



MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2018

**LITE ACCESS TECHNOLOGIES INC.**  
**Management's Discussion and Analysis**  
**For the Three and Nine Months Ended June 30, 2018**  
**Expressed in Canadian Dollars**

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## **INTRODUCTION**

This management's discussion and analysis ("MD&A") for Lite Access Technologies Inc. (the "Company" or "Lite Access" or "LTE"), dated August 29, 2018, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine months ended June 30, 2018 and the audited consolidated financial statements for the year ended September 30, 2017, 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 nine months ended June 30, 2018 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, DEFINITIONS 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, 2018, and plans for the future based on facts and circumstances as of August 29, 2018. 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.

Non-IFRS Measure: Adjusted EBITDA is a measure not recognized under IFRS. However, management of Lite Access believes that most shareholders, creditors, other stakeholders and investment analysts prefer to have these measures included as reported measures of operating performance, a proxy for cash flow, and to facilitate valuation analysis. Adjusted EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, share-based compensation, restructuring costs, impairment charges and other non-recurring gains or losses. Management believes Adjusted EBITDA is a useful measure that facilitates period-to-period operating comparisons.

Adjusted EBITDA does not have any standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Readers are cautioned that Adjusted EBITDA is not an alternative to measures determined in accordance

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with IFRS and should not, on its own, be construed as indicators of performance, cash flow or profitability. References to the Lite Access' Adjusted EBITDA should be read in conjunction with the financial statements and management's discussion and analysis of Lite Access posted on SEDAR ([www.sedar.com](http://www.sedar.com)).

## **COMPANY OVERVIEW**

Lite Access is a world leader in the use of innovative and proven micro/narrow trenching technologies, alternate methods of deployment and specialist products which transform the cost of fibre optic network deployment for telecommunications operators. Lite Access has successfully deployed or enabled deployment of thousands of kilometres of broadband networks throughout North America and the United Kingdom as well as South America, Africa, Australia and Asia.

As part of its suite of services Lite Access provides clients with integrated solutions or select components for the design and implementation of fibre optic networks. Lite Access' products have been deployed in many high-profile communication networks including Olympic facilities, military and government, numerous communities as well as global telecommunications companies that have adopted Lite Access as the "solution of choice" for the least invasive, most cost effective and future-proof fibre optic connectivity available.

Lite Access' installation technology and proprietary products extend a network provider's ability to deliver true broadband connectivity directly to end-users, such as homes, government and educational institutions, and emergency response facilities. Lite Access remains flexible and innovative in its commitment to provide global clients and partners with the most cost effective and proven fibre connectivity solutions available.

Lite Access is a public company listed as a Tier 1 Industrial Issuer on the TSX Venture Exchange ("TSX-V") under the stock symbol "LTE".

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.

## **FINANCIAL PERFORMANCE**

For the nine months ended June 30, 2018, the Company had comprehensive loss of \$7,555,373 (June 30, 2017: \$4,194,855), with an adjusted EBITDA of \$(5,903,956) (June 30, 2017: \$(2,758,057)). The comprehensive net loss comprised of revenues of \$5,232,478 (June 30, 2017: \$5,518,751), costs of sales of \$7,910,608 (June 30, 2017: \$5,819,652), operating expenses of \$5,107,224 (June 30, 2017: \$3,970,587) and other income of \$75,346 (June 30, 2017: \$91,893). Adjusted EBITDA excludes share-based payments, impairment charges, interest and amortization.

The Company is focusing on the lucrative UK market, and will be looking to replicate this success by securing similar opportunities in the Canadian market throughout 2019. Adjusted EBITDA results are in line with expectations and consistent with the investment phase in capital and operating expenditures required to build the foundations necessary to deliver the Company's strategy. The strategic deployment of cash to date has allowed the Company to retain sufficient cash reserves to fund the initial working capital requirements of the transition to the growth phase of the business. The results of this dual strategy for domestic and international markets will mean that the Company's revenues and margins are increasingly being driven by major project opportunities in international markets, particularly the UK.

