



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2022 AND 2021**

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 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 29, 2022

LITE ACCESS TECHNOLOGIES INC.
Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2022 and September 30, 2021
(in Canadian dollars)

	Notes	June 30 2022 \$	September 30 2021 \$
Assets			
Current			
Cash and cash equivalents		561,361	627,778
Amounts receivable		1,505,432	1,519,029
Holdbacks receivable		193,637	20,294
Liquidation receivable	3	-	982,860
Prepaid expenses and deposits		11,765	43,850
Contract assets	9	305,120	285,800
Inventory	4	559,754	372,570
		3,137,069	3,852,181
Long-Term			
Property, plant and equipment	5	860,292	2,695,520
Total Assets		3,997,361	6,547,701
Liabilities and Shareholders' Equity (Deficiency)			
Current Liabilities			
Accounts payable and accrued liabilities		2,318,609	2,049,180
Business acquisition payable		-	322,438
Revolving credit facility	7	420,000	418,604
Current portion of long-term debt	6	17,064	50,032
Current portion of lease liabilities	8	67,893	566,556
Contract liabilities	9	-	5,910
		2,823,566	3,412,720
Long-Term Liabilities			
Long-term debt	6	80,000	89,455
Lease liabilities	8	37,038	380,740
Contingent consideration payable		-	193,245
Total Liabilities		2,940,604	4,076,160
Shareholders' Equity (Deficiency)			
Share capital	10	38,120,743	37,361,550
Reserves		5,950,307	5,671,974
Deficit		(43,014,293)	(40,561,983)
Total Shareholders' Equity (Deficiency)		1,056,757	2,471,541
Total Liabilities and Shareholders' Equity (Deficiency)		3,997,361	6,547,701

Going concern (Note 1)

Approved by the Board of Directors:

"Mike Plotnikoff"

Mike Plotnikoff, Director

"David Toyoda"

David Toyoda, Director

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

LITE ACCESS TECHNOLOGIES INC.

Condensed Interim Consolidated Statements of Operations and Comprehensive Income (Loss)

For the Three and Nine Months Ended June 30, 2022 and 2021

(in Canadian dollars)

		Three Months Ended		Nine Months Ended	
		Three Months	June 30, 2021	Nine Months	June 30, 2021
		Ended June 30,	(As reclassified	Ended June 30,	(As reclassified
		2022	Note 3)	2022	Note 3)
Note		\$	\$	\$	\$
Revenue	9	1,395,713	823,456	3,103,141	4,522,183
Cost of Revenue					
Purchases and subcontractor costs		1,219,639	527,083	2,745,712	3,469,342
Direct wages		131,731	134,989	326,384	480,143
Vehicle and travel		110,936	77,231	250,405	272,896
Amortization	5	38,686	78,439	116,059	285,068
Freight		46,747	4,968	57,813	6,408
Rentals		15,825	7,678	26,141	47,295
		<u>1,563,564</u>	<u>830,388</u>	<u>3,522,514</u>	<u>4,561,152</u>
Gross Margin		<u>(167,851)</u>	<u>(6,932)</u>	<u>(419,373)</u>	<u>(38,969)</u>
Operating Expenses					
Amortization	5	3,135	26,645	8,709	89,036
Insurance		51,379	52,291	146,587	152,418
Listing and filing fees		3,632	3,710	29,408	34,963
Office and supplies		34,587	42,034	78,756	122,555
Professional fees		81,540	31,181	210,268	241,767
Rental		3,006	8,145	65,789	62,792
Repairs and maintenance		1,546	13,153	7,850	13,540
Share-based payments	11	73,774	216,217	259,561	605,307
Travel and trade shows		12,202	3,386	43,376	6,252
Wages and consulting	12	258,002	373,419	871,704	1,063,290
		<u>522,803</u>	<u>770,181</u>	<u>1,722,008</u>	<u>2,391,920</u>
(Loss) from continuing operations		<u>(690,654)</u>	<u>(777,113)</u>	<u>(2,141,381)</u>	<u>(2,430,889)</u>
Other Income (Expenses)					
Interest income		368	510	895	3,734
Interest expense		(3,330)	(9,726)	(14,764)	(21,299)
Gain (loss) on disposal of fixed assets		-	-	(27,258)	-
Foreign exchange gain (loss)		(119)	5,164	(1,340)	(2,301)
		<u>(3,081)</u>	<u>(4,052)</u>	<u>(42,467)</u>	<u>(19,866)</u>
Loss from operation before taxes and discontinued operations		<u>(693,735)</u>	<u>(781,165)</u>	<u>(2,183,848)</u>	<u>(2,450,755)</u>
Net income (loss) from discontinued operations	3	<u>(268,462)</u>	<u>(109,507)</u>	<u>(268,462)</u>	<u>3,837,353</u>
Net comprehensive income (loss)		<u>(962,197)</u>	<u>(890,672)</u>	<u>(2,452,310)</u>	<u>1,386,598</u>
Earnings (Loss) per Common Share-Continuing operations-Basic/Diluted		(0.01)	(0.01)	(0.03)	(0.04)
Earnings (Loss) per Common Share-Discontinued operations - Basic		(0.00)	(0.00)	(0.00)	0.06
Earnings (Loss) per Common Share-Discontinued operations - Diluted		(0.00)	(0.00)	(0.00)	0.05
Weighted Average Number of Shares Outstanding - Basic		72,587,098	64,207,098	67,119,488	61,408,178
Weighted Average Number of Shares Outstanding - Diluted		72,587,098	73,557,298	67,119,488	70,758,378

