



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2020 AND 2019

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102 “Continuous Disclosure Obligations”, Part 4, Subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor, Crowe MacKay LLP, has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

August 27, 2020

LITE ACCESS TECHNOLOGIES INC.
Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2020 and September 30, 2019
(Unaudited - in Canadian dollars)

		June 30 2020 \$	September 30 2019 \$
Assets			
Current			
Cash and cash equivalents	6	2,563,852	1,216,735
Amounts receivable		1,942,943	1,998,756
Holdbacks receivable		376,970	71,721
Prepaid expenses and deposits		287,369	88,373
Contract assets	8	583,326	217,250
Inventory	4	1,066,090	224,349
		<u>6,820,552</u>	<u>3,817,184</u>
Long-Term			
Property, plant and equipment	5	4,983,308	4,909,229
Total Assets		<u>11,803,860</u>	<u>8,726,413</u>
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities		3,984,005	1,367,222
Current portion of long-term debt	6	36,005	70,294
Current portion of lease liabilities	7	337,612	225,855
		<u>4,357,622</u>	<u>1,663,371</u>
Long-Term Liabilities			
Long-term debt	6	51,415	79,669
Lease liabilities	7	242,989	77,541
Total Liabilities		<u>4,652,026</u>	<u>1,820,581</u>
Shareholders' Equity			
Share capital	9	29,418,032	27,570,246
Reserves	9	7,048,812	4,772,717
Accumulated other comprehensive income (loss)		52,871	(70,322)
Deficit		(29,367,881)	(25,366,809)
Total Shareholders' Equity		<u>7,151,834</u>	<u>6,905,832</u>
Total Liabilities and Shareholders' Equity		<u>11,803,860</u>	<u>8,726,413</u>

Approved by the Board of Directors:

"Greg Smith"

Greg Smith, Director

"David Toyoda"

David Toyoda, Director

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

LITE ACCESS TECHNOLOGIES INC.
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
For the Three and Nine Months Ended June 30, 2020 and 2019

(Unaudited - in Canadian dollars)

	Notes	Three Months Ended June 30, 2020 \$	Three Months Ended June 30, 2019 \$	Nine Months Ended June 30, 2020 \$	Nine Months Ended June 30, 2019 \$
Revenue	8	6,428,504	1,377,726	9,574,550	11,008,292
Cost of Sales					
Purchases and subcontractor costs		2,692,902	587,735	4,027,115	4,006,979
Direct wages		1,827,967	849,503	2,838,850	3,436,589
Vehicle and travel		181,318	119,676	482,925	421,803
Amortization	5	154,708	166,321	450,805	447,417
Freight		40,484	25,590	129,285	53,907
Rentals		375,061	45,539	513,046	312,524
		5,272,440	1,794,364	8,442,026	8,679,219
Gross Margin		1,156,064	(416,638)	1,132,524	2,329,073
Operating Expenses					
Advertising and promotions		286	3,273	2,252	7,107
Amortization	5	131,045	132,212	367,796	287,235
Insurance		60,358	37,479	170,029	100,916
Listing and filing fees		4,901	2,026	39,747	14,689
Office and supplies		128,545	83,086	340,299	289,107
Professional fees		287,007	47,821	679,895	145,756
Rental		144,192	85,859	267,231	253,110
Repairs and maintenance		88,034	31,325	134,618	108,542
Share-based payments	10	151,135	76,325	512,631	385,760
Training		6,902	7,059	12,506	12,444
Travel and trade shows		108,067	148,568	348,224	540,546
Wages and consulting	11	938,540	1,003,135	2,304,783	2,974,973
		2,049,012	1,548,362	5,180,011	4,941,607
(Loss) from Operations		(892,948)	(1,965,000)	(4,047,487)	(2,612,534)
Other Income (Expenses)					
Interest income		3,136	10,891	4,502	26,549
Interest expense		(7,741)	(6,014)	(36,778)	(27,105)
(Loss) gain on disposal of fixed assets		(44,598)	-	70,313	160
Foreign exchange (loss) gain		(716)	5,692	8,378	10,157
Net (Loss)		(942,867)	(1,954,431)	(4,001,072)	(2,602,773)
(Loss) gain on translation to presentation currency		(188,397)	(280,933)	123,193	(241,046)
Comprehensive (Loss)		(1,131,264)	(2,235,364)	(3,877,879)	(2,843,819)
(Loss) per Common Share		(0.02)	(0.04)	(0.09)	(0.06)
Weighted Average Number of Shares Outstanding		51,069,332	43,569,832	47,041,723	43,569,832

