 1,204,841	\$ 688,663	\$ 516,178

Wages and consulting increased primarily due the increased employee headcount associated with the expansion of operations into the UK, which commenced in August 2016, as well as additional sales staff in Canada.

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SUMMARY OF QUARTERLY RESULTS

The following selected quarterly financial information is derived from the consolidated financial statements of the Company and has been prepared in accordance with IFRS, with a Canadian dollar presentation currency.

Summary of Quarterly Financial Information

	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
	\$	\$	\$	\$
Revenue	1,912,934	1,807,563	1,798,254	2,458,514
Assets	26,873,024	28,543,573	9,662,461	10,417,189
Working Capital	18,974,507	21,314,520	3,685,727	4,326,013
Shareholders' Equity	24,833,477	26,476,890	8,151,045	8,420,625
Net Income (Loss)	(2,032,540)	(1,803,586)	(358,728)	196,298
Basic and Diluted Income (Loss) per Common Share	(0.05)	(0.05)	(0.01)	0.01

	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
	\$	\$	\$	\$
Revenue	2,437,537	6,895,478	813,546	399,788
Assets	6,233,519	8,715,945	4,769,969	4,202,675
Working Capital	1,385,924	749,155	(464,608)	(284,638)
Shareholders' Equity	4,751,818	4,025,142	2,671,796	2,778,961
Net Income (Loss)	614,386	953,096	(306,273)	(462,955)
Basic and Diluted Income (Loss) per Common Share	0.02	0.03	(0.01)	(0.02)

Overall, the Company has seen an increase in operational activity over the eight most recently completed quarters. Significant variations during the quarters ended June 30, 2017, March 31, 2017, December 31, 2016, September 30, 2016, and March 31, 2016 can be primarily attributed to the following events:

- For the nine months ended June 30, 2017, the Lite Access UK segment continued to ramp up operations and has incurred significant training and expansion expenses. Lite Access UK recorded revenues, cost of sales, operating expenses and net loss of \$2,189,682, \$3,218,195, \$920,511 and \$1,949,024, respectively (for the year ended September 30, 2016: nil, nil, \$59,160 and \$59,160, respectively). The Lite Access UK operations began generating revenues in the latter part of the first fiscal quarter of 2017.
- On March 28, 2017, the Company closed its bought-deal private placement financing by issuing a total of 9,090,000 common shares at a price of \$2.25 per share for gross proceeds of \$20,452,500 (the "Offering").
- On September 30, 2016, the Company closed its private placement financing by issuing a total of 3,071,400 common shares at a price of \$1.15 per share for gross proceeds of \$3,532,110 (the "Financing").
- On January 14, 2016, the Company commenced construction of the new fibre optic network, to be built on behalf of the GwaiiTel Society.

The quarterly financial information was prepared in accordance with International Financial Reporting Standards (IFRS), with a Canadian dollar presentation currency. Please refer to section 'Results of Operations and Capital Management' hereinabove for additional details.

LIQUIDITY AND CAPITAL MANAGEMENT

Liquidity Management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has implemented a budgeting process which is reviewed regularly to help determine the cash requirements to sustain operations. The Company's objective is to ensure that there are sufficient committed financial resources to meet its short-term business requirements for the foreseeable future. As at June 30, 2017, the Company had working capital of \$18,974,507 (September 30, 2016: \$4,326,013). To mitigate liquidity

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risk, the Company will look to maintain a positive working capital, generate positive cash flow from sales and services, raise capital through equity financing, and maintain an accessible line of credit.

Management of Capital

The Company considers its cash and cash equivalents and shareholders' equity as capital. There are no external restrictions on the Company's capital, and there have been no changes in this regard during the nine months ended June 30, 2017. The Company's principal source of funds for its operations is from sales and services, as well as the issuance of common shares and entering into debt facilities. The issuance of common shares requires the approval of the Board of Directors. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can continue to operate for the benefit of its stakeholders. The Company intends to generate funds adequate to meet its liquidity needs for the next twelve months.

The Company uses stock options primarily to retain and provide future incentives to key employees and members of the management team. The Board of Directors determine the granting of stock options.

The Company's overall capital management strategy remains unchanged from the prior year.