In order to implement this strategy, the Company has invested approximately £6.1 million (approximately \$10.6 million CAD), as at June 30, 2018, to establish operations and complete the foundation phase of expansion in the UK. Stemming from this investment, the Company expects to deliver significant growth starting late fiscal 2018 and beyond.

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The Company has recently announced that it is strengthening the management team, which has included the additions of Carlo Shimon as Chief Executive Officer and Arun Gupta as Chief Financial Officer, as it leaves the investment phase and enters the growth phase of the business.

Mr. Shimon has led multi-location and multi-national operations in 4 countries including Canada, USA, Mexico and the UK, serving a global market. His experience over 25 years has been as CEO in both private and public corporations. His corporate experience has also involved a successful exit to a NASDAQ-listed billion-dollar US-based defense contractor, where he continued to serve as CEO of two subsidiaries. The industries he has been involved with include fibre-optics, defense, digital video, power conversion, security and biomed.

Mr. Gupta has over 15 years of experience in finance, and recently ran the Accounting & Administration department for Glentel Inc., one of Canada's largest multi-carrier mobile retailers. Mr. Gupta has been involved in several large transactions and is experienced in a multi-location and international environment. He is a Chartered Professional Accountant (CPA, CA), and graduated from the University of Victoria with a Bachelor of Commerce degree, majoring in Entrepreneurship. As CFO at Lite Access, Mr. Gupta will be responsible for ensuring the finance department can enable the Company to continue to drive growth, capitalizing on the growing demand for the Company's construction services. He brings intimate knowledge of the telecommunications sector and his considerable experience in entities with international operations has provided him with the skills necessary to effectively manage multijurisdictional and cross-cultural finance teams, to implement effective and efficient corporate and tax structures and to ensure effective communication with senior management and the Board of Directors.

**Lite Access UK**

Lite Access UK recorded revenues, cost of sales, operating expenses and net loss as follows:

|                    | <b>Nine months ended<br/>June 30, 2018</b> | Nine months ended<br>June 30, 2017 |
|--------------------|--|------------------------------------|
|                    | <b>\$</b>                                  | <b>\$</b>                          |
| Revenue            | <b>3,380,816</b>                           | 2,189,682                          |
| Cost of sales      | <b>5,448,016</b>                           | 3,218,195                          |
| Operating expenses | <b>1,836,355</b>                           | 920,511                            |
| Net loss           | <b>3,903,555</b>                           | 1,949,024                          |

During the quarter ending June 30, 2018, the Company transitioned its resources to West Oxfordshire, UK in order to begin work on a major project award by Gigaclear plc ("Gigaclear"). The Gigaclear project is rural fibre optic deployment contract to bring ultrafast, full fibre broadband to up to 10,000 homes in West Oxfordshire, United Kingdom. The total expected value of this award is upwards of £16 million (approximately \$27.5 million CAD) with completion of the works anticipated by the end of 2019. Lite Access has ramped up operations in Oxfordshire and based on the positive review of works completed to-date and ongoing discussions, the Company firmly believes it is becoming an integral part of Gigaclear's future fibre expansion plans throughout the UK.

Concurrent with the transition to West Oxfordshire, the Company wound-up operations on the Actavo Group Ltd. ("Actavo") project in Wrexham, UK. Due to issues beyond the Company's control, work in the Wrexham area needed to be suspended. This transition resulted in limited revenues for the quarter and increased costs as the Company expanded its operations to accommodate the requirements for the Gigaclear project.

Business development activities with other network operators remain at an advanced stage with the intention being to diversify and de-risk the business.

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**DISCUSSION OF OPERATIONS**

**Consolidated Statements of Financial Position as at June 30, 2018 and September 30, 2017**

Significant variances include:

**Assets**

|                           | June 30, 2018 | September 30, 2017 | Variance       |
|---------------------------|---------------|--------------------|----------------|
| Cash and cash equivalents | \$ 8,429,750  | \$ 14,338,088      | \$ (5,908,338) |

Cash and cash equivalents decreased primarily due to investment in property, plant & equipment and cash outflows from operating activities in the UK, consistent with the ramp up for Gigaclear. The Company anticipates that the cash outflows will decrease in the upcoming quarters as the Company focuses on performance on contracts obtained during the latest investment phase.