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

LITE ACCESS TECHNOLOGIES INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the Three and Nine Months Ended June 30, 2022 and 2021

(in Canadian dollars)

	Number of shares	Share capital \$	Option reserve \$	Warrant reserve \$	Accumulated other comprehensive income or (loss) \$	Deficit \$	Total \$
Balance at September 30, 2021	64,232,098	37,361,550	4,394,255	1,277,719	-	(40,561,983)	2,471,541
Shares issued per private placement	8,355,000	835,500	-	-	-	-	835,500
Share issue costs paid	-	(57,535)	-	-	-	-	(57,535)
Fair value for broker warrants issued	-	(18,772)	-	18,772	-	-	-
Share-based payments	-	-	259,561	-	-	-	259,561
Income (loss) from continuing operations	-	-	-	-	-	(2,183,848)	(2,183,848)
Income (loss) from discontinued operations	-	-	-	-	-	(268,462)	(268,462)
Balance at June 30, 2022	72,587,098	38,120,743	4,653,816	1,296,491	-	(43,014,293)	1,056,757
Balance at September 30, 2020	59,176,431	36,195,815	3,863,531	1,251,438	95,692	(42,804,949)	(1,398,473)
Shares issued per private placement	5,040,000	1,260,000	-	-	-	-	1,260,000
Share issue costs paid	-	(77,136)	-	-	-	-	(77,136)
Fair value for broker warrants issued	-	(34,713)	-	34,713	-	-	-
Exercise of stock options	15,667	4,700	-	-	-	-	4,700
Fair value for options exercised	-	4,452	(4,452)	-	-	-	-
Share-based payments	-	-	389,090	-	-	-	389,090
Income (loss) from continuing operations	-	-	-	-	-	(2,450,755)	(2,450,755)
Income (loss) from discontinued operations	-	-	-	-	-	3,933,045	3,933,045
Gain (loss) on translation to presentation currency	-	-	-	-	(95,692)	-	(95,692)
Balance at June 30, 2021	64,232,098	37,353,118	4,248,169	1,286,151	-	(41,322,659)	1,564,779

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

LITE ACCESS TECHNOLOGIES INC.
Condensed Interim Consolidated Statements of Cash Flows
For the Three and Nine Months Ended June 30, 2022 and 2021
(in Canadian dollars)