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

LITE ACCESS TECHNOLOGIES INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the Three and Nine Months Ended June 30, 2020 and 2019

(Unaudited - in Canadian dollars)

	Number of shares	Share capital \$	Option reserve \$	Warrant reserve \$	Accumulated other comprehensive income or loss \$	Deficit \$	Total \$
Balance at September 30, 2019	43,569,832	27,570,246	3,540,113	1,232,604	(70,322)	(25,366,809)	6,905,832
Shares issued per private placement	7,010,000	3,505,000	-	-	-	-	3,505,000
Share issue costs paid	-	(178,150)	-	-	-	-	(178,150)
Fair value for warrants issued	-	(1,763,464)	-	1,763,464	-	-	-
Exercise of stock options	1,133,333	284,400	-	-	-	-	284,400
Share-based payments	-	-	512,631	-	-	-	512,631
Private placement	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	(4,001,072)	(4,001,072)
Income (loss) arises from the translation	-	-	-	-	123,193	-	123,193
Balance at June 30, 2020	51,713,165	29,418,032	4,052,744	2,996,068	52,871	(29,367,881)	7,151,834
Balance at September 30, 2018	43,569,832	27,570,246	3,219,847	1,232,604	108,990	(20,105,231)	12,026,456
Share-based payments	-	-	385,760	-	-	-	385,760
Loss for the year	-	-	-	-	-	(2,602,773)	(2,602,773)
Income (loss) arises from the translation	-	-	-	-	(241,046)	-	(241,046)
Balance at June 30, 2019	43,569,832	27,570,246	3,605,607	1,232,604	(132,056)	(22,708,004)	9,568,397

Accumulated other comprehensive income (loss) arises from the translation of Lite Access Technologies (UK) Limited's operations from its functional to presentation currency.

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

LITE ACCESS TECHNOLOGIES INC.
Condensed Interim Consolidated Statements of Cash Flows
For the Three and Nine Months Ended June 30, 2020 and 2019
(Unaudited - in Canadian dollars)

	Notes	Three Months Ended June 30, 2020 \$	Three Months Ended June 30, 2019 \$	Nine Months Ended June 30, 2020 \$	Nine Months Ended June 30, 2019 \$
Cash Flows Used by Operating Activities					
Net loss for the period		(942,867)	(1,954,431)	(4,001,072)	(2,602,773)
Foreign exchange (gain) loss		716	379,342	(250,205)	374,877
Share-based payments	10	151,135	76,325	512,631	385,760
Amortization	5	285,753	298,533	818,601	734,652
Amounts receivable impairment		-	(109,806)	-	(178,578)
Gain on disposal of property, plant and equipment		5,380	-	(70,313)	(160)
Amounts receivable		(731,929)	1,053,207	55,813	722,359
Holdbacks receivable		(209,570)	-	(305,249)	-
Prepaid expenses and deposits		(142,785)	(92,772)	(198,996)	(168,387)
Contract assets		527,164	644,884	(366,076)	76,886
Inventory		(646,906)	74,659	(841,741)	15,453
Income taxes recoverable/payable		-	165,010	-	165,010
Accounts payable and accrued liabilities		1,573,515	(262,514)	2,616,784	(1,354,815)
Contract liabilities		-	-	-	(31,696)
Total Cash Flows Used by Operating Activities		(130,392)	272,440	(2,029,823)	(1,861,412)
Cash Flows Used by Investing Activities					
Proceeds from disposal of property, plant and equipment		-	-	108,806	-
Purchase of property, plant and equipment		(116,094)	(235,989)	(154,945)	(496,622)
Total Cash Flows Used by Investing Activities		(116,094)	(235,989)	(46,139)	(496,622)
Cash Flows Provided by Financing Activities					
Long-term debt repayments		(8,873)	(37,405)	(62,543)	(116,047)
Lease repayments		(73,719)	(93,619)	(257,196)	(229,385)
Private placement		-	-	3,505,000	-
Share issuance costs		-	-	(178,150)	-
Exercise of stock options		162,025	-	284,400	-
Total Cash Flows Provided by Financing Activities		79,433	(131,024)	3,291,511	(345,432)
Foreign Exchange on Cash and Cash Equivalents		(189,116)	(275,243)	131,568	(230,889)
Change in Cash and Cash Equivalents		(356,170)	(369,816)	1,347,117	(2,934,355)
Cash and Cash Equivalents, Beginning of Period		2,920,022	1,936,220	1,216,735	4,500,759
Cash and Cash Equivalents, End of Period		2,563,852	1,566,404	2,563,852	1,566,404