|                  | June 30, 2018 | September 30, 2017 | Variance     |
|------------------|---------------|--------------------|--------------|
| Unbilled revenue | \$ 743,135    | \$ 1,691,316       | \$ (948,181) |

Unbilled revenue decreased due to formal billings and subsequent collection of payments made as a result of the completion of past fibre optic installations in the UK.

|                               | June 30, 2018 | September 30, 2017 | Variance     |
|-------------------------------|---------------|--------------------|--------------|
| Property, plant and equipment | \$ 5,437,939  | \$ 4,347,613       | \$ 1,090,326 |

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, in particular the expansion of operations in the UK.

**Nine Months Ended June 30, 2018**

For the nine months ended June 30, 2018, the Company had comprehensive loss of \$7,555,373 (June 30, 2017: comprehensive loss of \$4,194,855).

Significant variances include:

**Gross Profit**

|         | June 30, 2018 | June 30, 2017 | Variance     |
|---------|---------------|---------------|--------------|
| Revenue | \$ 5,232,478  | \$ 5,518,751  | \$ (286,273) |

Revenue decreased primarily due to the UK operations being in the investment phase of the Gigaclear project. The Company anticipates that revenue in the UK will grow as a result of Gigaclear and other business development opportunities.

|               | June 30, 2018 | June 30, 2017 | Variance     |
|---------------|---------------|---------------|--------------|
| Cost of sales | \$ 7,910,608  | \$ 5,819,652  | \$ 2,090,956 |

Cost of sales comprises of purchases, direct wages, vehicle and travel, amortization, freight and rental expenses. The increase in costs of sales was primarily due to increased direct wages in order to hire and train additional crews to satisfy anticipated business growth in the UK, consistent with the ramp up for Gigaclear.

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|              | June 30, 2018 | June 30, 2017 | Variance |
|--------------|---------------|---------------|----------|
| Gross profit | -51%          | -5%           | -46%     |

Gross profit decreased primarily due to the expansion in the UK operations, mainly in the ramp up of crews for the Gigaclear project. The Company does not anticipate its gross profit to be at a similar deficiency in the upcoming quarters.

**Operating Expenses**

|              | June 30, 2018 | June 30, 2017 | Variance   |
|--------------|---------------|---------------|------------|
| Amortization | \$ 228,320    | \$ 41,738     | \$ 186,582 |

Amortization increased relative to the prior period in conjunction with the Company's investment in property, plant, and equipment.

|                         | June 30, 2018 | June 30, 2017 | Variance    |
|-------------------------|---------------|---------------|-------------|
| Listing and filing fees | \$ 13,829     | \$ 87,295     | \$ (73,466) |

The Company transitioned to the TSX Venture during the three months ended December 31, 2016, which resulted in significant listing and filing fees during that period.

|                     | June 30, 2018 | June 30, 2017 | Variance   |
|---------------------|---------------|---------------|------------|
| Office and supplies | \$ 592,728    | \$ 304,262    | \$ 288,466 |

Office expenses increased commensurate with the additional activity within the UK, consistent with the ramp up for Gigaclear.

|        | June 30, 2018 | June 30, 2017 | Variance   |
|--------|---------------|---------------|------------|
| Rental | \$ 427,617    | \$ 176,495    | \$ 251,122 |

Rental increased mainly due to the expansion of the UK operations into the Oxfordshire area and the need for additional offices. Rental includes non-recurring costs that occurred within the period as it transitioned to Oxfordshire.

|                        | June 30, 2018 | June 30, 2017 | Variance   |
|------------------------|---------------|---------------|------------|
| Travel and Trade Shows | \$ 518,709    | \$ 235,868    | \$ 282,841 |

Travel increased commensurate with the additional activity within the UK, consistent with the ramp up for Gigaclear.

|                      | June 30, 2018 | June 30, 2017 | Variance   |
|----------------------|---------------|---------------|------------|
| Wages and consulting | \$ 1,652,937  | \$ 1,204,841  | \$ 448,096 |

Wages and consulting increased primarily due the increased employee headcount associated with the expansion of operations into the UK, consistent with the ramp up for Gigaclear.

|                               | June 30, 2018 | June 30, 2017 | Variance   |
|-------------------------------|---------------|---------------|------------|
| Amounts receivable impairment | \$ 215,799    | \$ -          | \$ 215,799 |

Despite ongoing positive communication with the customer, the Company has impaired a balance of \$215,799 owing from them. This is due to multiple payment timing commitments that have not been met, indicating a potential lack of liquidity. The Company continues to remain in contact with the customer and is actively pursuing collection.