TRANSACTIONS WITH RELATED PARTIES

During the nine months ended June 30, 2017, the Company entered into related party transactions or held balances with the following individuals and corporations:

Michael Plotnikoff	Co-Founder, CEO and Director
Michael Priest	Co-Founder, Chief Commercial Officer and Director
LAT Networks Inc.	Company controlled by Michael Plotnikoff and Michael Priest
Scott MacEachern	CFO
LedgerLiberty Solutions Inc.	Company controlled by Scott MacEachern, CFO
David Toyoda	Director
Greg Smith	Director
Dylan Griffiths	Director
Shirley Griffiths	Spouse of Director

The following is a summary of the Company's related party transactions during the period that are not disclosed elsewhere in these unaudited condensed interim consolidated financial statements. All related party transactions are recorded at the exchange amounts.

Related Party Loans Receivable and Payable

As at June 30, 2017, the Company owes a total of \$8,889 to Dylan Griffiths (September 30, 2016: \$52,157 to Dylan Griffiths, and a company controlled by the CFO). This balance is offset by nil owed to the Company by Michael Priest (September 30, 2016: \$1,909). The loans do not bear interest, are not secured, and do not have specific terms of repayment.

As at June 30, 2017, the Company is owed \$11,941 from a company controlled by Michael Plotnikoff and Michael Priest (September 30, 2016: \$11,941). The receivable does not bear interest, is not secured, and does not have specific terms of repayment.

As at June 30, 2017, the Company owes nil in salaries and wages which is accrued within accounts payable and accrued liabilities to a Director (September 30, 2016: \$4,615).

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Key Management Compensation

	Nine months ended June 30,	
	2016	2015
	\$	\$
Lite Access Holdings Inc.		
Short-term employee benefits (in wages and consulting)	369,817	239,999
Share-based payments	873,356	346,131
Professional fees	-	12,000
DSG Communications Ltd.		
Short-term employee benefits (in wages and consulting)	114,982	133,369
Short-term employee benefits (in direct wages)	27,620	44,456
	1,385,775	775,955

SEGMENTED INFORMATION

The Company's principal business locations and operations are in British Columbia, Canada, and Wrexham, United Kingdom. The Company has two reporting segments: sale of product and fibre optic installations, based on the type of products sold and services provided. The Company reports activities not directly attributable to an operating segment under Corporate.

	Product	Fibre optic installation	Corporate	Total
	\$	\$	\$	\$
As at June 30, 2017				
Total assets	1,524,131	10,593,510	14,755,383	26,873,024
Total liabilities	127,527	1,912,020	-	2,039,547

	Product	Fibre optic installation	Corporate	Total
	\$	\$	\$	\$
As at September 30, 2016				
Total assets	1,589,768	4,938,243	3,889,178	10,417,189
Total liabilities	638,030	1,285,549	72,985	1,996,564

	Product	Fibre optic installation	Corporate	Total
	\$	\$	\$	\$
For the nine months ended June 30, 2017				
Revenue	1,167,135	4,351,616	-	5,518,751
Net income (loss)	511,391	(1,124,606)	(3,581,640)	(4,194,855)

	Product	Fibre optic installation	Corporate	Total
	\$	\$	\$	\$
For the nine months ended June 30, 2016				
Revenue	647,032	7,061,992	-	7,709,024
Net income (loss)	508,961	1,460,015	(1,321,800)	647,176

During the nine months ended June 30, 2017, two customers (2016: one) accounted for approximately 50% (2016: 79%) of revenues. The revenues from these customers was approximately 28% sale of product and 72% fibre optic installations (2016: 100% fibre optic installations).