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

LITE ACCESS TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended June 30, 2020 and 2019

(Unaudited - in Canadian dollars)

1. NATURE OF OPERATIONS

Lite Access Technologies Inc. ("Lite Access" or the "Company") is an international manufacturer, distributor, and installer of fibre optic technology, specializing in microducts and air-blown fibre. 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.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. In preparation of these unaudited condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies disclosed in the Company's audited annual consolidated financial statements for the year ended September 30, 2019, except as noted in Note 3.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 27, 2020.

Basis of Presentation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. The notes presented in these unaudited condensed interim consolidated financial statements include in general only significant changes and transactions occurring since September 30, 2019. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2019.

3. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING STANDARDS

IFRS 16 – Leases

The Company has adopted the requirements of IFRS 16 Leases ("IFRS 16") as of October 1, 2019. IFRS 16 introduces a single lease accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company elected to apply IFRS 16 using a modified retrospective approach; therefore the comparative information has not been restated and continues to be reported under IAS 17. The detail of the new accounting policy and the impact of the policy change are described below.

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2020 and 2019**

(Unaudited - in Canadian dollars)

At inception of a contract, the Company must assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company must assess whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and if it has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset, which is included in property, plant and equipment, and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

Lease payments included in the measurement of the lease liability comprise: fixed payments; variable lease payments that depend on an index or a rate; amounts expected to be payable under any residual value guarantee, and the exercise price under any purchase option that the Company would be reasonably certain to exercise; lease payments in any optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for any early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

On the transition date of October 1, 2019, the Company recognized the right-of-use assets within property, plant and equipment and corresponding lease liabilities of \$140,045 for two operating leases with terms over 12 months. The incremental borrowing rate for the lease liability recognized as of October 1, 2019 was 4.61%. During the nine months ended June 30, 2020, the Company entered into three office leases in the UK and recorded a right-of-use asset of \$394,356 within property, plant and equipment and a corresponding lease liability.

4. INVENTORY

	June 30, 2020	September 30, 2019
	\$	\$
Opening inventory	224,349	691,503
Purchases	2,445,686	2,828,787
Cost of goods sold	(1,603,945)	(3,295,941)
Closing inventory	1,066,090	224,349

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2020 and 2019**

(Unaudited - in Canadian dollars)

5. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures	Computer equipment	Equipment	Automotive equipment	Leasehold improvement	Right-of-Use Assets (Note 3)	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
At September 30, 2019	22,748	58,751	4,954,082	2,024,170	12,722	-	7,072,473
Additions	13,161	47,617	194,919	-	-	534,401	790,099
Disposals	-	-	(106,930)	(23,006)	-	-	(129,936)
Effects of foreign exchange on translation to presentation currency	-	1,256	70,524	176,074	-	-	247,853
At June 30, 2020	35,909	107,624	5,112,595	2,177,238	12,722	534,401	7,980,489
Accumulated amortization							
At September 30, 2019	18,932	27,561	1,116,583	989,566	10,602	-	2,163,244
Amortization	3,416	7,424	393,098	342,330	2,120	70,213	818,601
Disposals	-	-	(32,079)	(11,886)	-	-	(43,966)
Effects of foreign exchange on translation to presentation currency	-	383	7,946	50,972	-	-	59,300
At June 30, 2020	22,348	35,368	1,485,548	1,370,982	12,722	70,213	2,997,181
Net book value, June 30, 2020	13,561	72,256	3,627,047	806,256	-	464,188	4,983,308
Net book value, September 30, 2019	3,816	31,190	3,837,498	1,034,605	2,120	-	4,909,229

6. LONG-TERM DEBT

	June 30, 2020	September 30, 2019
	\$	\$
Long-term debt	87,420	149,963
Less current portion	(36,005)	(70,294)
Long-term portion	51,415	79,669

In January 2020, in addition to the Company's \$500,000 revolving demand credit facility at RBC prime plus 2.60%, RBC approved an additional \$1,650,000 revolving credit facility at RBC's prime plus 0.66%, with the first and second credit facilities not to exceed \$1,900,000. The first facility is repayable on demand and the second facility is repayable on June 30, 2021. As a condition to RBC granting the credit facility, the Company entered into a corporate guarantee and a general security agreement granting a first priority general security interest in all personal property of the Company, and a cash collateral agreement in the amount of \$200,000.