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**Consolidated Statements of Operations and Comprehensive Income (Loss) for the Three Months Ended June 30, 2018**

For the three months ended June 30, 2018, the Company had comprehensive loss of \$4,607,835 (June 30, 2017: comprehensive loss of \$2,032,540).

Significant variances include:

**Gross Profit**

|         | June 30, 2018 | June 30, 2017 | Variance     |
|---------|---------------|---------------|--------------|
| Revenue | \$ 1,088,633  | \$ 1,912,934  | \$ (824,301) |

Revenue decreased for the three months ended June 30, 2018 as the Company was transitioning itself from the Actavo Project to the Gigaclear project in Oxfordshire, UK, as discussed in the 'Lite Access UK' subheading of the "Financial Performance" section hereinabove.

|               | June 30, 2018 | June 30, 2017 | Variance   |
|---------------|---------------|---------------|------------|
| Cost of sales | \$ 3,172,281  | \$ 2,511,852  | \$ 660,429 |

Cost of sales increased primarily due to increased direct wages in order to hire and train additional crews to satisfy anticipated business growth in the UK, consistent with the ramp up for Gigaclear.

|              | June 30, 2018 | June 30, 2017 | Variance |
|--------------|---------------|---------------|----------|
| Gross profit | -191%         | -31%          | -38%     |

Gross profit decreased primarily due to the expansion in the UK operations and the Company's transition from the Actavo Project to the Gigaclear Project as discussed in the 'Lite Access UK' subheading of the "Financial Performance" section hereinabove.

**Operating Expenses**

|              | June 30, 2018 | June 30, 2017 | Variance  |
|--------------|---------------|---------------|-----------|
| Amortization | \$ 90,783     | \$ 10,668     | \$ 80,115 |

Amortization increased relative to the prior period in conjunction with the Company's investment in property, plant, and equipment.

|                     | June 30, 2018 | June 30, 2017 | Variance   |
|---------------------|---------------|---------------|------------|
| Office and supplies | \$ 255,160    | \$ 132,087    | \$ 123,073 |

Office expenses increased commensurate with the additional activity within the UK, consistent with the ramp up for Gigaclear.

|                        | June 30, 2018 | June 30, 2017 | Variance   |
|------------------------|---------------|---------------|------------|
| Travel and Trade Shows | \$ 302,314    | \$ 82,560     | \$ 219,754 |

Travel increased commensurate with the additional activity within the UK, consistent with the ramp up for Gigaclear.

|                      | June 30, 2018 | June 30, 2017 | Variance   |
|----------------------|---------------|---------------|------------|
| Wages and consulting | \$ 604,218    | \$ 438,852    | \$ 165,366 |

Wages and consulting increased primarily due the increased employee headcount associated with the expansion of operations into the UK, consistent with the ramp up for Gigaclear.

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**SELECTED ANNUAL INFORMATION**

|   | Year Ended<br>September 30, 2017<br>(audited)<br>\$ | Year Ended<br>September 30, 2016<br>(audited)<br>\$ | Year Ended<br>September 30, 2015<br>(audited)<br>\$ |
|---|---|---|---|
| Revenue   | 8,334,658   | 12,605,075  | 1,065,582   |
| Cost of Sales                                       | 8,770,679   | 8,261,965   | 906,646   |
| Gross Profit  | (436,021)   | 4,343,110   | 158,936   |
| Assets  | 23,724,509  | 10,417,189  | 4,202,675   |
| Long-Term Liabilities                               | 852,264   | 344,554   | 112,387   |
| Comprehensive Income (Loss)                         | (8,115,837)   | 1,457,507   | (1,626,970)   |
| Basic and Diluted Income (Loss) per<br>Common Share | (0.21)  | 0.05  | (0.08)  |