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021 (As reclassified Note 3)	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021 (As reclassified Note 3)
Note	\$	\$	\$	\$
Cash Flows Used by Operating Activities				
Net loss for the year from continuing operations	(693,735)	(781,165)	(2,183,848)	(2,450,755)
Items not effecting cash				
Foreign exchange (gain)	119	(5,164)	1,340	(93,391)
Share-based payments	73,774	216,217	259,561	605,307
Amortization	41,821	105,084	124,768	374,106
Loss (gain) on disposal of property, plant and equipment	-	-	27,258	-
Changes in non-cash working capital balances				
Amounts receivable	(1,262,721)	644,595	(541,668)	510,965
Holdbacks receivable	(94,071)	(96,294)	(173,343)	(83,846)
Prepaid expenses and deposits	-	(35,620)	(8,565)	168,001
Contract assets	204,537	275,697	(19,320)	1,060,731
Inventory	(242,109)	-	(335,878)	212,270
Accounts payable and accrued liabilities	1,109,154	(253,200)	831,875	(925,206)
Revolving credit facility	420,000	-	420,000	-
Total Cash Flows Used by Operating Activities	(443,231)	70,150	(1,597,820)	(621,818)
Cash Flows Used by Investing Activities				
Proceeds from disposal of property, plant and equipment	-	-	29,845	-
Purchase of property, plant and equipment	(1,396)	-	(2,787)	-
Total Cash Flows Used by Investing Activities	(1,396)	-	27,058	-
Cash Flows Provided by Financing Activities				
Long-term debt repayments	(7,148)	(10,374)	(26,118)	(25,771)
Lease repayments	(34,291)	(46,141)	(111,728)	(112,256)
Proceeds from private placement	-	-	835,501	1,260,000
Share issuance costs	-	-	(57,535)	(77,136)
Exercise of stock options	-	-	-	4,700
Total Cash Flows Provided by Financing Activities	(41,439)	(56,515)	640,120	1,049,537
Foreign Exchange on Cash and Cash Equivalents	(5,832)	5,160	(434)	(2,301)
Net (decrease) in cash from discontinued operations	3	336,659	-	864,659
Change in Cash and Cash Equivalents	(155,239)	18,795	(66,417)	(449,053)
Cash and Cash Equivalents, Beginning of period	716,600	1,018,785	627,778	1,486,633
Cash and Cash Equivalents, End of period	561,361	1,037,580	561,361	1,037,580

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

LITE ACCESS TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended June 30, 2022 and 2021

(in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Lite Access Technologies Inc. (“Lite Access” or the “Company”) is an international manufacturer, distributor, and installer of fibre optic technology, specializing in micro ducts 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 20108 Logan Avenue, Langley, British Columbia, Canada, V3A 4L6, and its registered and records office is located at 704 – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

During the quarter ended June 30, 2022, the Company sold its non-core business, Amec Cutting and Coring Ltd (“Amec”) to its former owner Tony Curkovic pursuant to the terms of a share purchase agreement date June 9, 2022. The sale of Amec allows the Company to focus its core business of network deployment, reduce overhead expenses and strengthen the financial flexibility. The transaction was closed on June 10, 2022. As a result, the Company no longer has control over Amec and its financial results up to the date of disposal have been classified as a discontinued operation (Note 3).

The condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. This assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. As at June 30, 2022, the Company had not yet achieved consistently profitable operations, having incurred a loss of \$2,452,310 during the nine months ended June 30, 2022 and has accumulated a deficit of \$43,014,293 as at June 30, 2022. The Company’s continuing operations are dependent, ultimately, upon reaching and maintaining profitable operations. Management plans to continue to deliver into contracts and obtain new contracts and ensure the Company can generate sustainable, long-term profitability. The Company may need to raise additional funds in order to continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and profitability of its operations. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. Failure to continue as a going concern may require restatement of assets and liabilities on a liquidation basis, which could differ materially from the going concern basis. These condensed interim consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

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, 2021.

LITE ACCESS TECHNOLOGIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended June 30, 2022 and 2021
(in Canadian dollars)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (CONTINUED)

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 29, 2022.

Basis of Presentation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for those items measured at fair value or liquidation value for LAT UK as disclosed in Note 1 of the audited annual financial statements for the year ended September 30, 2021.

In addition, these unaudited interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The notes presented in these unaudited condensed interim consolidated financial statements include in general only significant changes and transactions occurring since September 30, 2021. 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, 2021.

Basis of Consolidation

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries listed below. Subsidiaries are those entities which the Company controls by having the power to govern the financial and operational policies of the entity. All intercompany transactions and balances have been eliminated.

Name	Location of incorporation	Functional currency	% Equity interest	
			2022	2021
Lite Access Technologies (Canada) Inc.	Canada	Canadian Dollar	100%	100%
Lite Access Technologies (USA) Inc	United States	U.S Dollar	100%	100%
10483737 Limited	United Kingdom	UK Pound Sterling	100%	100%
Amec Cutting and Coring Ltd	Canada	Canadian Dollar	-	100%