7. LEASE LIABILITIES

	June 30, 2020	September 30, 2019
	\$	\$
Lease liabilities	580,601	303,397
Less current portion	(337,612)	(225,855)
Long-term portion	242,989	77,541

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2020 and 2019**

(Unaudited - in Canadian dollars)

The Company entered finance leases which provide the Company with the option to purchase the equipment at a beneficial price. The average interest rate at June 30, 2020 is 1.83% (September 30, 2019: 1.01%). On October 1, 2019, the Company adopted IFRS 16 Leases (Note 3) and recognized right-of-use assets and corresponding lease liabilities of \$140,045 at the transition date. The incremental borrowing rate for the lease liability recognized as of October 1, 2019 was 4.61%. During the nine months ended June 30, 2020, the Company entered into three office leases in the UK and recorded a right-of-use asset of \$394,356 within property, plant and equipment and a corresponding lease liability.

8. REVENUE**Disaggregation of revenue**

The Company disaggregates revenue from contracts with customers by contract type, as this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The following is a summary of total revenue by contract type for the nine months ended June 30, 2020 and 2019:

	Nine Months Ended June 30, 2020	Nine Months Ended June 30, 2019
	\$	\$
Product sales	44,299	1,799,649
Installation service - fixed price	9,383,794	8,736,303
Installation service - cost plus	146,457	472,340
	9,574,550	11,008,292

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2020 and 2019**

(Unaudited - in Canadian dollars)

Contract assets and liabilities

The following is a summary of changes in contract assets and liabilities:

	June 30, 2020		September 30, 2019	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
	\$	\$	\$	\$
Balance, beginning of the period	217,250	-	1,916,631	(31,696)
Revenue recognized that were included in the contract liabilities at the beginning of the year		-		31,696
Transfer from contract assets at the beginning of the year to accounts receivable	(217,250)	-	(1,916,631)	-
Customer advance or invoice prior to delivering goods or services during the year	-	-	-	-
Net additions to contract assets/liabilities during the year	583,326	-	217,250	-
Balance, end of period	583,326	-	217,250	-

The Company's contract assets and liabilities settled within one year.

9. SHARE CAPITAL

The Company is authorized to issue unlimited common shares without par value and unlimited preferred shares without par value.

During the quarter ended March 31, 2020, the Company closed a non-brokered private placement, in two tranches by issuing 7,010,000 units ("Units") at a price of \$0.50 per Unit for gross proceeds \$3,505,000 (the "Financing"). Each Unit consists of one common share of the Company and one share purchase warrant (each a "Warrant"), with each Warrant entitling the holder to purchase one additional common share for a period of three years from the date of the issue at an exercise price of \$0.65 per share. The Company has the right to accelerate the expiry date of the Warrants if, at any time, the volume weighted average price of the Company's common shares is equal to or greater than \$0.85 for 20 consecutive trading days. The Company paid finders fees totalling \$178,150 and issued a total of 350,700 broker warrants. The Company confirmed that the acceleration event has occurred as of August 20, 2020. Accordingly, the Company has chosen to accelerate the expiry date of the warrants to September 11, 2020. Approximately 7 million warrants are outstanding and are subject to acceleration. If all warrants are exercised, the Company will receive proceeds of approximately \$4.6 million, which will be used to support significant growth in the United Kingdom.

As at June 30, 2020, the Company had 51,713,165 common shares (September 30, 2019: 43,569,832) issued and outstanding.

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2020 and 2019**

(Unaudited - in Canadian dollars)

Warrants

As at June 30, 2020, a total of 7,385,700 warrants with an exercise price of \$0.65 and expiry date of February 28, 2023 were outstanding. The Company confirmed that the acceleration event has occurred as of August 20, 2020. Accordingly, the Company has chosen to accelerate the expiry date of the warrants to September 11, 2020. As of August 27, 2020, 735,800 were exercised and 6,649,900 remain outstanding.