The audited consolidated financial statements for the years ended September 30, 2017, 2016 and 2015 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<br>incorporation | Functional currency | 2017 | 2016 | 2015 |
|---------------------------------------|------------------------------|---------------------|------|------|------|
| Lite Access Holdings Inc.             | Canada                       | Canadian Dollar     | 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% | -    |
| 10483737 Limited                      | United Kingdom               | U.K. Pound Sterling | 100% | -    | -    |
| Lite Access Technologies (USA) Inc.   | United States                | U.S. Dollar         | 100% | -    | -    |

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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, 2018 | March 31, 2018 | December 31, 2017 | September 30, 2017 |
|--|---------------|----------------|-------------------|--------------------|
|  | \$            |                |                   |                    |
| Revenue  | 1,088,633     | 1,525,039      | 2,618,806         | 2,815,907          |
| Assets   | 17,693,079    | 21,553,505     | 22,830,951        | 23,724,509         |
| Working Capital                                  | 9,583,945     | 13,955,814     | 16,254,668        | 17,407,167         |
| Shareholders' Equity                             | 14,749,475    | 19,049,729     | 20,595,388        | 21,195,306         |
| Net Income (Loss)                                | (4,163,847)   | (2,309,887)    | (954,611)         | (4,045,335)        |
| Basic and Diluted Income (Loss) per Common Share | (0.11)        | (0.05)         | (0.02)            | (0.09)             |

|  | 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               |

Overall, the Company has seen a fluctuation in operational activity over the eight most recently completed quarters. Significant variations during the quarters ended June 30, 2018, March 31, 2018, December 31, 2017, and September 30, 2017 can be primarily attributed to the following events:

- For the three months ended June 30, 2018, the Lite Access UK segment focused its resources to transition itself to work on the Gigaclear project in Oxfordshire, UK.
- 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").

Please refer to section 'Discussion of Operations' 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, 2018, the Company had working capital of \$9,583,945 (September 30, 2017: \$17,407,167). As a result, the Company has sufficient working capital to fund current operating expenses.

During the nine months ended June 30, 2018, the Company's cash decreased from \$14,338,088, as at September 30, 2017, to \$8,429,750, as at June 30, 2018. Approximately \$1,719,049 of the cash outflow in this period was used to purchase property and equipment for the Company's growth initiatives in the UK. The Company anticipates that the cash outflows will decrease in the upcoming quarters as the Company focuses on performance on contracts obtained during the latest investment phase.

To mitigate liquidity 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.

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Due to the Company's current cash reserves, the Company believes that its liquidity risk is low. The Company currently monitors its exposure to liquidity risk by analyzing liability amounts due within the current year and those due in more than one year:

|                           |             |
|---------------------------|-------------|
| Due within one year       | \$2,378,000 |
| Due in more than one year | \$ 563,000  |

**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, 2018 and 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, 2018, the Company entered into related party transactions or held balances with the following individuals and corporations:

|  |  |
|--|--|
| Carlo Shimon                             | CEO and Director   |
| Jacob Gabriel Design and Consulting Inc. | Company controlled by Carlo Shimon, CEO and Director     |
| Arun Gupta                               | CFO  |
| Michael Plotnikoff                       | Co-Founder, former CEO and Director                      |
| Michael Priest                           | Co-Founder, former Chief Commercial Officer and Director |
| Scott MacEachern                         | Former CFO   |
| LedgerLiberty Solutions Inc.             | Company controlled by Scott MacEachern, former CFO       |
| David Toyoda                             | Director   |
| Greg Smith                               | Director   |
| Kevin Smith                              | Director   |
| Steven King                              | Director   |
| SACA Future Limited                      | Company controlled by Steven King, Director              |
| Dylan Griffiths                          | Director   |
| Peter Caplan                             | Director   |

As at June 30, 2018, the Company did not have any related party transactions that are not disclosed elsewhere in the unaudited condensed interim consolidated financial statements. All related party transactions are recorded at the exchange amounts.