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The Company's revenues are allocated to geographic segments as follows:

	Nine months ended June 30,	
	2017	2016
	\$	\$
Canada	2,350,038	9,493,681
United States	669,302	323,730
Other	309,729	329,150
United Kingdom	2,189,682	-
	5,518,751	10,146,561

The Company's property, plant and equipment is allocated to geographic segments as follows:

	June 30,	September 30,
	2017	2016
	\$	\$
Canada	1,717,992	1,293,840
United Kingdom	2,091,787	469,916
	3,809,779	1,763,756

ESCROW SHARES

On May 26, 2015, Lite Access Holdings completed a transaction structured as a three-cornered amalgamation ("Amalgamation") with 1017341 BC Ltd. ("1017341"). This transaction has been accounted for as a reverse acquisition, with Lite Access being the acquirer and 1017341 being the acquiree for accounting and reporting purposes. The fair value of the 4,846,600 common shares issued to acquire 1017341's net assets was determined to be \$702,757. The fair value was allocated to the assets acquired with \$23,250 being allocated to cash, \$1 to amounts receivable and the remainder of \$679,506 being allocated to the listing expense.

As part of the Amalgamation, a total of 7,012,253 of the common shares issued were subject to the escrow requirements set forth in National Policy 46-201 whereby 10% of the escrowed shares will be released on the initial listing date and 15% of the escrowed shares will be released each six-month period thereafter. Upon the transition from the CSE to the TSX-V on December 13, 2016, all the common shares held under escrow were released (September 30, 2016: 4,207,353 of these common shares remained in escrow).

PROPOSED TRANSACTIONS

The Company has no proposed transactions.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the unaudited condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of any contingent assets and liabilities as at the date of the unaudited condensed interim consolidated financial statements, as well as the reported amounts of revenues earned and expenses incurred during the periods. Actual results could differ from those estimates.

Significant accounts that require estimates as the basis for determining the stated amounts include inventory valuation, amounts receivable and holdback receivable, impairment of goodwill, revenues recognized based on percentage of completion, property, plant and equipment impairment and amortization.

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Information on critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the unaudited consolidated financial statements within the financial year includes the determination of Lite Access UK's functional currency, as U.K. pound sterling.

There have been no changes to the critical accounting estimates and judgements discussed in the Company's September 30, 2016 audited consolidated financial statements and MD&A.

SIGNIFICANT ACCOUNTING POLICIES

The Company follows the accounting policies described in Note 3 of the Company's September 30, 2016 audited consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS

A summary of the new standards is provided in Note 4 of the Company's September 30, 2016 audited consolidated financial statements. The Company is currently evaluating the impact that these new standards will have on its consolidated financial statements. The Company intends to adopt these standards when they become effective.

FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

International Financial Reporting Standard 7, Financial Instruments Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Presented below is a fair value hierarchy that distinguishes the significance of the inputs used in determining the fair value measurements of various financial instruments.

	June 30, 2017			
	Carrying value	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Cash and cash equivalents	17,242,798	17,242,798	-	-

	September 30, 2016			
	Carrying value	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Cash and cash equivalents	2,115,078	2,115,078	-	-

The Company's financial instruments include: cash and cash equivalents, amounts receivable, holdbacks receivable, accounts payable and accrued liabilities, due to related parties, and long-term debt. The carrying value of the financial instruments approximates their fair values.

The Company's financial instruments are exposed to certain financial risks, including credit, liquidity, and market risk.

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Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, as well as credit exposure on outstanding receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The Company seeks to limit its exposure to this risk by holding its cash and cash equivalents in large Canadian financial institutions. In addition, credit risk on receivables is considered low, as the majority of current receivables are due from large customers that have no history of collection issues. Included in amounts receivable are balances of \$464,234, \$460,375 and \$215,799 due from three separate customers. Management believes the risk of loss is remote given a positive, consistent collection history with its customers.

Market Risk

Market risk is the risk that changes in matrices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

(a) Currency risk

The Company purchases inventory primarily in US dollars and thus foreign exchange risk exposure arises from these transactions. The foreign exchange risk is for the net amount denominated in US dollars, since the Canadian dollars is the Company's functional currency.

For the nine months ended June 30, 2017, for every 10% fluctuation in the exchange rate between the US dollar and the Canadian dollar, the Company's income (loss) would be approximately \$67,000 higher or lower.

The Company had the following financial instruments in US dollars:

	June 30, 2017	September 30, 2016
	\$	\$
Cash and cash equivalents	440,985	143,989
Amounts receivable	120,714	827,318
Accounts payable and accrued liabilities	(44,874)	(388,511)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has a line of credit with a high credit quality financial institution. Interest rate risk does not have a significant impact on the Company because its loans are at fixed interest rates.