3. DISCONTINUED OPERATION

Discontinued UK Operation

As described in Note 1 of annual financial statements for the year ended September 30, 2021, on January 26, 2021, the UK business officially appointed FRP Advisory Trading Limited as administrators. Accordingly, the Company no longer has control over the UK business as of the date of the appointment of the administrators. As a result, LAT UK financial results have been classified as a discontinued operation. Certain prior year comparative figures have been reclassified to compare with the current year presentation. During fiscal 2021, the Company received construction equipment valued at \$85,615 (£50K) as initial distribution and the administrator estimated a total distribution of £624K to be distributed to Lite Access Canada excluding future recoveries. In first quarter of fiscal 2022, the Company received the interim distribution of \$528,000 (£300K). During the quarter ended June 30, 2022, all the liquidation

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2022 and 2021***(in Canadian dollars)***3. DISCONTINUED OPERATION (CONTINUED)**

process was completed and the company received the final distribution of \$336,659 (£217,691), which was \$117,295 (£56,309) lower than the original estimation due to the additional legal expenses. The gain (loss) from discontinued operations for the six months ended June 30, 2022 and 2021 is as follows:

	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
Revenue	\$ -	\$ 4,201,481
Cost of Sales	-	(5,518,648)
Operating expenses	-	(2,188,131)
Onerous contract provision reversal	-	3,315,147
Debt extinguishment	-	4,241,878
Revaluation of currency translation	-	(95,692)
Liquidation receivable reversal	(117,295)	-
Net income (loss)	\$ (117,295)	\$ 3,956,035

Net cash flow from the discontinued operations are as follows:

	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
Net cash provided (used) by operating activities	\$ -	\$ (874,342)
Net cash provided (used) by financing activities	-	(129)
Liquidation distribution received	864,659	-
	\$ 864,659	\$ (874,471)

Sale of Subsidiary

On June 10, 2022, the Company sold all of the shares of its wholly-owned subsidiary, Amec cutting and Coring ("Amec") to its former owner Tony Curkovic ("purchaser"). Under the share purchase agreement, the Company provided \$80,000 additional working capital to Amec and forgave intercompany indebtedness of \$180,000. In consideration of the forgoing, the purchaser forgave all amounts owed by the Company to the purchaser under the Company's original acquisition of Amec on March 5, 2021, including business acquisition payable \$322,438 and contingent consideration payable \$193,245. The net loss from discontinued operations for the six months ended June 30, 2022 and 2021 is as follows:

	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
Revenue	\$ 1,595,502	\$ 1,124,898
Cost of Sales	(1,387,886)	(836,234)
Operating expenses	(589,652)	(407,263)
Operating loss from discontinued operation	(382,036)	-
Gain on the sale of subsidiary	230,869	-
Net (loss) from discontinued operation	\$ (151,167)	\$ (118,599)

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2022 and 2021***(in Canadian dollars)***3. DISCONTINUED OPERATION (CONTINUED)**

Net cash flow from the discontinued operations are as follows:

	Nine Months Ended June, 2022		Nine Months Ended June 30, 2021	
Net cash provided (used) by operating activities	\$	(193,100)	\$	(9,209)
Net cash provided (used) by investing activities		193,100		9,209
Net cash provided (used) by financing activities		-		-
	\$	-	\$	-

Details of the sale of subsidiary is as follows:

	June 10, 2022	
Forgive all acquisition payable owed to the purchaser on March 5, 2021	\$	515,683
Carrying amount of net assets sold		(24,814)
Forgiven intercompany indebtedness		(180,000)
Additional working capital provided		(80,000)
Gain on the sale of subsidiary	\$	230,869

The carrying amounts of assets and liabilities as at the date of sale were as follows:

	June 10, 2022	
Assets		
Accounts receivable and holdback	\$	635,722
Prepaid expenses and deposits		44,501
Inventory		106,758
Property, plant and equipment		1,121,732
		1,908,713
Liabilities		
Account payable and accrued liabilities		(1,076,847)
Revolving credit facility		(314,505)
Bank loan		(12,594)
Lease liabilities		(479,953)
		(1,883,899)
Net assets	\$	24,814

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2022 and 2021***(in Canadian dollars)***3. DISCONTINUED OPERATION (CONTINUED)**

The following are the assets and liabilities that has been included in the consolidated statement of financial position of the Company as of September 30, 2021:

	September 30, 2021
Accounts receivable and holdback	\$ 661,736
Prepaid expenses and deposits	40,650
Inventory	148,688
Property, plant and equipment	1,595,677
Account payable and accrued liabilities	(828,377)
Revolving credit facility	(418,604)
Bank loan	(16,305)
Lease liabilities	(776,638)
	\$ 406,827

4. INVENTORY

	June 30, 2022	September 30, 2021
	\$	\$
Opening inventory	\$ 372,570	\$ 383,191
Purchases	643,162	1,810,254
Additions from acquisition of AMEC	-	137,558
Cost of goods sold	(349,220)	(1,890,197)
Disposals from discontinued operations	(106,758)	(68,236)
Closing inventory	\$ 559,754	\$ 372,570

Inventory is comprised of goods held for sale and work in process.