10. SHARE-BASED PAYMENTS

The Company has an Incentive Stock Option Plan (“the Plan”) under which non-transferable options to purchase common shares of the Company may be granted to Directors, officers, employees or consultants of the Company.

The Company has adopted a rolling 10% stock option plan (the “Stock Option Plan”). The exercise price of option grants will be determined by the Board of Directors and will not be less than the closing market price of the Common Shares on the stock exchange less allowable discounts at the time of grant. All options granted under the Stock Option Plan will expire no later than the date that is ten years from the date that such options are granted.

On October 11, 2019, the TSX Venture Exchange approved the Company’s request to reprice 230,000 stock options to \$0.30. These options were issued in prior years which are exercisable up to April 27, 2024.

On November 19, 2019, the Company granted a total of 1,350,000 stock options to its directors, officers and employees in accordance with the Company’s stock option plan. The stock options have exercise price of \$0.30 and will expire on November 19, 2024.

On June 2, 2020, the Company granted a total of 2,125,000 stock options to its directors, officers and employees in accordance with the Company’s stock option plan. The stock options have exercise price of \$0.82 and will expire on June 2, 2025.

During the nine months ended June 30, 2020, the Company recognized a share-based compensation expense of \$512,631 (2019: \$385,760). The Company used the Black-Scholes option pricing model with the following weighted average assumptions:

	June 30, 2020		June 30, 2019	
Share price on date of grant	\$	0.61	\$	0.44
Exercise price	\$	0.62	\$	0.81
Expected life in years		5		4
Annualized volatility - Based on historical share price of similar companies		100%		100%
Expected dividends		0%		0%
Risk-free interest rate		0.92%		1.86%
Grant date fair value	\$	0.45	\$	0.29

LITE ACCESS TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended June 30, 2020 and 2019

(Unaudited - in Canadian dollars)

The following is a summary of changes in options from October 1, 2019 to June 30, 2020:

Grant date	Expiry date	Exercise price (\$)	Opening balance	Granted	Exercised	Cancelled or Forfeited	Price Modified	Closing balance	Vested and exercisable	Unvested
2015-06-01	2020-06-01	0.25	1,175,000	-	(1,100,000)	(75,000)	-	-	-	-
2015-06-23	2017-06-23	1.28	-	-	-	-	-	-	-	-
2015-08-17	2020-08-17	1.25	30,000	-	-	-	(30,000)	-	-	-
2015-08-17	2020-08-17	0.30	-	-	-	-	30,000	30,000	30,000	-
2016-02-05	2019-02-05	1.17	-	-	-	-	-	-	-	-
2016-02-05	2021-02-05	1.17	-	-	-	-	-	-	-	-
2016-03-29	2021-03-29	1.42	-	-	-	-	-	-	-	-
2016-06-29	2021-06-29	1.61	-	-	-	-	-	-	-	-
2016-08-17	2021-08-17	1.17	25,000	-	-	(25,000)	-	-	-	-
2017-02-24	2020-02-24	2.00	20,000	-	-	(20,000)	-	-	-	-
2017-02-24	2020-02-24	1.15	20,000	-	-	(20,000)	-	-	-	-
2017-03-31	2020-03-31	3.72	5,000	-	-	(5,000)	-	-	-	-
2017-03-31	2020-03-31	1.15	58,000	-	-	(48,000)	(10,000)	-	-	-
2017-03-31	2021-03-31	3.72	-	-	-	-	-	-	-	-
2017-03-31	2020-03-31	0.30	-	-	-	(10,000)	10,000	-	-	-
2017-03-31	2020-03-31	1.15	70,000	-	-	(27,000)	(43,000)	-	-	-
2017-03-31	2020-03-31	0.30	-	-	-	(43,000)	43,000	-	-	-
2017-03-31	2022-03-31	3.72	160,000	-	-	-	-	160,000	160,000	-
2017-03-31	2022-03-31	1.15	-	-	-	-	-	-	-	-
2017-06-17	2022-06-17	2.50	450,000	-	-	-	-	450,000	450,000	-
2017-09-01	2020-09-01	1.83	-	-	-	-	-	-	-	-
2017-09-07	2020-09-07	1.82	-	-	-	-	-	-	-	-
2018-01-23	2021-01-23	1.06	30,000	-	-	-	(30,000)	-	-	-
2018-01-23	2021-01-23	0.30	-	-	-	-	30,000	30,000	30,000	-
2018-03-01	2021-03-01	1.15	500,000	-	-	-	-	500,000	500,000	-
2018-03-13	2021-03-13	1.15	175,000	-	-	(175,000)	-	-	-	-
2018-07-05	2023-07-05	1.15	15,000	-	-	-	(15,000)	-	-	-
2018-07-05	2023-07-05	0.30	-	-	-	-	15,000	15,000	7,500	7,500
2018-10-17	2023-10-17	1.15	77,000	-	-	-	(47,000)	30,000	20,000	10,000
2018-10-17	2023-10-17	0.30	-	-	(33,333)	-	47,000	13,667	9,111	4,556
2019-04-26	2024-04-26	1.15	10,000	-	-	-	(10,000)	-	-	-
2019-04-26	2024-04-26	0.30	-	-	-	-	10,000	10,000	3,333	6,667
2019-07-29	2024-07-29	0.30	315,000	-	-	-	-	315,000	215,000	100,000
2019-11-19	2024-11-19	0.30	-	1,350,000	-	-	-	1,350,000	1,350,000	-
2020-06-02	2025-06-02	0.82	-	2,125,000	-	-	-	2,125,000	-	2,125,000
			3,135,000	3,475,000	(1,133,333)	(448,000)	-	5,028,667	2,774,945	2,253,722
Weighted average exercise price			\$1.06	\$0.62	\$0.00	\$0.97		\$0.92	\$1.01	\$0.79