OTHER

Outstanding Share Data

The Company is authorized to issue unlimited common shares without par value and unlimited preferred shares without par value. As at June 30, 2017, the Company had 43,374,832 common shares (September 30, 2016: 33,786,663) issued and outstanding. The holders of common shares are entitled to one vote per share at meetings of the Company.

On March 28, 2017, the Company closed a "bought-deal" financing of 9,090,000 common shares ("Common Shares"), which includes 2,223,000 Common Shares issued pursuant to the exercise of the underwriters' option in full and an oversubscription of 200,000 Common Shares, at \$2.25 per share (the "Issue Price") for gross proceeds of \$20,452,500 (the "Offering").

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The Offering was underwritten by a syndicate of underwriters led by Cormark Securities Inc. and including Beacon Securities Limited, Canaccord Genuity Corp. and Haywood Securities Inc. (collectively, the "Underwriters"). In consideration of their services, the Underwriters received a cash commission equal to \$1,227,150 or 6.0% of the gross proceeds of the Offering, and such number of broker warrants ("Broker Warrants") equal to 6.0% of the aggregate number of Common Shares issued pursuant to the Offering. The securities issued under the Offering will be subject to resale restrictions expiring on July 29, 2017.

During the nine months ended June 30, 2017, 221,460 warrants were exercised for proceeds of \$55,365 (2016: 569,207 warrants were exercised for proceeds of \$167,260).

During the nine months ended June 30, 2017, 276,709 stock options were exercised for proceeds of \$264,150 (2016: nil).

The following is a summary of changes in options from October 1, 2016 to June 30, 2017:

Grant date	Expiry date	Exercise price (\$)	Opening balance	Granted	Exercised	Cancelled	Closing balance	Vested and exercisable	Unvested
2015-06-01	2020-06-01	0.25	1,425,000	-	(100,000)	-	1,325,000	1,325,000	-
2015-06-23	2017-06-23	1.28	100,000	-	(100,000)	-	-	-	-
2015-08-17	2020-08-17	1.25	70,000	-	(20,000)	-	50,000	50,000	-
2016-02-05	2019-02-05	1.17	80,000	-	(11,709)	-	68,291	28,291	40,000
2016-02-05	2021-02-05	1.17	400,000	-	-	-	400,000	400,000	-
2016-03-29	2021-03-29	1.42	200,000	-	-	-	200,000	160,000	40,000
2016-06-29	2021-06-29	1.61	100,000	-	(45,000)	-	55,000	20,000	35,000
2016-08-17	2021-08-17	1.17	50,000	-	-	-	50,000	37,500	12,500
2017-02-24	2020-02-24	2.00	-	80,000	-	-	80,000	-	80,000
2017-03-31	2020-03-31	3.72	-	201,000	-	-	201,000	-	201,000
2017-03-31	2021-03-31	3.72	-	125,000	-	-	125,000	-	125,000
2017-03-31	2022-03-31	3.72	-	320,000	-	-	320,000	320,000	-
2017-06-17	2022-06-17	2.50	-	450,000	-	-	450,000	-	450,000
			2,425,000	1,176,000	(276,709)	-	3,324,291	2,340,791	983,500
Weighted average exercise price			\$0.67	\$3.14	\$0.95	\$0.00	\$1.52	\$1.02	\$2.72

The following is a summary of changes in options from October 1, 2015 to June 30, 2016:

Grant date	Expiry date	Exercise price (\$)	Opening balance	Granted	Exercised	Cancelled	Closing balance	Vested and exercisable	Unvested
2015-06-01	2020-06-01	0.25	1,425,000	-	-	-	1,425,000	1,425,000	-
2015-06-23	2017-06-23	1.28	100,000	-	-	-	100,000	100,000	-
2015-08-17	2020-08-17	1.25	70,000	-	-	-	70,000	52,500	17,500
2016-02-05	2019-02-05	1.17	-	80,000	-	-	80,000	-	80,000
2016-02-05	2021-02-05	1.17	-	400,000	-	-	400,000	400,000	-
2016-03-29	2021-03-29	1.42	-	200,000	-	-	200,000	40,000	160,000
2016-06-29	2016-06-29	1.61	-	100,000	-	-	100,000	5,000	95,000
			1,595,000	780,000	-	-	2,375,000	2,022,500	352,500
Weighted average exercise price			\$0.36	\$1.29	\$0.00	\$0.00	\$0.66	\$0.54	\$1.41