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**Key Management Compensation**

|  | <b>Nine months ended June 30,</b> |                  |
|--|-----------------------------------|------------------|
|  | <b>2018</b>                       | <b>2017</b>      |
|  | <b>\$</b>                         |                  |
| <b>Lite Access Holdings Inc.</b>   |                                   |                  |
| Short-term employee benefits and director fees (in wages and consulting) | 794,755                           | 216,283          |
| Share-based payments   | 729,682                           | 851,426          |
| <b>DSG Communications Ltd.</b>   |                                   |                  |
| Short-term employee benefits and director fees (in wages and consulting) | -                                 | 111,872          |
| Short-term employee benefits (in direct wages)                           | -                                 | 27,620           |
| <b>Total</b>   | <b>1,524,437</b>                  | <b>1,207,201</b> |

**SEGMENTED INFORMATION**

The Company's principal business locations and operations are in British Columbia, Canada. The Company has two reporting segments: sale of microproduct 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.

| <b>As at June 30, 2018</b>                     | <b>Product</b> | <b>Fibre optic installation</b> | <b>Corporate</b> | <b>Total</b> |
|--|----------------|---------------------------------|------------------|--------------|
| Total assets                                   | 1,316,795      | 9,291,648                       | 7,084,635        | 17,693,079   |
| Total liabilities                              | 494,666        | 2,448,170                       | 768              | 2,943,604    |
| <b>As at September 30, 2017</b>                | <b>Product</b> | <b>Fibre optic installation</b> | <b>Corporate</b> | <b>Total</b> |
| Total assets                                   | 1,686,123      | 8,753,379                       | 13,285,007       | 23,724,509   |
| Total liabilities                              | 249,256        | 2,279,946                       | -                | 2,529,203    |
| <b>For the nine months ended June 30, 2018</b> | <b>Product</b> | <b>Fibre optic installation</b> | <b>Corporate</b> | <b>Total</b> |
| Revenue  | 552,869        | 4,679,609                       | -                | 5,232,478    |
| Net income (loss)                              | 225,936        | (2,904,065)                     | (4,750,216)      | (7,428,345)  |
| <b>For the nine months ended June 30, 2017</b> | <b>Product</b> | <b>Fibre optic installation</b> | <b>Corporate</b> | <b>Total</b> |
| Revenue  | 1,167,135      | 4,351,616                       | -                | 5,518,751    |
| Net income (loss)                              | 511,391        | (1,124,606)                     | (3,581,640)      | (4,194,855)  |

During the nine months ended June 30, 2018, one customer accounted for approximately 57% of revenues. The revenues from this customer were generated 100% from fiber optic installations. During the nine months ended June 30, 2017, two customers accounted for approximately 50% of revenues. The revenues from these customers was approximately 28% sale of product and 72% fiber optic installations. The loss in the Fibre optic installations was mainly due to the ramp up in activities for the Gigaclear project.

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

|                | <b>Nine months ended June 30,</b> |                  |
|----------------|-----------------------------------|------------------|
|                | <b>2018</b>                       | <b>2017</b>      |
|                | <b>\$</b>                         | <b>\$</b>        |
| Canada         | 1,475,360                         | 2,350,038        |
| United States  | 164,675                           | 669,302          |
| Other          | 230,229                           | 309,729          |
| United Kingdom | 3,380,816                         | 2,189,682        |
|                | <b>5,232,478</b>                  | <b>5,518,751</b> |

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

|                | <b>June 30, 2018</b> | <b>September 30, 2017</b> |
|----------------|----------------------|---------------------------|
|                | <b>\$</b>            | <b>\$</b>                 |
| Canada         | 1,597,558            | 1,762,979                 |
| United Kingdom | 3,840,381            | 2,584,634                 |
|                | <b>5,437,939</b>     | <b>4,347,613</b>          |

## **PROPOSED TRANSACTIONS**

The Company has no proposed transactions.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the audited 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 audited 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 holdbacks receivable, impairment of goodwill, revenues recognized based on percentage of completion, property, plant and equipment impairment and amortization.