5. PROPERTY, PLANT AND EQUIPMENT

	Office Furniture and Equipment	Computer Equipment	Construction Equipment	Automotive equipment	Right-of-Use Assets	Total
	\$	\$	\$	\$	\$	\$
Cost						
At September 30, 2021	7,048	-	2,270,139	1,343,523	1,229,778	4,850,488
Additions	-	2,787	6,726	-	66,905	76,418
Disposals	-	-	(191,857)	(118,084)	(232,384)	(542,325)
Disposals from discontinued operations	(7,048)	-	(558,749)	(239,303)	(997,394)	(1,802,494)
At June 30, 2022	-	2,787	1,526,259	986,136	66,905	2,582,087
Accumulated amortization						
At September 30, 2021	823	-	785,513	1,013,525	355,107	2,154,968
Additions	939	348	124,407	51,552	319,631	496,877
Disposals	-	-	(70,172)	(56,126)	(122,990)	(249,288)
Disposals from discontinued operations	(1,762)	-	(69,843)	(65,770)	(543,387)	(680,762)
At June 30, 2022	-	348	769,905	943,181	8,361	1,721,795
Net book value June 30, 2022	-	2,439	756,354	42,955	58,544	860,292
Net book value September 30, 2021	6,225	-	1,484,626	329,998	874,671	2,695,520

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2022 and 2021***(in Canadian dollars)***6. LONG-TERM DEBT**

	June 30, 2022	September 30, 2021
	\$	\$
Long-term debt	97,065	139,487
Less current portion	(17,064)	(50,032)
Long-term portion	80,000	89,455

Long-term debt includes the vehicle loan \$17,064 and Canada Emergency Business Account (“CEBA”) loan of \$80,000. The total net book value of the equipment and automotive equipment secured by the above debt as at June 30, 2022 is \$26,925 (September 31, 2021: \$103,007). The average interest rate at June 30, 2022 is 5.32% (September 31, 2021: 5.54%).

The Company received the CEBA loan of \$80,000 during the year ended September 30, 2020. The CEBA loan is interest-free up to December 31, 2023. Starting January 1, 2024, interest at 5% per annum will accrue and there will be interest payment requirements until the loan is fully repaid by December 31, 2025.

7. CREDIT FACILITIES

The Company has a \$500,000 revolving demand credit facility at Royal Bank of Canada (“RBC”) prime + 2.60%. The amount of \$420,000 was drawn at June 30, 2022 (September 30, 2021: Nil).

Amec has a \$600,000 revolving demand credit facility at Royal Bank of Canada (“RBC”) prime + 1.94%. the credit facility was secured by a personal guarantee from Mr. Curkovic and a general security agreement granting a first priority general security interest in all personal property of Amec. The amount of \$314,505 was drawn down as at the date the Amec was sold (September 21, 2021: \$418,604).

8. LEASE LIABILITIES

	June 30, 2022	September 30, 2021
	\$	\$
Lease liabilities opening balance	947,296	507,900
Addition	66,905	1,230,655
Disposal	(63,607)	(17,774)
Disposal from discontinued operations	(479,953)	(355,574)
Payments	(407,883)	(453,100)
Interest	42,173	35,189
Lease liabilities ending balance	104,931	947,296
Less current portion	(67,893)	(566,556)
Long-term portion	37,038	380,740

During the nine months ended June 30, 2022, the Company recognized right-of-use assets \$66,905 and corresponding lease liabilities with the incremental borrowing rate of 4.61%.