The following is a summary of warrant activities from October 1, 2016 to June 30, 2017:

Grant date	Expiry date	Exercise price (\$)	Opening balance	Granted	Exercised	Expired	Closing balance
2015-05-26	2017-05-26	0.25	221,460	-	(221,460)	-	-
2017-03-28	2019-03-28	2.25	-	545,400	-	-	545,400
			221,460	545,400	(221,460)	-	545,400
Weighted average exercise price			\$0.25	\$2.25	\$0.25	-	\$2.25

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The following is a summary of warrant activities from October 1, 2015 to June 30, 2016:

Grant date	Expiry date	Exercise price (\$)	Opening balance	Granted	Exercised	Expired	Closing balance
2014-12-10	2015-12-10	0.30	55,000	-	(55,000)	-	-
2015-01-05	2016-01-05	0.30	166,667	-	(166,667)	-	-
2015-01-27	2016-01-27	0.30	277,500	-	(277,500)	-	-
2015-05-26	2017-05-26	0.25	300,800	-	(70,040)	-	230,760
			799,967	-	(569,207)	-	230,760
Weighted average exercise price			\$0.28	\$0.00	\$0.29	\$0.00	\$0.25

One warrant entitles the holder thereof to purchase one additional share of the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Other Risk Factors

The following risk factors, as well as risks not currently known to Lite Access, could materially adversely affect Lite Access's future business activities and financial condition, and could cause them to differ materially from the estimates described in forward-looking statements relating to Lite Access. Before making an investment decision consideration should be made of the principal risks and uncertainties described below:

High degree of product concentration

Substantially all the Company's currently anticipated revenues will be derived from a limited number of products and services. Consequently, the Company's performance will depend on establishing market acceptance of these products and services, as well as enhancing the performance of such products and services to meet the evolving needs of customers. The Company, like other entities involved in a rapidly evolving new industry, faces the risk that the Company's products and services may not prove to be commercially successful or may be rendered obsolete by further scientific and technological developments. There can be no assurances that the Company will establish and maintain a position at the forefront of emerging technological trends. Any reduction in anticipated future demand or anticipated future sales of these products or any increase in competition could have a material adverse effect on the Company's business prospects, operating results, or financial condition.

Competition

The Company has experienced, and expects to continue to experience, competition from a number of companies. The Company's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the Company's business, results of operations and financial condition.

Many of the competitors and potential competitors of the Company have significantly greater financial, technical, marketing and/or service resources than does the Company. Many of these companies also have a larger installed base of users, longer operating histories or greater name recognition than the Company. Customers of the Company are particularly concerned that their suppliers will continue to operate and provide upgrades and maintenance over a long-term period. Prospective customers may negatively perceive the Company's smaller size and short operating history. Even if competitors of the Company provide products with more limited system functionality than those of the Company, these products may incorporate other capabilities of interest to some customers and may be appealing due to a reduction in the number of different types of systems used to operate such customers' businesses. Further, competitors may be able to respond more quickly than the Company to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products.

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Market uncertainty

The Company's success depends to a significant degree on its ability to develop the market and gain acceptance for its products and services. There is no assurance that a significant market will develop for the Company's principal products and services. There can be no assurances that the additional commercial applications and markets for the Company's products and services will develop as currently contemplated. To manage such development, the Company must continue to expand its existing resources and management information systems and must attract, train, and motivate qualified marketing, management, technical and administrative personnel. There can be no assurance that the Company will be able to achieve these goals.

Labour and key personnel

The Company depends on the services of its key management personnel. The loss of one of these people could have a significant unfavorable impact on the Company, its operating results, and its financial position. The success of the Company is largely dependent upon its ability to identify, hire, train, motivate and retain highly skilled management employees, engineers, technical employees, and sales and marketing personnel. Competition for its employees can be intense, and the Company cannot ensure that it will be able to bring in and retain highly skilled technical and management personnel in the future. Its ability to bring in and retain management and technical personnel and the necessary sales and marketing employees could have an unfavorable impact on its growth and future profitability. The Company may be obligated to increase the compensation paid to current or new employees, which could substantially increase operating expenses.