## **SIGNIFICANT ACCOUNTING POLICIES**

The Company follows the accounting policies described in Note 3 of the Company's September 30, 2017 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, 2017 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:

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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.

|                           | <b>June 30, 2018</b>  |                |                |                |
|---------------------------|-----------------------|----------------|----------------|----------------|
|                           | <b>Carrying value</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|                           | <b>\$</b>             | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      |
| Cash and cash equivalents | 8,429,750             | 8,429,750      | -              | -              |

  

|                           | <b>September 30, 2017</b> |                |                |                |
|---------------------------|---------------------------|----------------|----------------|----------------|
|                           | <b>Carrying value</b>     | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|                           | <b>\$</b>                 | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      |
| Cash and cash equivalents | 14,338,088                | 14,338,088     | -              | -              |

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.

**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. A total of \$1,755,968 accounts receivable was reported as at June 30, 2018 and the amount of \$948,000 was due from five large customers. During the quarter ended June 30, 2018, the Company accrued a provision for \$215,799 that is aged greater than one year, however the Company is still pursuing to collect. Credit risk on the remaining receivables is considered low, as the majority of these receivables are due from customers that have no history of collection issues. Management believes the risk of loss is negligible given a positive, consistent collection history with its customers.

As at June 30, 2018, the Company has unbilled revenue of £279,551 (approximately \$484,000 CAD) under dispute with a customer. This balance has not been impaired as management firmly believes that all work was performed appropriately to code and that the Company has the right to collect all funds owing. The Company is vigorously pursuing collection of this balance.

**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.

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(a) Currency risk

The Company purchases and sells inventory primarily in US dollars and thus foreign exchange risk exposure is minimal. For the three months ended June 30, 2018, for every 10% fluctuation in the exchange rate between the UK pound and the Canadian dollar, the Company's income (loss) would have been approximately \$24,000 higher or lower.

The Company had the following financial instruments in US dollars, converted to Canadian dollars:

|  | <b>June 30, 2018</b> | <b>September 30, 2017</b> |
|--|----------------------|---------------------------|
|  | <b>\$</b>            | <b>\$</b>                 |
| Cash and cash equivalents                | 263,211              | 403,171                   |
| Accounts receivables                     | 282,093              | 390,131                   |
| Accounts payable and accrued liabilities | (148,314)            | (111,307)                 |

The Company had the following financial instruments in UK pounds, converted to Canadian dollars:

|  | <b>June 30, 2018</b> | <b>September 30, 2017</b> |
|--|----------------------|---------------------------|
|  | <b>\$</b>            | <b>\$</b>                 |
| Cash and cash equivalents                | 286,268              | 6,662,586                 |
| Accounts receivables                     | 789,095              | 541,024                   |
| Accounts payable and accrued liabilities | (1,241,288)          | (780,447)                 |

(a) 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, 2018, the Company had 43,569,832 common shares (September 30, 2017: 38,629,049) 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").

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.

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During the nine months ended June 30, 2018, no warrants were exercised (2017: 221,460 warrants were exercised for proceeds of \$55,365).

During the nine months ended June 30, 2018, 195,000 options were exercised for proceeds of \$91,750 (2017: 276,709 options were exercised for proceeds of \$264,150).

During the nine months ended June 30, 2018, the Company recognized a share-based compensation expense of \$1,017,791 (2017: \$1,179,274) on the grant and vesting of stock options.

The following is a summary of changes in options from October 1, 2017 to June 30, 2018:

| Grant date                      | Expiry date | Exercise price (\$) | Opening balance  | Granted        | Exercised        | Cancelled        | Closing balance  | Vested and exercisable | Unvested         |
|---------------------------------|-------------|---------------------|------------------|----------------|------------------|------------------|------------------|------------------------|------------------|
| 01/06/2015                      | 31/05/2020  | 0.25                | 1,325,000        | -              | (150,000)        | -                | 1,175,000        | 1,175,000              | -                |
| 23/06/2015                      | 22/06/2017  | 1.28                | -                | -              | -                | -                | -                | -                      | -                |
| 17/08/2015                      | 17/08/2020  | 1.25                | 50,000           | -              | (20,000)         | -                | 30,000           | 30,000                 | -                |
| 05/02/2016                      | 05/02/2019  | 1.17                | 68,291           | -              | -                | (18,291)         | 50,000           | 50,000                 | -                |
| 05/02/2016                      | 05/02/2021  | 1.17                | 400,000          | -              | -                | (10,000)         | 390,000          | 390,000                | -                |
| 29/03/2016                      | 29/03/2021  | 1.42                | 200,000          | -              | -                | (20,000)         | 180,000          | 180,000                | -                |
| 29/06/2016                      | 29/06/2021  | 1.61                | 55,000           | -              | -                | (55,000)         | -                | -                      | -                |
| 17/08/2016                      | 17/08/2021  | 1.17                | 50,000           | -              | (25,000)         | (25,000)         | -                | -                      | -                |
| 24/02/2017                      | 24/02/2020  | 2.00                | 100,000          | -              | -                | (20,000)         | 80,000           | -                      | 80,000           |
| 31/03/2017                      | 31/03/2020  | 3.72                | 201,000          | -              | -                | (85,000)         | 116,000          | 58,000                 | 58,000           |
| 31/03/2017                      | 31/03/2021  | 3.72                | 125,000          | -              | -                | -                | 125,000          | 41,667                 | 83,333           |
| 31/03/2017                      | 31/03/2022  | 3.72                | 320,000          | -              | -                | (80,000)         | 240,000          | 240,000                | -                |
| 17/06/2017                      | 17/06/2022  | 2.50                | 450,000          | -              | -                | -                | 450,000          | 225,000                | 225,000          |
| 01/09/2017                      | 01/09/2020  | 1.83                | 20,000           | -              | -                | (20,000)         | -                | -                      | -                |
| 07/09/2017                      | 07/09/2020  | 1.82                | 25,000           | -              | -                | (25,000)         | -                | -                      | -                |
| 23/01/2018                      | 23/01/2021  | 1.06                | -                | 50,000         | -                | (20,000)         | 30,000           | -                      | 30,000           |
| 01/03/2018                      | 01/03/2021  | 1.15                | -                | 500,000        | -                | -                | 500,000          | 166,667                | 333,333          |
| 13/03/2018                      | 31/03/2018  | 1.15                | -                | 175,000        | -                | -                | 175,000          | 58,333                 | 116,667          |
| 07/05/2018                      | 07/05/2023  | 1.15                | -                | 100,000        | -                | -                | 100,000          | -                      | 100,000          |
|                                 |             |                     | <b>3,389,291</b> | <b>825,000</b> | <b>(195,000)</b> | <b>(378,291)</b> | <b>3,641,000</b> | <b>2,614,667</b>       | <b>1,026,333</b> |
| Weighted average exercise price |             |                     | \$1.53           | -              | \$0.47           |                  | \$1.37           | \$1.00                 | \$1.75           |

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

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No warrant activity incurred from October 1, 2017 to June 30, 2018 and total of 545,400 was outstanding as at June 30, 2018 as follows:

| Grant date                      | Expiry date | Exercise price (\$) | Opening balance | Granted | Exercised | Expired | Closing balance |
|---------------------------------|-------------|---------------------|-----------------|---------|-----------|---------|-----------------|
| 3/28/2017                       | 3/28/2019   | 2.25                | 545,400         |         | -         | -       | 545,400         |
| Weighted average exercise price |             |                     | \$2.25          |         |           | -       | \$2.25          |

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 |
|---------------------------------|-------------|---------------------|-----------------|---------|-----------|---------|-----------------|
| 26/05/2015                      | 26/05/2017  | 0.25                | 221,460         | -       | (221,460) | -       | -               |
| 28/03/2017                      | 28/03/2019  | 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          |

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.

**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

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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.

*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

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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 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](http://www.sedar.com) or on the Company's website [www.liteaccess.com](http://www.liteaccess.com).

*"Carlo Shimon"*

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Carlo Shimon, CEO  
Vancouver, Canada  
August 29, 2018