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2022 and 2021***(in Canadian dollars)***8. LEASE LIABILITIES (CONTINUED)**

The following table presents a reconciliation of the Company's undiscounted cash flows at June 30, 2022 and September 30, 2021 to their present values for the Company's lease obligations

	June 30, 2022	September 30, 2021
	\$	\$
Within one year	70,949	602,271
Between one and five years	38,776	395,353
Total undiscounted lease obligations	109,725	997,624
Less: future interest charges	(4,794)	(50,328)
Total discounted lease obligations	104,931	947,296
Less: current portion	(67,893)	(566,556)
Long-term portion	37,038	380,740

9. 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, 2022 and 2021:

	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
	\$	\$
Product sales	26,511	1,242,600
Installation service - fixed price	2,734,408	2,981,604
Installation service - cost plus	342,222	297,979
	3,103,141	4,522,183

Contract assets and liabilities

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

	June 30, 2022		September 30, 2021	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
	\$	\$	\$	\$
Balance, beginning of the period	285,800	5,910	1,138,986	-
Transfer from contract assets at the beginning of the year to accounts receivable	(285,800)	(5,910)	(1,138,986)	-
Net additions to contract assets/liabilities during the year	305,120	-	285,800	5,910
Balance, end of the period	305,120	-	285,800	5,910

The Company's contract assets and liabilities are expected to be settled within one year.

LITE ACCESS TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended June 30, 2022 and 2021

(in Canadian dollars)

10. SHARE CAPITAL

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

In March 2022, the Company closed a non-brokered private placement (the “Financing”). The Financing consists of 8,355,000 units (each a “Unit”) at \$0.10 per Unit for gross proceeds of \$835,500. 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 two years from the date of the issue at an exercise price of \$0.15 per share, subject to an accelerated expiry if the volume weighted average price of the company’s share is equal to or greater than \$0.25 per share for a period of 30 consecutive trading days. Under the Financing, the Company paid finder’s fee of \$57,535 and issued a total of 574,350 warrants. All securities issued under the Financing, including securities issuable on the exercise thereof, are subject to a hold period expiring four months and one day from the date of issuance.

During the three and nine months ended June 30, 2022, no stock options was exercised. As at June 30, 2022, the Company had 72,587,098 common shares (September 30, 2021: 64,232,098) issued and outstanding.

Warrants

In March 2022, the Company issued total warrants of 8,929,350 as part of the private placement closed. Each Warrant entitles the holder to purchase one additional common share for a period of two years from the date of the issue at an exercise price of \$0.15 per share. The warrants issued are subject to an accelerated expiry if the volume weighted average price of the company’s share is equal to or greater than \$0.25 per share for a period of 30 consecutive trading days.

During the three and nine months ended June 30, 2022, no warrant was exercised. A total of 5,290,200 warrants issued in February 2021 were expired.

The following is a summary of changes in warrants from October 1, 2021 to June 30, 2022

Grant Date	Expiry Date	Exercise Price (\$)	Opening Balance	Granted	Exercised	Expired/ Forfeited/ Cancelled	Closing Balance	Vested and Exercisable	Unvested
2/25/2021	2/25/2022	0.35	5,290,200	-	-	(5,290,200)	-	-	-
3/28/2022	3/28/2024	0.15		8,929,350			8,929,350	-	8,929,350
			5,290,200	8,929,350	-	(5,290,200)	-	-	-
Weighted Average Exercise Price			0.35	\$ 0.15	\$ -	\$ 0.35	\$ 0.15	\$ -	\$ 0.15

11. RESERVES

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

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2022 and 2021***(in Canadian dollars)***11. RESERVES (CONTINUED)**

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 five years from the date that such options are granted.

During the three and nine months ended June 30, 2022, the Company recognized a share-based compensation expense of \$73,744 and \$259,561 respectively (June 30, 2021: \$216,217 and \$605,307).

The following is a summary of changes in options from October 1, 2021 to June 30, 2022:

Grant date	Expiry date	Exercise price (\$)	Opening balance	Granted	Exercised	Expired/ Cancelled/ Forfeited	Closing balance	Vested and exercisable	Unvested
2017-03-31	2022-03-31	3.72	160,000	-	-	(160,000)	-	-	-
2019-07-29	2024-07-29	0.30	315,000	-	-	(315,000)	-	-	-
2019-11-19	2024-11-19	0.30	1,000,000	-	-	(500,000)	500,000	500,000	-
2020-06-02	2025-06-02	0.82	1,425,000	-	-	(700,000)	725,000	241,667	483,333
2021-03-05	2026-03-05	0.29	500,000	-	-	(500,000)	-	-	-
2021-04-01	2026-04-01	0.30	30,000	-	-	-	30,000	30,000	-
2021-04-01	2026-04-01	0.29	430,000	-	-	(115,000)	315,000	315,000	-
2021-06-24	2026-06-24	0.22	200,000	-	-	-	200,000	200,000	-
			4,060,000	-	-	(2,290,000)	1,770,000	1,286,667	483,333
Weighted average exercise price			\$0.61	-	-	\$0.70	\$0.50	\$0.38	\$0.82