Growth management and market development

There is no guarantee that the Company can develop its market significantly, thus affecting its profitability. The Company's expected growth might create significant pressure on management, operations, and technical resources. To manage its growth, Lite Access may need to increase the size of its technical and operational staff and manage its personnel while maintaining many effective relationships with third parties.

Pricing policies

The competitive market in which Lite Access operates could force it to reduce its prices. If its competitors offer large discounts on certain products and services to gain market share or sell products and services, the Company may need to lower its prices and offer other favorable terms in order to compete successfully. Such changes could reduce profit margins and have an unfavorable impact on its operating results. Some of Lite Access's competitors could offer products and services that compete with theirs as part of a long-term pricing strategy or offer price guarantees or product implementation. With time, these practices could limit the prices Lite Access may charge for its products and services. If Lite Access cannot offset these price reductions with a corresponding increase in sales volume or decreased expense, the decreased revenues from products and services could unfavorably affect its profit margins and its operating results.

Product failures and mistakes

Lite Access products may contain failures and mistakes that could be detected at any time in a product's life cycle. Failures and mistakes in its products could have a significant unfavorable impact on its reputation, open it up to significant costs, delay product launch dates, and harm its ability to sell its products in the future. The costs of correcting a failure or mistake in one of these products could be significant and could negatively affect its operating margins. Although Lite Access expects to continue to test products to detect failures and mistakes and to work with its customers through its support and maintenance services in order to find and correct failures and mistakes, they could appear in its products in the future.

Technological obsolescence

Competitors and new companies could launch new products. To remain on the cutting edge of technology, Lite Access may need to launch a new generation of products and services. Whether it is competition from development companies or a merger or acquisition of

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existing companies, competition within certain fibre optic industry sectors offering solutions similar to what Lite Access offers could increase. Technological progress and product development could make Lite Access products obsolete or reduce their value.

Lite Access may acquire businesses and assets which are not successfully integrated

Lite Access undertakes evaluations of opportunities to acquire additional properties and businesses. Any acquisitions may change the scale of Lite Access's business and may expose Lite Access to new geographic, political, operating, and financial risks. Lite Access's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, acquire them on acceptable terms, and integrate their operations successfully. Any acquisitions would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of Lite Access's ongoing business; the inability of management to realize anticipated synergies and maximize the financial and strategic position of Lite Access; the failure to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees and contractors as a result of any integration of new management personnel, and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that any assets or business acquired will prove to be beneficial or that Lite Access will be able to integrate the required businesses successfully, which could slow Lite Access's rate of expansion and Lite Access's business and financial condition could suffer.

Lite Access may need additional capital to finance acquisitions (whether completed or not) which may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company. If Lite Access obtains debt financing, it will be exposed to the risk of leverage and its operations could become subject to restrictive loan and lease covenants and undertakings. If Lite Access obtains equity financing, existing shareholders may suffer dilution. There can be no assurance that Lite Access would be successful in overcoming these risks or any other problems encountered in connection with such financings.

Lite Access may be subject to litigation

Lite Access may be involved in disputes with other parties in the future, which may result in litigation. If Lite Access is unable to resolve these disputes favourably, it may have a material adverse impact on Lite Access's financial condition.

Lite Access does not have a dividend history

No dividends have been paid by Lite Access to date. Lite Access anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of Lite Access's Board of Directors' after considering many factors, including Lite Access's financial condition and current and anticipated cash needs.

Securities investment risks

Potential investors and shareholders should be aware that there are risks associated with any securities investment. The prices at which the Lite Access shares trade may be above or below the issue price, and may fluctuate in response to a number of factors.

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Closing Details

Other information about the Company is available at www.sedar.com or on the Company's website www.liteaccess.com.

"Michael Plotnikoff"

Michael Plotnikoff, CEO

Vancouver, Canada
August 29, 2017