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2020 and 2019**

(Unaudited - in Canadian dollars)

The following is a summary of changes in options from October 1, 2018 to June 30, 2019:

Grant date	Expiry date	Exercise price (\$)	Opening balance	Granted	Exercised	Cancelled or Forfeited	Closing balance	Vested and exercisable	Unvested
2015-06-01	2020-06-01	0.25	1,175,000	-	-	-	1,175,000	1,175,000	-
2015-08-17	2020-08-17	1.25	30,000	-	-	-	30,000	30,000	-
2016-02-05	2019-02-05	1.17	40,000	-	-	(40,000)	-	-	-
2016-08-17	2021-08-17	1.17	25,000	-	-	-	25,000	25,000	-
2017-02-24	2020-02-24	2.00	20,000	-	-	-	20,000	20,000	-
2017-02-24	2020-02-24	1.15	20,000	-	-	-	20,000	20,000	-
2017-03-31	2020-03-31	3.72	5,000	-	-	-	5,000	5,000	-
2017-03-31	2020-03-31	1.15	123,000	-	-	(67,000)	56,000	56,000	-
2017-03-31	2020-03-31	1.15	72,000	-	-	-	72,000	48,000	24,000
2017-03-31	2022-03-31	3.72	160,000	-	-	-	160,000	160,000	-
2017-06-17	2022-06-17	2.50	450,000	-	-	-	450,000	225,000	225,000
2018-01-23	2021-01-23	1.06	30,000	-	-	-	30,000	15,000	15,000
2018-03-01	2021-03-01	1.15	500,000	-	-	-	500,000	325,000	175,000
2018-03-13	2021-03-13	1.15	175,000	-	-	-	175,000	175,000	-
2018-05-07	2023-05-07	1.15	100,000	-	-	-	100,000	66,667	33,333
2018-07-05	2023-07-05	1.15	90,000	-	-	(75,000)	15,000	-	15,000
2018-10-17	2023-10-17	1.15	-	127,000	-	-	127,000	-	127,000
2019-04-26	2024-04-26	0.65	-	300,000	-	-	300,000	-	300,000
2019-04-26	2024-04-26	1.15	-	10,000	-	-	10,000	-	10,000
			3,015,000	437,000	-	(182,000)	3,270,000	2,345,667	924,333
Weighted average exercise price			\$1.15	\$0.81	\$0.00	\$1.15	\$1.10	\$1.02	\$1.31

A total of 1,133,333 stock options were exercised during the nine months ended June 30, 2020 (2019: Nil) . The weighted average life remaining of stock options as at June 30, 2020 is 3.86 years (September 30, 2019: 1.75).