The following is a summary of changes in options from October 1, 2020 to June 30, 2021:

Grant date	Expiry date	Exercise price (\$)	Opening balance	Granted	Exercised	Cancelled or Forfeited	Closing balance	Vested and exercisable	Unvested
2017-03-31	2022-03-31	3.72	160,000	-	-	-	160,000	160,000	-
2018-01-23	2021-01-23	0.30	30,000	-	-	(30,000)	-	-	-
2018-07-05	2023-07-05	0.30	15,000	-	-	(15,000)	-	-	-
2018-10-17	2023-10-17	1.15	30,000	-	-	(30,000)	-	-	-
2018-10-17	2023-10-17	0.30	15,667	-	(15,667)	-	-	-	-
2019-07-29	2024-07-29	0.30	315,000	-	-	-	315,000	215,000	100,000
2019-11-19	2024-11-19	0.30	1,100,000	-	-	(100,000)	1,000,000	1,000,000	-
2020-06-02	2025-06-02	0.82	1,895,000	-	-	(470,000)	1,425,000	475,000	950,000
2020-07-06	2025-07-06	0.82	250,000	-	-	(250,000)	-	-	-
2020-09-21	2025-09-21	0.82	345,000	-	-	(345,000)	-	-	-
2021-03-05	2026-03-05	0.29	-	500,000	-	-	500,000	-	500,000
2021-04-01	2026-04-01	0.30	-	30,000	-	-	30,000	30,000	-
2021-04-01	2026-04-01	0.29	-	430,000	-	-	430,000	-	430,000
2021-06-24	2026-06-24	0.22	-	200,000	-	-	200,000	-	200,000
			4,155,667	1,160,000	(15,667)	(1,240,000)	4,060,000	1,880,000	2,180,000
Weighted average exercise price			\$0.75		\$0.30	\$0.77	\$0.61	\$0.72	\$0.52

No stock option was exercised during nine months ended June, 2022 (Nine month ended June 30, 2021: 15,667).

The weighted average life remaining of stock options as at June 30, 2022 is 3.06 years (September 30, 2021: 3.59).

12. RELATED PARTY TRANSACTIONS

During the three and nine months ended June 30, 2022 and 2021, the Company entered into related party transactions or held balances with the following individuals and corporations:

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2022 and 2021***(in Canadian dollars)***12. RELATED PARTY TRANSACTIONS (CONTINUED)**

Carlo Shmoon	Former CEO and Director
Jacob Gabriel Design and Consulting Inc.	Company controlled by Carlo Shmoon, former CEO and Director
Chui Wong	Former CFO
Linda Han	Interim CFO
David Toyoda	Director
Greg Smith	Former Interim CEO and Director
Michael Plotnikoff	Interim CEO and Director
Mark Tommasi	Director
Daniel Nanson	Former Director
622738 BC Ltd	Company controlled by Mark Tommasi
Kevin Smith	Former Director
John Farlinger	Former Director
Steven King	Former Director
SACA Future Limited	Company controlled by Steven King, 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.

Key Management Compensation

	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
	\$	\$	\$	\$
Short-term employee benefits and director fees (in wages and consulting)	90,086	161,384	282,232	487,877
Share-based payments	66,510	135,345	157,366	135,345
Total	156,596	296,729	439,598	623,222

13. SEGMENTED INFORMATION

The Company's principal business locations and operations are in British Columbia, Canada. The Company has three reporting segments: sale of product, fibre optic installations and concrete cutting, 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, 2022	Product	Fibre optic installation	Concrete Cutting	Corporate	Total
Total assets	21,077	3,515,432	-	460,852	3,997,361
Total liabilities	-	2,900,604	-	40,000	2,940,604
As at September 30, 2021	Product	Fibre optic installation	Concrete Cutting	Corporate	Total
Total assets	8,301	2,636,685	2,446,751	1,455,964	6,547,701
Total liabilities	17,867	1,976,369	2,039,924	42,000	4,076,160

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2022 and 2021***(in Canadian dollars)***13. SEGMENTED INFORMATION (CONTINUED)**

For the Nine Months Ended June 30, 2022	Product	Fibre optic installation	Concrete Cutting	Corporate	Total
Revenue	26,511	3,076,630	-	-	3,103,141
Net income (loss) from continuing operation	7,572	(1,335,992)	-	(855,428)	(2,183,848)