11. RELATED PARTY TRANSACTIONS

During the nine months ended June 30, 2020 and 2019, the Company entered into related party transactions or held balances with the following individuals and corporations:

Carlo Shimoon	CEO and Director
Jacob Gabriel Design and Consulting Inc.	Company controlled by Carlo Shimoon, CEO and Director
Arun Gupta	Former CFO
Chui Wong	CFO
Michael Plotnikoff	Co-Founder, former CEO and Director
Michael Priest	Co-Founder, former Chief Commercial Officer and Director
David Toyoda	Director
Greg Smith	Director
Daniel Nanson	Director
Kevin Smith	Director
Steven King	Director
SACA Future Limited	Company controlled by Steven King, Director
Peter Caplan	Former Director

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

LITE ACCESS TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended June 30, 2020 and 2019

(Unaudited - in Canadian dollars)

Key Management Compensation

	Nine Months Ended June 30, 2020	Nine Months Ended June 30, 2019
	\$	\$
Short-term employee benefits and director fees (in wages and consulting)	551,280	797,420
Share-based payments	329,269	242,626
Total	880,549	1,040,046

12. SEGMENTED INFORMATION

The Company's principal business locations and operations are in British Columbia, Canada, and the 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.

As at June 30, 2020	Product	Fibre optic installation	Corporate	Total
Total assets	14,862	10,665,421	1,123,577	11,803,860
Total liabilities	71,994	4,495,806	84,226	4,652,026
As at September 30, 2019	Product	Fibre optic installation	Corporate	Total
Total assets	74,222	8,245,478	406,713	8,726,413
Total liabilities	17,208	1,803,373	-	1,820,581
For the Nine Months Ended June 30, 2020	Product	Fibre optic installation	Corporate	Total
Revenue	44,299	9,530,251	-	9,574,550
Net income (loss)	12,186	(1,975,887)	(2,037,371)	(4,001,072)
For the Nine Months Ended June 30, 2019	Product	Fibre optic installation	Corporate	Total
Revenue	1,799,649	9,208,643	-	11,008,292
Net income (loss)	359,500	(1,387,082)	(1,575,191)	(2,602,773)

The Company's revenues are allocated to geographic segments for the nine months ended June 30, 2020 and 2019 as follows:

	Nine Months Ended June 30, 2020	Nine Months Ended June 30, 2019
	\$	\$
Canada	1,620,632	4,780,720
United States	29,344	1,406,923
Other	-	27,324
United Kingdom	7,924,574	4,793,325
	9,574,550	11,008,292

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2020 and 2019**

(Unaudited - in Canadian dollars)

The Company's property, plant and equipment is allocated to geographic segments as at June 30, 2020 and 2019 follows:

	June 30, 2020	September 30, 2019
	\$	\$
Canada	1,505,593	1,719,652
United Kingdom	3,477,715	3,189,577
	4,983,308	4,909,229

13. FINANCIAL INSTRUMENTS

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).

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. There were no assets or liabilities recorded at fair value as at June 30, 2020.

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 \$1,942,943 accounts receivable was reported as at June 30, 2020 and the amount of \$335,578 are past due.

Liquidity Risk

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, 2020, the Company had working capital of \$2,462,930 (September 30, 2019: \$2,153,813). To mitigate liquidity risk, the

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2020 and 2019**

(Unaudited - in Canadian dollars)

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

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 is exposed to foreign currency fluctuation on its financial assets and liabilities. For the nine months ended June 30, 2020, for every 10% fluctuation in the exchange rate between the US dollars and UK pounds with the Canadian dollar, the Company's income (loss) would have been approximately \$42,000 and \$69,000 higher or lower respectively.

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

	June 30, 2020	September 30, 2019
	\$	\$
Cash and cash equivalents	19,293	1,735
Accounts receivables	110,190	174,144
Accounts payable and accrued liabilities	(435,172)	(18,993)

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

	June 30, 2020	September 30, 2019
	\$	\$
Cash and cash equivalents	994,628	688,550
Accounts receivables	1,461,283	714,814
Accounts payable and accrued liabilities	(2,864,858)	(379,634)

(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 and does not expect interest rate risk to have a significant impact on the Company.