For the Nine Months Ended June 30, 2021	Product	Fibre optic installation	Concrete Cutting	Corporate	Total
Revenue	1,242,600	3,279,583	-	-	4,522,183
Net income (loss) from continuing operation	108,414	(923,038)	-	(1,636,131)	(2,450,755)

The Company's revenues are allocated to geographic segments for the nine months ended June 30, 2022 and 2021 as follows:

	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
	\$	\$
Canada	3,076,630	4,488,519
United States	26,511	33,664
	3,103,141	4,522,183

14. FINANCIAL INSTRUMENTS

The Company's financial instruments include: cash and cash equivalents, amounts receivable, holdbacks receivable, accounts payable and accrued liabilities, long-term debt and onerous contract provision. The carrying value of the financial instruments approximates their fair values. Contingent consideration payable is recognized as level 3.

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 \$1,505,432 accounts receivable was reported as at June 30, 2022 and the amount of \$451,942 are past due. Of this amount, a total of \$138,016 was past due over 90 days. The Company has an allowance of \$26,860 for the expected credit loss.

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'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, 2022, the Company had a working capital of \$313,503 (September 30, 2021: \$439,461). To mitigate liquidity risk, the 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. During the second quarter of 2022, the

14. FINANCIAL INSTRUMENTS (CONTINUED)

Company closed a private placement with total gross proceeds of \$835,500. The proceeds were used to fund the working capital needs and growth initiatives.

The Company's continuing operations are dependent, ultimately, upon reaching and maintaining profitable operations. Management plans to continue to deliver contracts and obtain new contracts and ensure the Company can generate sustainable, long-term profitability. The Company may need to raise additional funds in order to

continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and profitability of its operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Refer to Liquidity Nature of Operations and Going Concern in Note 1.

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, 2022, for every 10% fluctuation in the exchange rate between the US dollars with the Canadian dollar, the Company's income (loss) would have been approximately \$17,948 higher or lower respectively.

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

	June 30, 2022	September 30, 2021
	\$	\$
Cash and cash equivalents	118,209	26,910
Accounts receivables	21,077	39,140
Accounts payable and accrued liabilities	-	(17,867)

(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 is exposed to interest rate risk on its credit facilities which are based on floating rates of interest. During the nine months ended June 30, 2022, the Company does not expect interest rate risk to have a significant impact on the net earnings or comprehensive income.

15. SUBSEQUENT EVENTS

- (a) On July 26, 2022, the Company signed a cooperation agreement (the "Cooperation Agreement") with Ironman Direction Drilling Ltd. ("Ironman") whereby Lite Access and Ironman will jointly provide their specialized fibre installation and directional drilling services on new fibre optic network projects (the "New Projects").

LITE ACCESS TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended June 30, 2022 and 2021

(in Canadian dollars)

15. SUBSEQUENT EVENTS (CONTINUED)

Under the terms of the Cooperation Agreement, Lite Access offered Ironman a right of first refusal to provide directional drilling services on all New Projects of Lite Access. In each instance of cooperation, Lite Access and Ironman will enter into a binding service agreement that sets out the services and consideration paid to Ironman for each Lite Access New Project.

The Cooperation Agreement further provides that Ironman offered Lite Access a right of first refusal to provide its fibre installation services on all New Projects of Ironman. Similar to above, a binding service agreement will be entered into by the parties that sets out the services and consideration paid to Lite Access for each Ironman New Project.

In consideration of Ironman agreeing to enter into this Cooperation Agreement, Ironman will receive a maximum of \$400,000 over a period of up to three years through a profit sharing arrangement on Lite Access New Projects.

The term of the Cooperation Agreement is for a period of three (3) years and may be terminated by either party on thirty days' notice provided that Ironman has received the \$400,000 in payments noted above.

The Cooperation Agreement also provides that Lite Access will issue a total of 2,265,440 common shares at a deemed price of \$0.10 per share for total consideration of \$226,554 to Ironman in order to settle a historical dispute among the parties. On August 19, 2022, TSX Venture Exchange approved the shares for debt transaction and the shares will be subject to restrictions on resale for a period of four months from the date of issuance.

- (b) On July 29, 2022, the Company granted a total of 5,645,000 stock options to its directors, officers, and employees. The options were granted at a price of \$0.10 per share and are exercisable for a period of five years from the date of grant.